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ANNUAL REPORT

2020

WAN HAI LINES LTD.

WE CARRY, WE CARE.

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Basic Information of ECB

None

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WAN HAI HISTORY

1965
- FEB ▸ WAN HAI Steamship Co., Inc. was established on Feb 24th.
- AUG ▸ Bought a "LIBERTY" type bulk vessel christened "FOSMAR" and deployed between Japan and America for transporting steel.

1966
- Bought the first log vessel with 5,000 DWT from Japan christened "WAN SHOU".

1969
- MAR ▸ Ordered a log vessel M.V. CHANG CHUN from Japan and deployed to Japan / Taiwan and Southeast Asia service.
- JUN ▸ Ordered a 6,000 DWT log vessel christened "YI CHUN" which also deployed to Japan / Taiwan and Southeast Asia service.

1976
- JUL ▸ The first Full-container vessel M.V. MING CHUN was deployed to Taiwan / Japan service which initiated WAN HAI's full container liner service.

1978
- DEC ▸ WAN HAI Kaohsiung office was founded.

1982
- APR ▸ The first batch of new 20ft container 1,300 units were procured.
- JUN ▸ WAN HAI's computerization era began with installation of the HP 3000/42 system.
- OCT ▸ Act as Taiwan agent for Hoegh-Ugland Auto Liners , A/S.

1983
- MAY ▸ The first carrier to split Taiwan/Japan service into Kanto and Kansai independently.
- JUN ▸ Commenced Hong Kong service.
- AUG ▸ Established a Liaison Office in Taichung.
- AUG ▸ Act as agent for HUAL in Taiwan.

1985
- JUN ▸ M/V Fu Chun maiden call to Port of Taichung provides first liner service to Taichung.

1987
- JUL ▸ Kaohsiung berth #42 was leased as WanHai's dedicated terminal.

1988
- OCT ▸ Commenced Taiwan / Korea service.

1989
- JUN ▸ Commenced Singapore / Malaysia service.
- OCT ▸ Commenced Thailand service.

1990
- MAY ▸ Commenced Indonesia service.
- JUL ▸ Commenced Philippines service.

1991
- MAR ▸ Entered into a tonnage sharing agreement with HMM for Thailand and Southeast Asia Service.
- APR ▸ Cross-charter arrangement with MAIN GROUP for Japan / Taiwan and Taiwan / Southeast Asia service.

1992
- OCT ▸ Established WAN HAI Thailand branch office.
- ▸ Commenced Manila, Thailand and Indonesia service with YML.

1993
- MAR ▸ BUL joined Java service.
- JUN ▸ Commenced Vietnam service.
- SEP ▸ Appointed as the general agency in Taiwan of Clan S.A.
- NOV ▸ Appointed as general agent for World Logistics Service (U.S.A) Inc.

1994
- MAR ▸ Obtained the management right of the National Shipping Corporation of the Philippines.
- AUG ▸ WAN HAI's private berth in Kaohsiung shifted from Pier 42 to Pier 63.

1995
- FEB ▸ Held the 30th Anniversary Party at Taipei's Grand Hotel on Feb. 24 and awarded an honorable tablet by the President of R.O.C. Mr.Teng-Hui Lee.
- JUL ▸ Commenced Korea / Java service with HMM.
- OCT ▸ Commenced Tianjin / Busan / Hong Kong / Southeast Asia service with Tientsin Marine Shipping Company.
- ▸ The Storage yard of Pier 17 West, Port of Keelung, was leased as an exclusive container yard of WAN HAI.

1996
- APR ▸ Commenced Vietnam / Haiphong service.
- MAY ▸ WAN HAI listed on the first board to Taiwan Stock Exchange.
- JUN ▸ Commenced India service.
- DEC ▸ Dedicated Terminal at pier 31 Port of Taichung was leased.

1997
- MAR ▸ Commenced Japan / Singapore / Malaysia Super Express service with APL and HMM.
- APR ▸ Commenced the Cross Space Charter Agreement with Uniglory Marine Co.
- APR ▸ Obtained permission to run the Xiamen / Kaohsiung "Offshore Shipping Centers" business.
- AUG ▸ Commenced Taiwan / Hong Kong / Xiamen service.
- DEC ▸ WAN HAI Taichung was upgraded from liaison office to branch.

1998
- APR ▸ Commenced Middle East service with HMM.
- NOV ▸ Inaugurated Middle East II service.

1999
- JUL ▸ Commenced China / Middle East service with OOCL.
- AUG ▸ Commenced Haiphong II service.

2000
- MAY ▸ Commenced American West Coast service.

2001
- MAY ▸ Commenced China / Southeast Asia service.
- JUN ▸ Commenced China / American West Coast service.

2002
- SEP ▸ Set up India subsidiary company .

2003
- MAR ▸ Start Japan dedicated terminal at Ohi pier #5, Port of Tokyo.
- AUG ▸ Established WAN HAI Charity Foundation.

2004
- APR ▸ Commenced Far East / Europe service with PIL.
- MAY ▸ Established subsidiary company in Germany.
- JUL ▸ Ordered four 4,252 TEU vessels (PANAMAX vessel) & four 6,039 TEU vessels (POST-PANAMAX vessel) from CSBC.

2005
- FEB ▸ Implemented ISO 14001 Environmental Management System (EMS).

2006
- APR ▸ Commenced China / HK / Singapore / Port Kelang (CIX) service with EMC and Hapag-Lloyd.

2007
- FEB ▸ Commenced China / Red Sea service.
- JUN ▸ Ordered six 4,252 TEU vessels from CSBC.
- NOV ▸ Commenced China / Black Sea service.

2008
- JAN ▸ Four 4,252 TEU and 6,039 TEU vessels previously ordered from CSBC were all delivered and deployed to service.
- MAR ▸ Six 2,646 TEU vessels previously ordered from Jurong Shipyard., Singapore were all delivered and deployed to service.
- JUL ▸ Commenced the first feeder service in the Middle East.

2009
- FEB ▸ Invested and operated a new container terminal in Cai-Mep area, Vietnam with HANJIN , MOL and SNP.

2010
- FEB ▸ Commenced Asia / South America East Coast service with CCNI, HANJIN, Hapag-Lloyd and ZIM.
- MAR ▸ Commenced East Africa Joint service with EMC and Simatech Shipping.

2011
- APR ▸ Commenced new WSA service with EMC, COSCON and PIL.
- OCT ▸ Ordered four 1,871 TEU vessels from CSBC.

2012
- OCT ▸ Awarded "Most Admired Company in Taiwan" 2012 in the shipping category " by CommonWealth Magazine.

2013
- MAY ▸ Commenced Asia / South America West Coast (ASA) service with PIL, EMC and COSCON.

2014
- MAR ▸ Launched Independent Mindanao Service.
- OCT ▸ Awarded " Most Admired Company in Taiwan" 2014 in the shipping category " by CommonWealth Magazine.
- DEC ▸ Awarded OHSAS 18001 Certificate at Taichung / Kaohsiung terminal.

2015
- JAN ▸ Launched Independent Kansai / Haiphong Service II
- FEB ▸ Awarded of "Best Shipping Agent, Customer Service for Colombo - Intra Asia Sector".
- MAR ▸ Launched New Asia / Middle East Service.
- MAR ▸ Launched Independent South China / Vietnam / Malaysia Service.
- APR ▸ Operated Transpacific service from South PRC & Central PRC to the U. S. Pacific South West.

2015
- JUN ▸ Wins the Award of "Asian Freight, Logistics and Supply Chain Awards 2015".
- AUG ▸ Established subsidiary Joint Venture company in Peru.

2016
- JAN ▸ Launched China – India Service II (CI2) jointly with IAL, PIL and MOL.
- MAY ▸ Launch Japan / India Service (CHS3) jointly with MOL.
- JUN ▸ Award "Best Green Shipping Line" from 2016 AFLAS .
- ▸ Launch Mindanao / Malaysia / Belawan (MMS)Service.

2017
- FEB ▸ Again tops the "Container Shipping Line of The Year - Far East Trade Lane" Award from Gujarat Junction 2017.
- JUL ▸ Bought two 1,805 TEU vessels and were deployed in the same year.
- AUG ▸ Tops container shipping schedule reliability in Q2.
- ▸ Launched Independent Cambodia Service.

2018
- FEB ▸ Ranked No.1 in schedule reliability for the 2nd consecutive year 2016 & 2017.
- ▸ Launched Far East – Red Sea (AR1) Service.
- MAR ▸ Launched New China to Vietnam Service.
- APR ▸ Launched Japa-Korea-Haiphong (JKH) Service.
- ▸ Launched Indonesia to Singapore / Malaysia Service.
- ▸ NS 1 Service Kicks off.
- MAY ▸ Grand Opening of Wan Hai Invested Hai Phong International Container Terminal.
- SEP ▸ Awarded "Container Shipping Line of The Year India-Far East Trade Lane" for the seventh time in eight years.
- NOV ▸ Confirmed Orders For 20 New Vessels.

2019
- MAR ▸ Launched Independent Subic ExpressService (SES)
- ▸ Awarded "Container Shipping Line of The Year -Far East Trade Lane"
- APR ▸ Transpacific Service Enhancement /Launched Independent China-Philippines Express Service (CPX) / Enhance China to Vietnam and Cambodia Services Coverage (CVK)
- SEP ▸ Awarded "Hall of Fame-Container Shipping Line of the year : India-Far East Trade Lane"
- OCT ▸ Launched Korea- China- Indonesia- Vietnam "CKI" service

2020
- FEB ▸ Launched New China to Vietnam/Thailand Service (CV6).
- APR ▸ Launched New China to Thailand/Vietnam Service (CTV).
- JUN ▸ Launched Taiwan to Vietnam and Thailand Services Coverage.
- OCT ▸ Launched China – India Service VI (CI6) Service.
- ▸ Launched New South China to Indonesia/ Malaysia (KCS2) Service.
- ▸ Launched Straits – Bangladesh Express (SBX).
- NOV ▸ Enhanced China to Vietnam Services Coverage(CV8).
- ▸ Launched Pakistan – United Arab Emirates (PS2) Service.
- ▸ Launched New China to Cambodia/Thailand (CT5) Service.
- ▸ Launched China – East India V (CI5) Service.

10 must-know core values of Wan Hai branding for us & our customers

SERVICE IS OUR MISSION ; STABILITY IS OUR STRENGTH

1 **TOP THE GLOBAL LINER SCHEDULE RELIABILITY SURVEY**
Real-time quality response with service commitments

2 **SEVEN-TIME WINNER OF [CONTAINER SHIPPING LINE OF THE YEAR-FAR EAST TRADE LANE] & AWARDED [HALL OF FAME-CONTAINER SHIPPING LINE OF THE YEAR] IN 2019**
No occasional but trust-worthy is the key to win the laurel year after year

3 **FOUR-TIME WINNER OF [CONTAINER SHIPPING LINE OF THE YEAR] FROM LLOYD'S LIST MARITIME ASIA AWARD**
A well-deserved honor granted by readers of the power and prestigious maritime magazine

4 **WINNER OF [BEST SHIPPING LINE-INTRA ASIA] IN 2015 AND [BEST GREEN SHIPPING LINE] IN 2016 FROM ASIA CARGO NEWS, AFLAS**
Honored by both operational efficiency and environmentally friendly

5 **TWO-TIME WINNER OF [MOST ADMIRED COMPANY] IN MARITIME SHIPPING CATEGORY FROM COMMONWEALTH MAGAZINE**
All-round business performance recognized by local influential publication

6 **FIVE-TIME WINNER OF [GREEN FLAG] FROM PORT OF LONG BEACH, CA**
Sparing no effort to achieve environmental sustainability

7 **YOUNGER AVERAGE CONTAINER AGE(4.2 YEARS) THAN THAT OF THE INDUSTRY (6.8 YEARS) FROM DREWRY 2019**
Our specialization is made by continuous improvements

8 **WIDELY-RECOGNIZED WITH MOST COMPREHENSIVE SERVICE NETWORK IN INTRA-ASIA**
Fast, convenient and far-reaching service

9 **BALANCED FINANCIAL STRUCTURE AND STEADY OPERATING STATUS**
Rest assured delivery

10 **INTEGRITY AND PEOPLE-ORIENTED SERVICE**
We fuse traditional principles with current practices as a way to achieve better developments

I Letter to Shareholders

Dear Shareholders,

2020 had been a year of dramatic changes for both the shipping industry and the world. The changes may have far and deep influences on the transformation of consumption types, reorganization of supply chains and even the trends of international trade. At the beginning of the year, Covid-19 became endemic all over the world, and countries across the world took measures such as lockdown of cities and countries to combat the epidemic, causing a standstill of economic activities. Shipping companies all over the world cut voyages drastically to reduce losses. However when the epidemic gradually came under control and economic and trade activities gradually recovered during the second half of the year, world economy rebounded from the rock bottom, and demand for shipping recovered. Wan Hai Lines enjoyed higher revenues in 2020, but rent for vessels and containers sky rocketed, imposing pressure on controlling operation costs. Facing unprecedented economic and trade changes, Wan Hai Lines responded nimbly and steadily as usual, and thanks to the combined efforts of our management teams and our employees we showed again an outstanding operational performance and chalked up many achievements outlined as follows.

Strengthening route networks and creating record high in shipping volume.

Wan Hai Lines has long maintained a leading position in the Asian regional markets, providing more diversified and comprehensive shipping routes than our competitors. After the outbreak of the pandemic, global industries became more aware of risk management and thus reorganized supply chains and transfered cargo flows to South East Asia, India etc. In response to changes in market demands, apart from operating existing shipping routes, Wan Hai Lines also further engaged in emerging markets. In 2020 we launched many shipping routes to provide Vietnam, Indonesia, Malaysia, Singapore and Middle Eastern Region with more complete shipping service. After a standstill in global trade during the first half of 2020, demand clearly recovered during the second half. Wan Hai Lines precisely grasped this market rebound, and apart from increasing shipping routes, we also organized extra ad hoc sailings to meet the demands of our customers. With our combined performance progress in Asia, India, Middle East, North America and South America, our operational volume reached a record high. Our operational volume reached 4.51 million TEU's in 2020, 1.55% higher than in 2019, we again broke our record, and our scale of operations grew steadily.

Excellent service quality and continuous improvement

In the "Global Liner Performance Report" published by the Danish Maritime Research Institute Sea Intel, the schedule reliability of Wan Han Lines was ranked Number 1 several times, and our schedule reliability is one of the best among carriers. Furthermore, for providing better containers to our customers, in 2020 we ordered 52,000 TEU new containers, about 12% of our self-owned containers. This made the age of our containers younger, with an average of only 4.2 years, clearly superior to the 6.8 year average of our competitors as compiled by Drewry. We also rented 7,800 more energy-efficient new style reefer containers, about 36% of our total reefer containers, with an average age of 4.8 years.

With regard to transportation techniques, we further strengthen temperature control and freshness retaining techniques, to provide our customers with most quality shipping services. To grasp the growing Indian seafood shipping market, Wan Hai Lines participated in the "Indian International Seafood Bi-annual Exhibition" for the first time in 2020. Moreover, to seize business opportunities inthe harvest seasons of fruits and vegetables in South America, we adjusted our South America to Asia direct shipping routes to speed up deliveries of high quality fresh produce. Wan Hai Lines followed its motto, "Customer First" and "Sustainable Operation", and kept striving for excellence in providing shipping services of the highest standard.

Expanding Our Fleet, Saving Energy and Reducing Carbon Emission

In response to the Paris Agreement's call for reducing carbon emission, Wan Han Lines continues to invest in energy saving projects and implements fleet energy saving measures. We get the most out of our energy by optimizing our shipping plans and fuel efficiency, and reducing slip rate etc. As the 20 newbuilding vessels gradually joined our fleet, the Wan Hai Fleet became more energy efficient, environmentally friendly and was equipped with better real-time monitoring systems. Moreover, due to significant market recovery in the second half of 2020, Wan Hai Lines actively purchased second hand vessels and deployed them in new shipping routes to meet market demands. Continued expansion of our fleet enabled us to have more capacity to develop markets, to increase our competitiveness and to provide swifter and more convenient service networks to our customers.

Financial Performance

Looking back at 2020, the Covid-19 pandemic exerted great pressure on the international shipping trade, according to UNCAD's estimation, the volume of international shipping trade in 2020 was 4.1% less than in 2019. The pandemic caused disruption of supply chains and shrunk demands, and the global economy suffered a rare double whammy in both supply and demand. Fortunately, shipping demand gradually increased in the second half of 2020. Wan Hai Lines cautiously adjusted shipping route planning and arranged its vessels and containers, so even though facing high uncertainty in terms of the pandemic and the global economy, we stood in solidarity, reduced our costs, developed cargo sources, and responded flexibly to sudden changes, so our performance was excellent in 2020 and our earnings reached a new high.

Consolidated annual operating income of Wan Hai Lines was TWD 81.88 billion in 2020 for an increase of TWD 8.93 billion over 2019.Consolidated net profit after tax was TWD 11.32 billion, about TWD 7.74 billion more than in 2019. In terms of profitability, shareholders' return on equity in 2020 was 28.21%, with a net profit ratio of 13.87%, and earnings per share was TWD 5.10.

Operation Plans for 2021

According to the "World Economy Outlook" published by IMF, due to global cooperation in fighting the Covid-19 pandemic, global economic growth is estimated to be 5.2% in 2021, when compared with -2.9% in 2020, it appears that a rebound from the rock bottom will occur. In terms of the ship-

ping market, Alphaliner estimates that the 2021global throughput growth will be 3.5% and shipping space growth will be 3.7%. Although demand is estimated to recover, the shipping capacity supply has also increased, the overall trend of oversupply remains unchanged. In terms of the Covid-19 pandemic, although some countries started vaccinations, it will take some time to achieve global herd immunity, and also variant viruses will also increase uncertainty to the situation, so it is not clear when the pandemic will end. Also, the prevalence of trade protectionism, natural disasters, the bunker price fluctuations etc., make the future global economic trend difficult to predict. IMO's goal of reducing vessel greenhouse gas emission by half in 2050 (compared to the 2008 level) will also exert pressure on the shipping companies to speed up vessel upgrade and to do more research and development and increase capital expenditure.

Although there are many challenges ahead, Wan Hai Lines has always been able to make cautious evaluations and flexibly respond to market situations, and uphold the operational motto of "customer first, full participation, environmental protection and sustainable management", and strive to raise our service quality, strengthen our shipping route networks, optimize our cost control, ascertain compliance with rules and regulation, and advance our fleet management so as to reduce impact on the environment. Apart from the previous series of 20 new vessels, in 2021, Wan Hai Lines placed an order for another 17 full container vessels, which will be delivered in the fourth quarter of 2022. This series of vessels adopt high design specifications and are compliant with IMO Tier III standards for NOx emissions, and equipped with shore power supplies, so as to achieve higher environmental protection standards in compliance with international trends and our customers' expectation for green shipping. In the coming years new vessels will join our fleet and enhance the efficiency and scale of our fleet, enabling us to provide better service for our customers. We will continue to thrive for advancement, raise our resilience for responding to market risks, and to make profits and to develop sustainably so as not to let down the support and expectations of our shareholders and stakeholders.

Sincerely yours,

Chairman
Jiufu Garden Co., Ltd.

Representative
Po-Ting Chen

2021/ 05/ 11

II Company Profile

Date of Establishment	February 24, 1965
Main Activities	Marine transportation Shipping agency Purchasing & selling of vessels and containers Container Freight Station Business Leasing of vessels and containers

Major Event of Corporate History

Founded on February 24, 1965, Wan Hai started as a log carrier servicing Taiwan, Japan, and Southeast Asia. Recognizing the coming trend of containerization, Wan Hai purchased its very first full container ship "明春輪" in July 1976 and began the container shipping service to Japan. The Company had since grown into a fully containerized shipping company.

As more international services are gradually opening in the Far East, Wan Hai provides the most comprehensive network of services in Asia region, and thus establishes itself in a leading positon in near-sea shipping line. By opening up services throughout the Middle East and India, the scope of operations was expanded into farther regions. Subsequently launching up services from the Far East to the West Coast of United States and from the Far East to the West Coast of South America, Wan Hai became a global shipping company as it extended the territory it covered around the world.

With regards to container yards and wharfs, the first liaison office was established in Kaohsiung in 1979. Until today, it had been in operation as a business base and direct port for thirty-three countries. In 1987, at the Kaohsiung Port, the first wharf was leased, later to be followed by wharfs or container storage and transportation investment in Keelung Port, Taipei Port, Taichung Port, and overseas in Japan, Malaysia, China, and Vietnam; providing customers with consistent quality service.

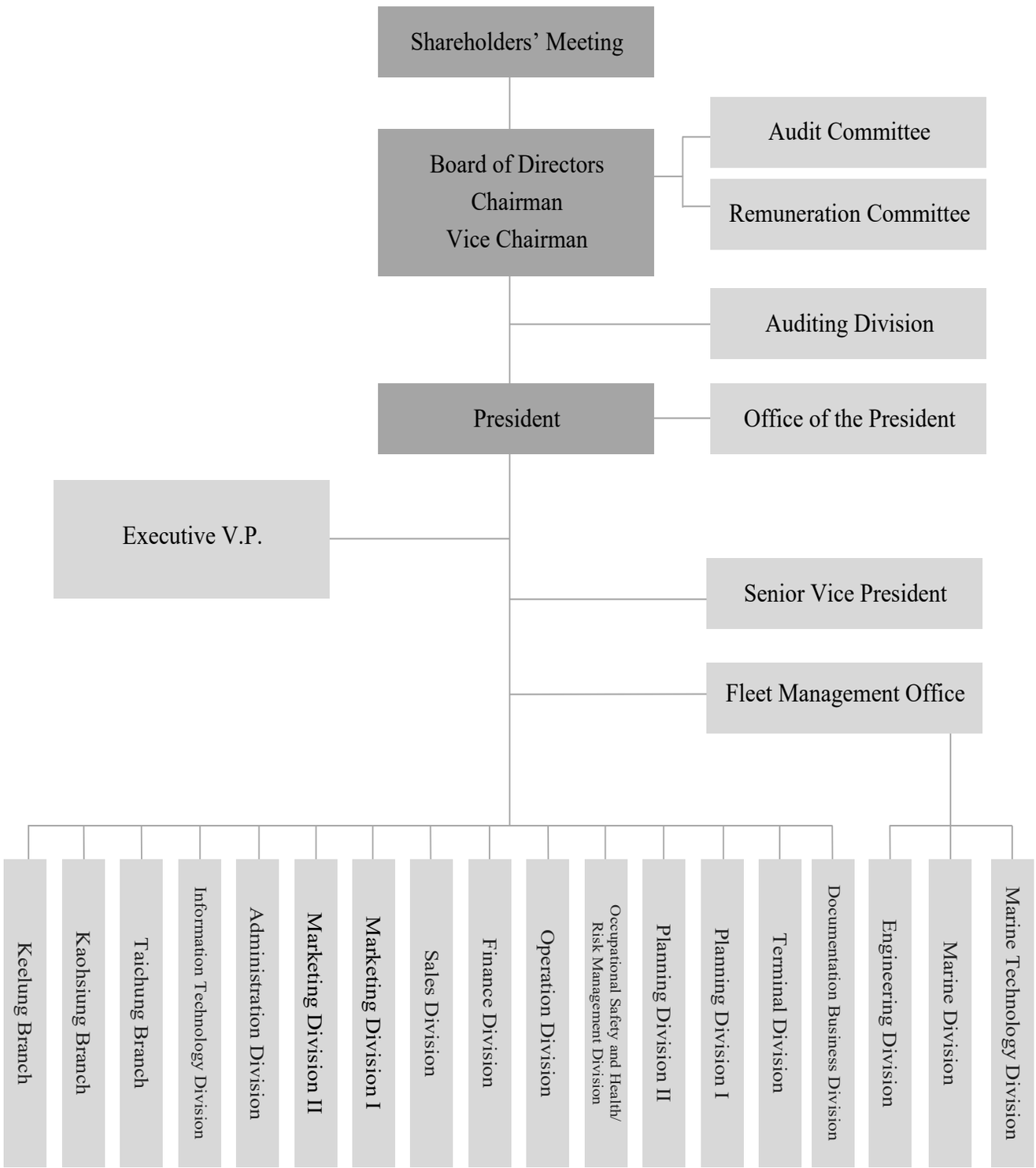
In addition to its commitment in providing superior and comprehensive services, Wan Hai also dedicates itself to environmental protection and is recognized by the government, domestic and abroad, for its collaborative endeavor. In recent years, Wan Hai won the "Best Shipping Agent, Customer Service for Colombo - Intra Asia Sector" award from ICS, "Best Shipping Line - Intra-Asia" award from AFLAS (Asian Freight, Logistics and Supply Chain Awards), awarded "India-Far East shipping line Hall of Fame"; and it was honored by MALA (Maritime And Logistics Awards) for the eighth consecutive year. As such, Wan Hai becomes a recognized corporate brand in shipping industry.

Driven by the corporate culture of "Quality Service, Team Work, and Growth" and the philosophy of " Customer First, Full Participation, Environmental Protection, and Business Continuity," Wan Hai continues to provide a comprehensive service network, and continues to enhance service quality and business performance. Adhering to stable and pragmatic business practices, and by building strong bonds and trust with vast numbers of manufacturers, Wan Hai keeps operating sustainably and pursuing further growth.

III Corporate Governance

3.1Organization Structure

3.1.1 Organization Chart



3.1.2 Description of each division's operation under the company

Division	Responsibilities
Auditing Division	Auditing the operational, financial, and accounting matters of every division of the company,as well as domestic and overseas branch offices and agents,and implementing effective corporate legal compliance programs.
Office of the President	Transfer of investments, risk management, cost management, financial market analysis and recommendations;public relations;management of corporate identity;global customer strategy management,shipping line management,project research and corporate governance affairs.
Fleet Management Office	In charge of safety control and efficiency evaluation of fleet management.
Marine Technology Division	In charge of maritime safety control measures and fleet navigation efficiency.
Marine Division	Supervision of crew,and the evaluation; purchase of fuel;other matters relevant to marine operation.
Engineering Division	Planning and supervision of new ship construction;routine and annual maintenance of vessel fleet.
Documentation Business Division	Issuance and payment of shipping documents;collections of shipping tariffs and service fees.
Terminal Division	Supervision and management of the operation of domestic and overseas terminals,container yards,and warehouses;evaluation of investment results of terminals;business solicitation and promotion;maintaining customer relations;establishing proposals and plans for terminal construction.
Planning Division I	In Charge of research and construction of business strategies and mid to long-term business operations of business cooperation and electronic business.
Planning Division II	In Charge of research and construction of business strategies and mid to long-term business operations of service development and chartering.
Occupational Safety and Health/ Risk Management Division	Compliance with all relevant occupational safety and health laws and regulations and in charge of relevant legal affairs,litigation cases, reviewing agreements/contracts and handling the issue of cargo claim etc.
Operation Division	Domestic and international allocation, deployment, and management of cargo containers;design, construction, and maintenance of cargo containers;management of loading and unloading cargo containers; planning and management of shipping schedules.
Finance Division	Planning and execution of domestic and overseas financial forecasts and budgets; record-keeping of accounting matters;review of billing documentation;allocation of capital;foreign exchange; stock services; and other matters pertaining to finance.
Sales Division	Solicitation of domestic cargo shipments; creation of relevant sales plans.

Division	Responsibilities
Marketing Division I	Promotion and marketing of core services; management of overseas marketing, including North-east Asia,Hong Kong, South China,North America,Southeast Asia service.
Marketing Division II	Promotion and marketing of core services;management of overseas and special equipment marketing,including Central North China,Southeast Asia,Middle East,India,Southeast America service.
Administration Division	Management of domestic and overseas human resources matters and general affairs.
Information Technology Division	Promotion of the wider use of technology company-wide; maintenance of the domestic and overseas information systems.Carries out operation of computers,programming and planning of computer systems;design of computer programs;management and use of computer-related resources.
Branch Offices	Responsible for local shipping business;issuance of shipping documents; arrangement of vessels and containers.

3.2 Information of Directors, President, Executive Vice President, Vice President, and the Chiefs of all the Company's Divisions and Branches

3.2.1 Director

1. The list of Directors

(1) The 20th Board of Directors (2017/6/22~2020/6/22)

2021.04.30

Title		Chairman		Vice Chairman		Director	
Nationality		R.O.C.	R.O.C.	R.O.C.	U.S.A.	R.O.C.	R.O.C.
Name		Shihlin Paper Co., Ltd.	Representative: Po-Ting Chen	Taili Corporation	Representative: Randy Chen	Chen-Yung Foundation	Representative: Chih-Chao Chen
Gender			Male		Male		Male
Date elected		Jun 22, 2017		Jun 22, 2017		Jun 22, 2017	
Tenure		3 years		3 years		3 years	
Date first elected		Jun 18, 2014		Jun 24, 2011		Jun 24, 2011	
Shareholding on date elected	No. of shares	29,933,031 0		5,469,256 0		31,902,176 0	
	Holding Ratio	1.34% 0.00%		0.25% 0.00%		1.44% 0.00%	
Current Shareholding	No. of shares	29,933,031 9,603,548		5,469,256 0		31,902,176 7,700,283	
	Holding Ratio	1.34% 0.43%		0.25% 0.00%		1.44% 0.34%	
Current shareholding of Spouse and Minor Children	No. of shares	0		0		0	
	Holding Ratio	0%		0%		0%	
Shareholding under other names	No. of shares	0		0		0	
	Holding Ratio	0%		0%		0%	
Major Academic qualification and professional experience		Master of Business Administration, University of San Francisco		Master of Business Administration MIT SLOAN School of Management		City University of New York	
Positions held in the company and other companies		FORMOSA WONDERWORLD Co., Ltd. Director. SHIHLIN PAPER Co, Ltd. Representative Director for legal entity/Chairman SUNSHINE SHIH LIN DEVELOPMENT Co., Ltd. Representative Director for legal entity/ Vice Chairman ASIA PACIFIC LOGISTICS INTERNATIONAL Co., Ltd. Consultant TAI-CHUAN Investment Co., Ltd. Director WAN HAI LINES(UAE)L.L.C Representative Director for legal entity		EVERVALIANT CORP. Director WAN HAI LINES (PHILS) INC. Representative Director for legal entity/Chairman WAN HAI LINES (SINGAPORE) PTE. LTD. Representative Director for legal entity WAN HAI LINES PERU S.A.C. Representative Director for legal entity WANHAI LINES ECUADOR S.A. Representative Director for legal entity WAN HAI LINES(ARIZONA) L.L.C. Representative Director for legal entity WAN HAI LINES(USA) LTD Representative Director for legal entity		EXPRESS CONTAINER TERMINAL CORP. Chairman YI CHAO CORP. Chairman WAN HAI LINES(H.K.)LTD. Representative Director for legal entity DAWIN LOGISTIC(INTERNATIONAL)LTD. Representative Director for legal entity BAO SHENG SHIPPING AGENCY Co., Ltd. Representative Director for legal entity/ Chairman WAN HANG TOURISM(SHANGHAI)Co., Ltd. Representative Director for legal entity/ Chairman WAN HAI LINES(ARIZONA) L.L.C. Representative Director for legal entity WAN HAI LINES(USA) LTD Representative Director for legal entity	
Officer, director, or held by spouse or relatives within two levels of blood relations	Title	-		-		-	
	Name	-		-		-	
	Relation	-		-		-	
Remark (Note 1)		N/A		N/A		N/A	

Title		Director		Independent Director	Independent Director	Independent Director
Nationality		R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.
Name		Sunshine Construction Co., Ltd	Representative: Chiu-Ling Wu	Rung-Nian Lai	Pai-Tsung Chen	Stephanie Lin
Gender			Female	Male	Male	Female
Date elected		Jun 22,2017		Jun 22, 2017	Jun 18, 2019	Jun 18, 2019
Tenure		3 years		3 years	End of 20th Board of Directors	End of 20th Board of Directors
Date first elected		Jun 22, 2017		Jun 18, 2014	Jun 18, 2019	Jun 18, 2019
Shareholding on date elected	No. of shares	26,487,607 0		0	0	0
	Holding Ratio	1.19% 0.00%		0.00%	0.00%	0.00%
Current Shareholding	No. of shares	26,487,607 15,275,878		0	0	0
	Holding Ratio	1.19% 0.69%		0.00%	0.00%	0.00%
Current shareholding of Spouse and Minor Children	No. of shares	0		1,000	0	0
	Holding Ratio	0%		0%	0%	0%
Shareholding under other names	No. of shares	0		0	0	0
	Holding Ratio	0%		0%	0%	0%
Major Academic qualification and professional experience		DE LIN Institute of Technology		National Taiwan University, Ph.D.,Occupational Medicine	Electrical Engineering, National United University	California State University-Fullerton, Master of Business Administration
Positions held in the company and other companies		Shihlin Paper Co., Ltd. Representative Director for legal entity YEE SING CO., LTD. Chairman UNI COOPERATE INTERNATIONAL Co., Ltd. Director YEE TZAO ENTERPRISE CO., LTD. Chairman Sunshine Construction Co., Ltd Director		Audit Committee of WAN HAI LINES LTD. Convener/ Member Remuneration Committee of WAN HAI LINES LTD. Convener/ Member College of Chinese Medicine, China Medical University Professor China Medical University Hospital for Integrated Medicine, China Medical Vice Superintendent China Medical University for Integrated Medicine, Integration of Traditional Chinese-Western Medicine Attending Physician, National Health Insurance Dispute Mediation Committee Member	TAKE WELL ENGINEERING INC. President	Audit Committee of WAN HAI LINES LTD. Member Remuneration Committee of WAN HAI LINES LTD. Member
Officer, director held by spouse or relatives within two levels of blood relations	Title	-		-	-	-
	Name	-		-	-	-
	Relation	-		-	-	-
Remark (Note 1)		N/A		N/A	N/A	N/A

Note 1: If the Chairman and President or holder of an equivalent office (Highest ranking manager) is the same person or they are spouses or first degree relatives of each other; explanation and relevant information should be provided for the reason, justifiability, necessity, and countermeasures (For instance, methods like increasing independent directors, but the majority directors should not be employees or managers of the company etc.).

(2) The 21th Board of Directors (2020/6/23~)

2021.04.30

Title		Chairman		Vice Chairman		Director	
Nationality		R.O.C.	R.O.C.	R.O.C.	U.S.A.	R.O.C.	R.O.C.
Name		Jiufu Garden Co., Ltd.	Representative: Po-Ting Chen	Taili Corporation	Representative: Randy Chen	Chen-Yung Foundation	Representative: Chih-Chao Chen
Gender			Male		Male		Male
Date elected		Jun 23, 2020		Jun 23, 2020		Jun 23, 2020	
Tenure		3 years		3 years		3 years	
Date first elected		Jun 23, 2020		Jun 24, 2011		Jun 24, 2011	
Shareholding on date elected	No. of shares	373,000 0		5,469,256 0		31,902,176 0	
	Holding Ratio	0.02% 0.00%		0.25% 0.00%		1.44% 0.00%	
Current Shareholding	No. of shares	3,000,000 9,603,548		5,469,256 0		31,902,176 7,700,283	
	Holding Ratio	0.14% 0.43%		0.25% 0.00%		1.44% 0.34%	
Current shareholding of Spouse and Minor Children	No. of shares	0		0		0	
	Holding Ratio	0%		0%		0%	
Shareholding under other names	No. of shares	0		0		0	
	Holding Ratio	0%		0%		0%	
Major Academic qualification and professional experience		Master of Business Administration, University of San Francisco		Master of Business Administration MIT SLOAN School of Management		City University of New York	
Positions held in the company and other companies		FORMOSA WONDERWORLD Co., Ltd. Chairman Shihlin Paper Co., Ltd. Representative Director for legal entity/Chairman SUNSHINE SHIH LIN DEVELOPMENT Co., Ltd. Representative Director for legal entity/ Vice Chairman ASIA PACIFIC LOGISTICS INTERNATIONAL Co., Ltd. Consultant TAI-CHUAN Investment CO.,Ltd. Director. WAN HAI LINES(UAE)L.L.C Representative Director for legal entity		EVERVALIANT CORP. Director WAN HAI LINES (PHILS) INC. Representative Director for legal entity/Chairman WAN HAI LINES (SINGAPORE) PTE. LTD. Representative Director for legal entity WAN HAI LINES PERU S.A.C. Representative Director for legal entity WANHAI LINES ECUADOR S.A. Representative Director for legal entity WAN HAI LINES(ARIZONA) L.L.C. Representative Director for legal entity WAN HAI LINES(USA) LTD Representative Director for legal entity		EXPRESS CONTAINER TERMINAL CORP. Chairman YI CHAO CORP. Chairman WAN HAI LINES(H.K.)LTD. Representative Director for legal entity DAWIN LOGISTIC(INTERNATIONAL)LTD. Representative Director for legal entity BAO SHENG SHIPPING AGENCY Co., Ltd. Representative Director for legal entity/ Chairman WAN HANG TOURISM(SHANGHAI)Co., Ltd. Representative Director for legal entity/ Chairman WAN HAI LINES(ARIZONA) L.L.C. Representative Director for legal entity WAN HAI LINES(USA) LTD Representative Director for legal entity	
Officer, director, or held by spouse or relatives within two levels of blood relations	Title	-		-		-	
	Name	-		-		-	
	Relation	-		-		-	
Remark (Note 1)		N/A		N/A		N/A	

Title		Director		Independent Director	Independent Director	Independent Director
Nationality		R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.
Name		Sunshine Construction Co., Ltd	Representative: Chiu-Ling Wu	Rung-Nian Lai	Stephanie Lin	Yi-Sheng Tseng
Gender			Female	Male	Female	Male
Date elected		Jun 23,2020		Jun 23, 2020	Jun 23, 2020	Jun 23, 2020
Tenure		3 years		3 years	3 years	3 years
Date first elected		Jun 22, 2017		Jun 18, 2014	Jun 18, 2019	Jun 23, 2020
Shareholding on date elected	No. of shares	26,487,607 0		0	0	0
	Holding Ratio	1.19% 0.00%		0.00%	0.00%	0.00%
Current Shareholding	No. of shares	26,487,607 15,275,878		0	0	0
	Holding Ratio	1.19% 0.69%		0.00%	0.00%	0.00%
Current shareholding of Spouse and Minor Children	No. of shares	0		1,000	0	0
	Holding Ratio	0%		0%	0%	0%
Shareholding under other names	No. of shares	0		0	0	0
	Holding Ratio	0%		0%	0%	0%
Major Academic qualification and professional experience		DE LIN Institute of Technology		National Taiwan University, Ph.D., Occupational Medicine	California State University-Fullerton, Master of Business Administration	Tung Hai University, Master of Law
Positions held in the company and other companies		Shihlin Paper Co., Ltd. Representative Director for legal entity YEE SING CO., LTD. Chairman UNI COOPERATE INTERNATIONAL Co., Ltd. Director YEE TZAO ENTERPRISE CO., LTD. Chairman Sunshine Construction Co., Ltd Director		Audit Committee of WAN HAI LINES LTD. Convener/ Member Remuneration Committee of WAN HAI LINES LTD. Convener/ Member College of Chinese Medicine, China Medical University Professor China Medical University Hospital for Integrated Medicine, China Medical Vice Superintendent China Medical University for Integrated Medicine, Integration of Traditional Chinese-Western Medicine Attending Physician, National Health Insurance Dispute Mediation Committee Member	Audit Committee of WAN HAI LINES LTD. Member Remuneration Committee of WAN HAI LINES LTD. Member	Audit Committee of WAN HAI LINES LTD. Member MINGFOREVER LAW FIRM Managing Attorney
Officer, director held by spouse or relatives within two levels of blood relations	Title	-		-	-	-
	Name	-		-	-	-
	Relation	-		-	-	-
Remark (Note 1)		N/A		N/A	N/A	N/A

Note 1: If the Chairman and President or holder of an equivalent office (Highest ranking manager) is the same person or they are spouses or first degree relatives of each other; explanation and relevant information should be provided for the reason, justifiability, necessity, and countermeasures (For instance, methods like increasing independent directors, but the majority directors should not be employees or managers of the company etc.).

2. Major shareholders of corporation stockholders

2021.04.30

Corporation shareholders	Major Shareholders and holdings %					
Jiufu Garden Co., Ltd.	Dao Pu Ltd. 16.33%	Dao Qi Ltd. 16.36%	Dao Kuan Ltd. 16.36%	Dao Zhou Ltd. 16.33%	Hui-Ying Chen 0.42%	Po-Ting Chen 0.43%
	Yen-Ju Chen9.86%	Mei-Ru Chen 13.11%	Chao-Ti Chen 10.80%			
Shihlin Paper Co., Ltd.	Pictet & Cie (Europe) SA 3.36%	Wan Hai Charity Foundation 6.98%	Taiquan Investment Co., Ltd. 6.92%	Yeong Yi (Asia) Co., Ltd. 6.35%	Evervaliant Corp. 4.87%	Liu He Investment, Inc. 3.38%
	Zheng-Ti Cheng 3.47%	Ching-Chih Chen 3.89%	Shui-Cheng Tu 4.86%	Che-I, Lin 3.10%		
Taili Corporation	An-Chou Lin 0.002%	Evervaliant Corp. 9.116%	Ching-Chih Chen 0.034%	Randy Chen 0.021%	Wen-Tsung Sue 0.002%	Te-Ming Lin 0.002%
	Hsiu-Wen Wang 0.002%	UNIMODE INVESTMENT Co.,LTD 90.821%				
Chen-Yung Foundation	NONE					
Sunshine Construction Co., Ltd	Yu-Hwa, Lin 0.05%	Che-I, Lin 56.84%	Chiu-Ling, Wu 11.25%	Yu-Shuan, Lin 8.00%	Chao-Hsiung, Lin 7.68%	Chia-Chin, Lin 0.96%
	Chia-Ying, Lin 0.96%	I-Cheng, Lin 4.8%	Yee Tzao Enterprise Co., Ltd. 9.46%			

3. Major shareholders of corporation shareholders who are as corporation shareholders

2021.04.30

Corporation shareholders	Major shareholders of corporation shareholders					
Taiquan Investment Co., Ltd.	Dao Qi Ltd 2.95%	Cheng-zhi Chen 10.1%	Zheng-Ti Cheng 9.85%	Dao Pu Ltd 2.94%	Dao Kuan Ltd 2.95%	Dao Zhou Ltd 2.94%
	Evervaliant Corp. 23.99%	Yeong Yi (Asia) Co., Ltd. 21.72%	Taishi Trading Co., Ltd. 8.8%			
Yeong Yi (Asia) Co., Ltd.	Smithson Crowford Murrary Capital 32.165%	Hsin Feng Corp. 24.962%	Fon Tain Belon Co. Ltd. 24.517%	Skyway Industrial Limited 4.923%	Yichao Corp. 4.144%	Chen-Yung Foundation 3.436%
	Chih-Chao Chen 1.947%	Sui Shih Sung Corp., 1.727%	Kang Tu Industrail Co., Ltd. 0.683%	Eyon Corp. 1.154%		
Liu He Investment, Inc.	Mei-Ru Chen 0.02%	Yen-Ju Chen 0.02%	Hui-Ying Chen 0.8%	Chao-Ti Chen 0.02%	Dao Kuan Ltd 0.61%	Po-Ting Chen 16.1%
	Da Shin Investment,Inc. 1.9%	Sun Trader Holdings Corp. 80%	Dao Qi Ltd 0.31%	Dao Pu Ltd 0.11%	Dao Zhou Ltd 0.11%	
Wan Hai Charity Foundation	NONE					
Evervaliant Corp.	Taili Corporation 58.184%	Yi Chun Navigation Inc. 25.46%	R&D Investments, Inc 9.386%	Chen-Yung Foundation 4.845%	UNIMODE INVESTMENT Co.,LTD 2.122%	Chao-Heng Chen 0.001%
	Ying-Hua Lin 0.001%	Ching-Chih Chen 0.001%				
UNIMODE INVESTMENT Co.,LTD	LY Investments Ltd. 100%					
Yee Tzao Enterprise Co., Ltd.	Chiu-Ling, Wu 9.92%	I-Cheng, Lin 0.2%	Chia-Ying, Lin 0.2%	Chia-Chin, Lin 5.28%	Che-I, Lin 62%	Chao-Hsiung, Lin 8%
	Yueh-Hsia, Lin 14.4%					
Dao Pu Ltd.	Integrated Global Investments Limited 100%					
Dao Qi Ltd.	Crystal Blossom Ltd. 100%					
Dao Kuan Ltd.	Discovery Treasure Limited 100%					
Dao Zhou Ltd.	Chesterfield Capital Management Inc. 100%					

4. Information of Directors

2021.05.11

Conditions / Names	Whether the directors hold hands-on experience accumulated in the field for a minimum of five years and whether they meet the following professional qualification requirements:			Consistent in the independence (note 1)												Number of other public companies where they are concurrently serving
	Being an instructor or professor teaching Commerce, Law, Finance or other expertise required by the Company in public or private universities & colleges	As a judge, prosecutor, lawyer, Certified Public Accountant or other professional or engineer in the expertise required by the Company, having successfully passed the National Examinations and held licenses	Having accumulated hands-on experiences in Commerce, Law, Finance, Accounting or other expertise required by the Company	1	2	3	4	5	6	7	8	9	10	11	12	
The 20th Board of Directors(2017/6/22~2020/6/22)																
Shihlin Paper Co., Ltd. Representative : Po-Ting Chen			✓	✓	✓	✓	✓		✓			✓	✓	✓		0
Taili Corporation Representative : Randy Chen			✓			✓			✓		✓		✓	✓		0
Chen-Yung Foundation Representative : Chih-Chao Chen			✓	✓		✓			✓		✓		✓	✓		0
Sun Shine Construction Co., Ltd Representative : Chiu-Ling Wu			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		0
Rung-Nian Lai	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Pai-Tsung Chen			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Stephanie Lin		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
The 21th Board of Directors(2020/6/23~)																
Jiufu Garden Co., Ltd. Representative : Po-Ting Chen			✓	✓	✓	✓	✓	✓	✓			✓	✓	✓		0
Taili Corporation Representative : Randy Chen			✓			✓			✓		✓		✓	✓		0
Chen-Yung Foundation Representative : Chih-Chao Chen			✓	✓		✓			✓		✓		✓	✓		0
Sun Shine Construction Co., Ltd Representative : Chiu-Ling Wu			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		0
Rung-Nian Lai	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Stephanie Lin		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Yi-Sheng Tseng		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note 1: Directors and supervisors who meet the following conditions two years prior to been elected and during their terms of office, please tick the box next to the condition.

(1) Not an employee of the company or its affiliates.

(2) Not a director or supervisor of the company or its affiliates.(However this restriction does not apply in cases where a company and its parent company,subsidiary,or subsidiaries of the same parent company mutually appoint independent directors in accordance with this Act or laws of the local country.)

(3) Neither oneself and spouse and minor children or in the names of others,hold more than 1% of shares issued by the company,nor a natural person shareholder among the top ten shareholders.

(4) Not a manager listed in (1) or a spouse, a relative within the second degree of kinship or a lineal relative within the third degree of kinship of a person listed in (2) and (3).

(5) Not directly holding 5% or more of the total number of shares issued by the company, ranking among the top five in shareholdings, and not a director, supervisor or employee of the corporate shareholder that authorized representatives to act as directors or supervisors of our company in accordance with Paragraphs 1 or 2 of Article 27 of the Corporate Law. (However this restriction does not apply in cases where a company and its parent company, subsidiary, or subsidiaries of the same parent company mutually appoint independent directors in accordance with this Act or laws of the local country.)

(6) Not a director,supervisor or employee of another company,where the majority of directors or half or more voting shares are controlled by the same person.(However this restriction does not apply in cases where a company and its parent company, subsidiary, or subsidiaries of the same parent company mutually appoint independent directors in accordance with this Act or laws of the local country.)

(7) Not a director,supervisor or employee of another company or institution where the chairman,general manager or equivalent position is held by the same person or his/her spouse.(However this restriction does not apply in cases where a company and its parent company, subsidiary,or subsidiaries of the same parent company mutually appoint independent directors in accordance with this Act or laws of the local country.)

(8) Not a director,supervisor,manager or shareholder holding more than 5% of shares of a specific company or institution which has financial or business transactions with our company.(However this restriction does not apply in cases where the specific company or institution is holding more than 20% but not exceeding 50% of shares issued by our company,and also the company and its parent company, subsidiary, or subsidiaries of the same parent company mutually appoint independent directors in accordance with this Act or laws of the local country.)

(9) Not a professional individual, owner, partner, director, supervisor,manager and the spouse of a sole proprietorship, partnership,company or institution that provides commercial, legal,financial,accounting services or auditing services to our company or our affiliates,and whose total accumulative remuneration for the past two years does not exceed TWD$ 500,000.(However this restriction does not apply to a member of the remuneration committee, public tender offer review committee,or special committee for merger and acquisition who exercises powers pursuant to the Securities Exchange Act and or to the Business Mergers and Acquisitions Act.

(10)Not a spouse or a second degree relative of another director.

(11)Not in violation of any of the provisions of Article 30 of the Corporate Law.

(12)Not elected as representative of a government agency or juristic person stipulated in Article 27 of the Corporate Law.

5. Diversification of Board Directors Policy

Wan Hai Lines' policy for diversification of board directors is a policy suitably drawn in accordance with the company's operations, business models, and development needs. It includes but is not limited to the following criteria: Basic qualifications and values (i.e. sex, age, nationality and cultures etc), expertise backgrounds (i.e. legal, accounting, industrial, finance, marketing or Science and technology etc.), professional skills and industry experience etc.

Our current Board of Directors is comprised of 7 directors, including 3 independent directors. Members are highly experienced and possess expertise in maritime transportation, operations and management, finance, accounting and legal fields. Among the current directors there are five males, (accounting for 71%), and two females, (accounting for 29%). There are 3 directors between the age of 30-50, (accounting for 43%), and 4 directors over 50, (accounting for 57%).
Details are as follows:

Title	Name	Core Items for Diversification											
		Basic Qualifications						Expertise Background and Capability					
		sex	Age		Length of Service As Independent Director			Operations & Management	Leadership & Decision Making	Experience in the Industry	Accounting & Finance	Legal Practice	Medical Profession
			30~50	Over 50	Under 3years	3to9 years	Over 9 years						
Chairman	Jiufu Garden Co., Ltd. Representative：Po-Ting Chen	Male		V				V	V	V			
Director	Taili Corporation Representative：Randy Chen	Male	V					V	V	V			
Director	Chen-Yung Foundation Representative：Chih-Chao Chen	Male		V				V	V	V			
Director	Sun Shine Construction Co., Ltd Representative：Chiu-Ling Wu	Female		V				V	V	V			
Independent Director	Rung-Nian Lai	Male		V		V				V			V
Independent Director	Stephanie Lin	Female	V		V					V	V		
Independent Director	Yi-Sheng Tseng	Male	V		V					V		V	

6. Plans for Succession of Board Directors and Important Management Personnel.

Elections of directors are conducted in accordance with "Procedures for the Election or Directors" of the company. Seven directors are elected in view of the scope of operations and developments of the company; stock holding situations of major shareholders and operational requirements. Members and personnel of the Board of Directors are deployed in compliance with the "Diversification of Board Directors Policy" and in consideration of the overall capabilities of the Board of Directors and the results of the annual assessment of performance of the Board of Directors.

The Board of Directors shall guide the company strategies, review execution and progress of the strategies, oversee the management team, review and adjust operational policies in accordance with the industry environments and market conditions. The Board of Directors is accountable to the company and its shareholders, which will ensure that the Board execute its authority in compliance

with the laws, articles of incorporation of the company, and resolutions of the shareholders meetings.

The Board of Directors should possess the following overall capabilities :
(1) Capability to assess operations
(2) Capability to analyze accounting and finance.
(3) Capability to operate and manage.
(4) Capability to manage crisis.
(5) Knowledge of the industy.
(6) International market view.
(7) Leadership.
(8) Decision making.

To maintain the expertise and to hand down experiences of the members of the board, the company plans to select successors in the following manners:
(1) Consider candidates recommended by current directors;
(2) Consider candidates recommended by shareholders;
(3) In the event of a reappointment of directors, results of the annual assessment of performance of the Board of Directors will be used as criteria.
The list of director candidates will be reviewed by the Board of Directors, before submitted to the shareholders meeting for elections.

Our company continues to compile information regarding further education and provide them to the directors. They cover advanced courses regarding company governance in the fields of finance, risk management, business, commerce, accounting, legal and corporate social responsibility etc.
They will enhance the directors' professional knowledge and skills, and provide new knowledge to directors, to enhance the efficiency of the Board of Directors.

In view of the planning for succession of high level managers, the 34th meeting of the 17th Board of Directors passed the "Procedures for Organizing Managers' Joint Meetings" and set up managers' joint meetings in 2021 to enhance business integration and division of authority and responsibility of various divisions of the company. Members will be high level managers, who are charged with supervision and management of the execution of tasks assigned by the president, research into important decisions made by the company and coordinate operations of the various divisions.

When the joint meetings were set up in 2011, members include: Randy Chen special assistant to the president, Hui -Juan Chen vice-president, Fur-Lung Hsieh senior assistant vice-president, Jian-Yu Huang senior assistant vice-president, and Jiong-Sin Lin senior assistant vice-president. Apart from taking turns presiding joint meetings, advanced education will be arranged for them to acquire new management knowledge and to exchange and share experiences. They are also encouraged to take advanced courses on their own initiative.
2012：Jian-Yu Huang senior assistant vice-president will be dispatched to Singapore and Li-Guang Huang assistant vice-president will replace him as member of the joint meetings.

2014：Wen-Chau Yeh vice-president will become member of the joint meetings.
2015：Fur-Lung Hsieh senior assistant vice-president will be elected president and Randy Chen special assistant to the president will become vice-chairman.
2016：Hui- Juan Chen vice-president will retire.
2017：Kuo-Loong Kao assistant vice-president will join the joint meetings.
2018：Jiong-Sin Lin senior assistant vice-president and Li-Guang Huang senior assistant vice-president will retire.
2019：Wei-Chien Chuang senior assistant vice-president will join the joint meetings.

Our company train and promote important management level talents by dispatching them to overseas branches to gain multinational management abilities, and rotate their jobs to let them acquire cross-field expertise. They have to possess excellent work abilities and must also embrace the company's business philosophies and corporate spirit.

3.2.2 Information of President, Executive Vice Presidents, Vice Presidents and chiefs of all the company's divisions and branches

2021.04.30

Title	Nationality	Name	Gender	Position taken since	Shareholding		Spouse, minors shareholding		Shareholding with others name		Major academic qualifications	Position held in other company	Spouse or relative acts as other managerial officer			Remark (Note 1)
					Shares	Holding ratio	Shares	Holding ratio	Shares	Holding ratio			Title	Name	Relation	
President	R.O.C.	Fur-Lung Hsieh	Male	Jun 22, 2015	109,312	0.00%	83,720	0.00%	0	0.00%	Department of Shipping and Transportation Management, National Taiwan Ocean University	WAN HAI LINES THAILAND LTD. Representative Director for legal entity WAN HAI LINES (VIETNAM) LTD. Representative Director for legal entity/ Chairman WAN HAI LINES KOREA LTD. Representative Supervisor for legal entity WAN HAI LINES(M) SDN.BHD. Representative Director for legal entity YI CHUN SHIPPING AGENCIES SDN. BHD.Representative Director for legal entity WAN HAI LINES (INDIA) PVT. LTD. Representative Director for legal entity k.k. WH Corporation Representative Director for legal entity WAN HAI LINES(AMERICA)LTD. Representative Director for legal entity (Note 2) WAN HAI LINES(UAE)L.L.C Representative Director for legal entity WAN HAI LINES(ARIZONA) L.L.C. Representative Director for legal entity WAN HAI LINES(USA) LTD Representative Director for legal entity WAN HAI SHIPPING LTD Representative Director for legal entity	-	-	-	N/A
Executive Vice President	R.O.C.	Wen-Chau Yeh	Male	Nov 1, 2014	936	0.00%	22,332	0.00%	0	0.00%	Master, Institute of Industrial Engineering, National Taiwan University	DAWIN LOGISTIC (INTERNATIONAL) LTD. Representative Director for legal entity WAN HAI LINES(H.K.) LTD. Representative Director for legal entity TAIPEI PORT CONTAINER TERMINAL CORP. Representative Director for legal entity WAN HANG TOURISM(SHANGHAI) Co., Ltd. Representative Director for legal entity	-	-	-	N/A
Senior Vice President	R.O.C.	Wei-Chien Chuang	Male	Dec 18, 2019	9,370	0.00%	454	0.00%	0	0.00%	Department of International Trade, National ChengChi University	BLUE OCEAN LOGISTICS CO.,LTD. Representative Director for legal entity/ Chairman TK LOGISTICS INTERNATIONAL Co., LTD. Supervisor BAO SHENG SHIPPING AGENCY CO., LTD. Representative Director for legal entity	-	-	-	N/A
Vice President	R.O.C.	Kuo-Loong Kao	Male	Apr 1,2007	92,195	0.00%	29,653	0.00%	0	0.00%	Department of Merchant Marine, Chinese Culture University	SHENZHEN YONG CHUN INTERNATIONAL SHIPPING MANAGEMENT CO., LTD. Representative Director for legal entity	-	-	-	N/A
Vice President	R.O.C.	Ming-Shan Huang	Male	Apr 1,2007	0	0.00%	0	0.00%	0	0.00%	Department of International Trade, Soochow University	BLUE OCEAN LOGISTICS CO.,LTD. Representative Director for legal entity	-	-	-	N/A
Vice President	R.O.C.	Juang-Jyh Juang	Male	Apr 1, 2007	0	0.00%	0	0.00%	0	0.00%	Department of Mechanical Engineering, China Junior College of Technology	TK LOGISTICS INTERNATIONAL Co., LTD. Representative Director for legal entity	-	-	-	N/A
Vice President	R.O.C.	Jen-Kai Wu	Male	Mar 18, 2016	0	0.00%	0	0.00%	0	0.00%	Department of Industrial and Information Management, National Cheng Kung University	WAN HAI LINES (VIETNAM) Ltd. Representative Director for legal entity WAN HAI LINES KOREA LTD. Representative Director for legal entity/ Chairman SHENZHEN UNIWIN INTERNATIONAL LOGISTICS LTD. Representative Director for legal entity WAN HAI SHIPPING LTD Representative Director for legal entity k.k. WH Corporation Representative Director for legal entity	-	-	-	N/A
Vice President	R.O.C.	Chien-Cheng Hsiao	Male	Mar 18, 2016	0	0.00%	0	0.00%	0	0.00%	Department of International Trade, Fu Jen Catholic University	Interasia Lines Ltd. Representative Director for legal entity	-	-	-	N/A
Vice President	R.O.C.	Shen-Hsing Lo	Male	Jan 1, 2018	34,970	0.00%	10,000	0.00%	0	0.00%	Department of Shipping and Transportation Management, National Taiwan Ocean University	WAN HAI LINES (PHILS) INC. Representative Director for legal entity/ President WAN HAI LINES(ARIZONA) L.L.C. Representative Director for legal entity TK LOGISTICS INTERNATIONAL Co., LTD. Representative Director for legal entity WAN HAI LINES(USA) LTD Representative Director for legal entity	-	-	-	N/A
Vice President (concurrently act as the manager of Corporate Governance)	R.O.C.	Li-Mei Su	Female	Mar 22, 2021	1,212	0.00%	0	0.00%	0	0.00%	Department of International Trade, National ChengChi University	BAO SHENG SHIPPING AGENCY CO., LTD. Representative Director for legal entity WAN HAI SHIPPING LTD Representative Director for legal entity	-	-	-	N/A
Project Vice President	R.O.C.	Wei-Shin Sheu	Male	Mar 26, 2018	5,513	0.00%	395	0.00%	0	0.00%	Department of Electrical Engineering, Chung Yuan Christian University	-	-	-	-	N/A
Vice President	R.O.C.	Hung-Chuan Chien	Male	Aug 1, 2008	0	0.00%	0	0.00%	0	0.00%	Department of Transportation Technology & Management, Feng Chia University	-	-	-	-	N/A
Vice President	R.O.C.	Huey-Jang Chung	Male	Apr 1, 2007	181,297	0.01%	20,721	0.00%	0	0.00%	Department of Shipping and Transportation Management, National Taiwan Ocean University	-	-	-	-	N/A

Title	Nationality	Name	Gender	Position taken since	Shareholding		Spouse, minors shareholding		Shareholding with others name		Major academic qualifications	Position held in other company	Spouse or relative acts as other managerial officer			Remark (Note 1)
					Shares	Holding ratio	Shares	Holding ratio	Shares	Holding ratio			Title	Name	Relation	
Vice President (Finance Officer)	R.O.C.	Chih-Hsien Chen	Male	Mar 18, 2016	86,219	0.00%	51,348	0.00%	0	0.00%	Department of Banking and Finance, Tamkang University	WAN HAI LINES (VIETNAM) Ltd. Representative Supervisor for legal entity BLUE OCEAN LOGISTICS CO.,LTD. Representative Supervisor for legal entity	-	-	-	N/A
Vice President	R.O.C.	Chien-Feng Wu	Male	Mar 18, 2016	0	0.00%	5,324	0.00%	0	0.00%	EMBA- International Business Management, National Taiwan University	SHENZHEN UNIWIN INTERNATIONAL LOGISTICS LTD. Representative Director for legal entity CLIPPER INTERNATIONAL SHIPPING AGENCY LTD. Representative Director for legal entity/Chairman BLUE OCEAN LOGISTICS CO.,LTD. Representative Director for legal entity WAN HANG TOURISM(SHANGHAI) Co., Ltd. Representative Supervisor for legal entity Qingdao Port & Win International logistics Co., LTD. Representative Director for legal entity	-	-	-	N/A
Vice President	R.O.C.	Ching-Yin Wang	Female	Mar 26, 2018	11,854	0.00%	0	0.00%	0	0.00%	Department of Forestry, National Taiwan University	-	-	-	-	N/A
Vice President	R.O.C.	Han-Peng Chu	Male	Aug 8, 2018	41,250	0.00%	0	0.00%	0	0.00%	Department of International Trade, Fu Jen Catholic University	-	-	-	-	N/A
Vice President	R.O.C.	I-Cheng Lin	Male	Dec 18, 2019	0	0.00%	0	0.00%	0	0.00%	Department of Mathematics, Tamkang University	WAN HAI SHIPPING LTD Representative Director for legal entity WAN HAI LINES (SINGAPORE) PTE. LTD. Representative Director for legal entity WAN HAI International PTE. LTD. Representative Director for legal entity	-	-	-	N/A
Vice President	R.O.C.	Fei-Fei Chuang	Female	Mar 22, 2021	4,000	0.00%	0	0.00%	0	0.00%	Department of German, Tamkang University	WAN HAI LINES (SINGAPORE) PTE. LTD. Representative Director for legal entity WAN HAI International PTE. LTD. Representative Director for legal entity WAN HAI LINES THAILAND LTD. Representative Director for legal entity WAN HAI CHARITY FOUNDATION CEO	-	-	-	N/A
Deputy Vice President	R.O.C.	Chun-Chieh Chen	Male	Mar 1, 2021	0	0.00%	0	0.00%	0	0.00%	Department of Marine Engineering, National Taiwan Ocean University	-	-	-	-	N/A
Deputy Vice President	R.O.C.	I- Feng Lin	Male	Oct 1, 2015	135	0.00%	0	0.00%	0	0.00%	Department of Merchant Marine, Tamkang University	-	-	-	-	N/A
Deputy Vice President	R.O.C.	Shyue- Jih Ma	Male	Oct 1, 2015	0	0.00%	0	0.00%	0	0.00%	Master, Department of Transportation and Communication Management Science, National Cheng Kung University	TK LOGISTICS INTERNATIONAL Co., LTD. Supervisor BAO SHENG SHIPPING AGENCY CO., LTD. Supervisor Hai Phong International Container Terminal Ltd Representative Director for legal entity WAN HANG TOURISM(SHANGHAI) Co., Ltd. Representative Director for legal entity CLIPPER INTERNATIONAL SHIPPING AGENCY LTD. Representative Director for legal entity	-	-	-	N/A
Deputy Vice President	R.O.C.	Wei-Kai Huang	Male	Oct 1, 2017	0	0.00%	0	0.00%	0	0.00%	Department of Business Administration, Fu Jen Catholic University	SHEN ZHEN YONG CHUN International Shipping Management Co., Ltd. Representative Director for Legal Entity	-	-	-	N/A
Deputy Vice President	R.O.C.	Fu-An Yang	Male	Mar 22, 2021	0	0.00%	0	0.00%	0	0.00%	Department of Atmospheric Sciences, National Taiwan University	-	-	-	-	N/A
Deputy Vice President	R.O.C.	Wen Yuan Chiang	Male	Oct 1, 2019	0	0.00%	0	0.00%	0	0.00%	Department of Finance and Cooperative Management, National Chung Hsing University	-	-	-	-	N/A
Assistant Vice President	R.O.C.	Tze-Ling Chen	Female	Oct 1, 2018	0	0.00%	0	0.00%	0	0.00%	University of Southern California, Marshall School of Business	-	-	-	-	N/A
Assistant Vice President	R.O.C.	Yi-Ching Wu	Female	Mar 22,2019	6,187	0.00%	20,924	0.00%	0	0.00%	Department of Business Administration, National ChengChi University	-	-	-	-	N/A
Deputy Vice President	R.O.C.	Meng-Chuan Chang	Female	Feb 1, 2017	3,150	0.00%	0	0.00%	0	0.00%	Department of Accounting and Statistics, National Taipei College of Business	WAN HAI LINES KOREA LTD. Representative Director for legal entity WAN HAI LINES PERU S.A.C. Representative Director for legal entity WANHAI LINES ECUADOR S.A. Representative Director for legal entity	-	-	-	N/A
Vice President	R.O.C.	Cheng-Hsien Huang	Male	Apr 1, 2019	0	0.00%	0	0.00%	0	0.00%	Department of Business Administration, National Sun Yat-sen University	-	-	-	-	N/A
Assistant Vice President	R.O.C.	Chih- Chung Chen	Male	Dec 20, 2019	0	0.00%	0	0.00%	0	0.00%	Graduate Institute of Business and Management, Chang Gung University	-	-	-	-	N/A
Accounting Officer	R.O.C.	Chia-Yi Hsiao	Female	Aug 13, 2007	1,363	0.00%	0	0.00%	0	0.00%	Department of Accounting, National Chung Hsing University	-	-	-	-	N/A

Note 1: If the President or holder of an equivalent office (Highest ranking manager) is same as Chairman, or the same person or they are spouses or first degree relatives of each other; explanation and relevant information should be provided for the reason, justifiability, necessity, and countermeasures (For instance, methods like increasing independent directors, but the majority directors should not be employees or managers of the company etc.).

3.2.3 Remuneration to directors, president and executive vice president

1. Remuneration to directors

Unit: TWD thousand

Title				Directors					Independent Directors			
				Chairman	Chairman	Director	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director
Name				Shihlin Paper Co., Ltd. Representative: Po-Ting Chen (Note 1)	Jiufu Garden Co., Ltd. Representative: Po-Ting Chen (Note 2)	Chen-Yung Foundation Representative: Chih-Chao Chen	Taili Corporation Representative: Randy Chen	Sun Shine Construction Co., Ltd. Representative: Chiu-Ling Wu	Rung-Nian Lai	Stephanie Lin	Pai-Tsung Chen (Note 1)	Yi-Sheng Tseng (Note 2)
Remuneration to directors	(A) Allowance	Unconsolidated		9,944					2,542			
		Consolidated		9,944					2,542			
	(B) Retirement pension	Unconsolidated		0					0			
		Consolidated		0					0			
	(C) Remuneration from retained earnings	Unconsolidated		143,617					0			
		Consolidated		143,617					0			
	(D) Transportation allowance	Unconsolidated		2,286					0			
		Consolidated		2,286					0			
Percentage of (A+B+C+D) in net income after tax (Note 3)		Unconsolidated		1.38%					0.02%			
		Consolidated		1.38%					0.02%			
Related remuneration for serving in the company concurrently	(E) Salary, bonus and specific subsidy	Unconsolidated		3,966					0			
		Consolidated		19,058					0			
	(F) Retirement pension	Unconsolidated		34					0			
		Consolidated		170					0			
	(G) Employee's bonus from retained earnings	Unconsolidated	Cash bonus	309					0			
			Stock bonus	0					0			
		Consolidated	Cash bonus	309					0			
			Stock bonus	0					0			
Percentage of (A+B+C+D+E+F+G+H) in net income after tax (Note 3)		Unconsolidated		1.42%					0.02%			
		Consolidated		1.55%					0.02%			
Other income				178					0			
Remark	1. Please explain the policy, system, criteria and structure of remuneration of independent directors, and explain the relevance between the amount of remuneration paid and their duties, risks and time invested: In accordance with Paragraph 2, Article 11 of our Articles of Incorporation, independent directors do not participate in profit sharing, and their remunerations are decided by the Board of Directors. In view of the broad scope of business operations of independent directors, and in accordance with market surveys and after making references to competitor's standards, the remuneration plan for our independent directors was suggested by the 7th meeting of the 3rd term of our Salary and Remuneration Committee and implemented after being passed by the Board of Directors. 2. Unless disclosed above, the Directors of the most recent year received remuneration for providing services (e.g. serving as a non-employee consultant)to the companies listed in this financial report: None												

Levels of remuneration

Level of remuneration paid to directors		Name			
		Total remuneration for (A+B+C+D)		Total remuneration for (A+B+C+D+E+F+G)	
		Unconsolidated	Consolidated	Unconsolidated	Consolidated
Directors	Lower than TWD 1,000,000				
	From TWD 1,000,000 to 2,000,000				
	From TWD 2,000,000 to 3,500,000				
	From TWD 3,500,000 to 5,000,000				
	From TWD 5,000,000 to 10,000,000				
	From TWD 10,000,000 to 15,000,000				
	From TWD 15,000,000 to 30,000,000	Shihlin Paper Co., Ltd., Representative: Po-Ting Chen Jiufu Garden Co., Ltd. Representative: Po-Ting Chen	Shihlin Paper Co., Ltd., Representative: Po-Ting Chen Jiufu Garden Co., Ltd. Representative: Po-Ting Chen	Shihlin Paper Co., Ltd., Representative: Po-Ting Chen Jiufu Garden Co., Ltd. Representative: Po-Ting Chen	Shihlin Paper Co., Ltd., Representative: Po-Ting Chen Jiufu Garden Co., Ltd. Representative: Po-Ting Chen
	From TWD 30,000,000 to 50,000,000	Chen-Yung Foundation Representative:Chih-Chao Chen Taili Corporation Representative: Randy Chen Sun Shine Construction Co., Ltd., Representative: Chiu-Ling Wu	Chen-Yung Foundation Representative:Chih-Chao Chen Taili Corporation Representative: Randy Chen Sun Shine Construction Co., Ltd., Representative: Chiu-Ling Wu	Chen-Yung Foundation Representative:Chih-Chao Chen Taili Corporation Representative: Randy Chen Sun Shine Construction Co., Ltd., Representative: Chiu-Ling Wu	Chen-Yung Foundation Representative:Chih-Chao Chen Taili Corporation Representative: Randy Chen Sun Shine Construction Co., Ltd., Representative: Chiu-Ling Wu
	From TWD 50,000,000 to 100,000,000				
	TWD 100,000,000 and above				
Independent Directors	Lower than TWD 1,000,000	Rung-Nian Lai Stephanie Lin Pai-Tsung Chen Yi-Sheng Tseng	Rung-Nian Lai Stephanie Lin Pai-Tsung Chen Yi-Sheng Tseng	Rung-Nian Lai Stephanie Lin Pai-Tsung Chen Yi-Sheng Tseng	Rung-Nian Lai Stephanie Lin Pai-Tsung Chen Yi-Sheng Tseng
Total		9	9	9	9

Note 1: Relieved from the post on 2020/6/22.
Note 2: Assume the post on 2020/6/23.
Note 3: Net income after tax is the profit after tax of the parent-company-only financial statements of the most recent year.
* The contents of the remuneration disclosed in this form are different from the concept of income under the Income Tax Act. Therefore, the purpose of this form is for information disclosure and is not for tax purposes.

2. Remuneration to President and Executive Vice President

Title			President	Executive Vice President
Name			Fur-Lung Hsieh	Wen-Chau Yeh
(A) Salary	Unconsolidated		7,661	
	Consolidated		7,661	
(B) Retirement pension	Unconsolidated		0	
	Consolidated		0	
(C) Bonus and specific subsidy, etc.	Unconsolidated		5,835	
	Consolidated		5,835	
(D) Employee's bonus from retained earnings	Unconsolidated	Cash bonus	309	
		Stock bonus	0	
	Consolidated	Cash bonus	309	
		Stock bonus	0	
Percentage of (A+B+C+D) in net income after tax (Note)	Unconsolidated		0.12%	
	Consolidated		0.12%	
Other income			178	

Levels of remuneration

Level of remuneration paid to the President and Executive Vice president	Name of President and Executive Vice president	
	Unconsolidated	Consolidated
Lower than TWD 1,000,000		
From TWD 1,000,000 to 2,000,000		
From TWD 2,000,000 to 3,500,000		
From TWD 3,500,000 to 5,000,000		
From TWD 5,000,000 to 10,000,000	Fur-Lung Hsieh Wen-Chau Yeh	Fur-Lung Hsieh Wen-Chau Yeh
From TWD10,000,000 to 15,000,000		
From TWD15,000,000 to 30,000,000		
From TWD30,000,000 to 50,000,000		
From TWD50,000,000 to 100,000,000		
TWD 100,000,000 and above		
Total	2	2

Note : Net income after tax is the profit after tax of the parent-company-only financial statements of the most recent year.

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

3. Bonus to Executives

	Title	Name	Stock Bonus	Cash Bonus	Total	Percentage in Net Income after tax (Note)
Executives	Vice Chairman	Randy Chen	0	3,397	3,397	0.03%
	President	Fur-Lung Hsieh				
	Special Assistant to Chairman	Chih-Chao Chen				
	Executive Vice President	Wen-Chau Yeh				
	Senior Vice President	Wei-Chien Chuang				
	Vice President	Kuo-Loong Kao				
	Vice President	Ming-Shan Huang				
	Vice President	Juang-Jyh Juang				
	Vice President	Ren-Kai Wu				
	Vice President	Chien-Cheng Hsiao				
	Vice President	Shen-Hsing Lo				
	Vice President	Li-Mei Su				
	Vice President	Hui-Chang Chung				
	Vice President	Cheng-Hsien Huang				
	Vice President	Hung-Chuan Chien				
	Vice President	Chih-Hsien Chen				
	Vice President	Chien-Feng Wu				
	Vice President	Ching-Yin Wang				
	Vice President	Han-Peng Chu				
	Vice President	I-Cheng Lin				
	Project Vice President	Wei-Hsin Hsu				
	Accounting Officer	Chia-Yi Hsiao				

3.2.4 Analysis regarding the percentage of total remuneration paid to the directors, president, and executive vice president in net income after tax for the past two years. Description regarding the remuneration policy, standard, procedure, and the relationship with operating performance.

	Percentage of total remuneration in net come after tax in 2020		Percentage of total remuneration in net come after tax in 2019	
	Unconsolidated	Consolidated	Unconsolidated	Consolidated
Directors	1.44%	1.57%	1.62%	1.96%
President and Executive Vice President	0.12%	0.12%	0.27%	0.27%

In accordance with our company's "Articles of Incorporation", if there is any annual profit for the Company, not less than 1% of the annual profit should be appropriated as remuneration for employees, and not more than 1% of the annual profit should be appropriated as remunerations for directors. Independent directors shall not participate in the profit sharing, their remunerations will be determined by a resolution from the Board of Directors, in accordance with market surveys and after making reference to competitor's standards. Moreover, remunerations for directors, president and vice-presidents shall take into consideration the normal standards of competitors, personal performances, performance in operations of the company, and reasonableness of relevant future risks. Remunerations for directors and management personnel have to be proposed by the Remuneration Committee and submitted to the Board of Directors for discussion and resolution

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors operation

In recent year(s), the Board of Directors convened a total of 10th board of directors meetings. The directors show the following facts of attendance:

2020.12.31

Position	Name	Number of actual participations (or as an observer)	Number of actual participations through a proxy	Rate of actual participations (or as an observer) (%)	Remarks
The 20th Board of directors show the following facts of attendance: (2020/01/01~2020/06/22, the Board of Directors convened a total of 4th board of directors meetings)					
Chairman	Shihlin Paper Co., Ltd. Representative: Po-Ting Chen	4	0	100%	
Director	Taili Corporation Representative: Randy Chen	3	1	75%	
Director	Chen-Yung Foundation Representative: Chih-Chao Chen	3	1	75%	
Director	Sun Shine Construction Co., Ltd Representative: Chiu-Ling Wu	4	0	100%	
Independent Director	Rung-Nian Lai	3	1	75%	
Independent Director	Stephanie Lin	4	0	100%	
Independent Director	Pai-Tsung Chen	0	3	0%	
The 21st Board of directors show the following facts of attendance: (2020/06/23~2020/12/31, the Board of Directors convened a total of 6th board of directors meetings)					
Chairman	Jiufu Garden Co.,Ltd. Representative: Po-Ting Chen	6	0	100%	
Director	Taili Corporation Representative: Randy Chen	6	0	100%	
Director	Chen-Yung Foundation Representative: Chih-Chao Chen	6	0	100%	
Director	Sun Shine Construction Co., Ltd Representative: Chiu-Ling Wu	6	0	100%	
Independent Director	Rung-Nian Lai	6	0	100%	
Independent Director	Stephanie Lin	6	0	100%	
Independent Director	Yi-Sheng Tseng	6	0	100%	

Other noteworthy items:

A. If the operation of the Board of Directors has one of the following situations, the following shall be disclosed: the date and term of the meeting, content of proposal, the opinion of all independent directors and how the opinion is dealt with by the Company:
   1. Article 14-3 of the Securities and Exchange Act states.
   2. In addition to the above, Board of Directors' resolutions opposed or voiced reservations by other independent directors and were recorded or declared in writing.

B. In the event of a recusal by one of the directors due to conflict of interests, name of the director, content of the proposal, cause of the recusal, and voting by participants should be disclosed
   1. Remuneration to independent directors.
      (1) Name of director: Rung-Nian Lai, Stephanie Lin
      (2) Motion:The 17th meeting of the 20th-term of Board of Directors (Mar, 26,2020). In accordance with Paragraph 2, Article 11 of Wan Hai Lines's Articles of Incorporation, independent directors do not participate in profit sharing, and their remunerations are decided by the Board of Directors. In accordance with market surveys and after making references to competitors' standards it was proposed that remunerations to independent directors would be adjusted starting from the 21st term of the Board of Directors.(including transportation allowances for attending Board meetings and Audit Committee meetings).
      (3) Cause for recusal due to conflict of interest: Independent director candidates for the next term.
      (4) Result of voting : Because Rung-Nian Lai and Stephanie Lin were independent director candidates for the next term, they recused themselves. Chairman of the meeting enquired the other directors attending the meeting, and they passed the motion without objection.
   2. Appointing directors of Wan Hai Lines(USA)Ltd.
      (1) Name of director: Randy Chen
      (2) Motion: The 17th meeting of the 20th-term of Board of Directors (Mar,26,2020), The terms of directors of Wan Hai Lines (USA) Ltd. nearly expired and were up for re-appointment, we proposed appointing Chih-Chao Chen, Randy Chen, Fur-Lung Hsieh and Shen-Hsing Lo to represent Wan Hai Lines to be new directors of the U.S. company.
      (3) Cause for recusal due to conflict of interest: They were appointed representatives.
      (4) Result of voting : Because Chih-Chao Chen and Randy Chen were appointed directors, they recused themselves. Chairman of the meeting enquired the other directors attending the meeting, and they passed the proposal without objection.
   3. Appointing directors of our subsidiary company BAO SHENG SHIPPING AGENCY CO., LTD.
      (1) Name of director: Chih-Chao Chen.
      (2) Motion: The 18th meeting of the 20th-term of Board of Directors (May,6,2020), The terms of BAO SHENG SHIPPING AGENCY CO., LTD. supervisors nearly expired and were up for re-appointment, we proposed appointing Chih-Chao Chen, Wei-Chien Chuang , Li-Mei Su and Amanda Liao to represent Wan Hai Lines to be new directors of the subsidiary company.
      (3) Cause for recusal due to conflict of interest: They were appointed representatives.
      (4) Result of voting : Because Chih-Chao Chen was appointed directors, they recused themselves. Chairman of the meeting enquired the other directors attending the meeting, and they passed the proposal without objection.
   4. Appointment of the members of the 4th-term remuneration committee and to determine their remuneration.
      (1) Name of director: Rung-Nian Lai, Stephanie Lin
      (2) Motion: The 2nd meeting of the 21th-term of Board of Directors (Aug,10,2020), In accordance with Article 4 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange", the

Position	Name	Number of actual participations (or as an observer)	Number of actual participations through a proxy	Rate of actual participations (or as an observer) (%)	Remarks

remuneration committee members should be appointed by resolution of the board of directors.

(3) Cause for recusal due to conflict of interest: They were appointed representatives.

(4) Result of voting : Rung-Nian Lai and Stephanie Lin recused themselves because they were appointees.

5. Wan Hai International Pte. Ltd. invested in proposed to make a donation to WAN HAI Charity Foundation.

(1) Name of director: Po-Ting Chen

(2) Motion: The 4th meeting of the 21th-term of Board of Directors (Dec,15,2020), for fulfillment of social responsibility, and in response to the Foundation's caring for underprivileged groups and providing them with resources, the Wan Hai International Pte. Ltd proposed to donate N.T 18 million to help the Foundation implement charitable activities and to give back to the community.

(3) Cause for recusal due to conflict of interest: He was the director of the Foundation.

(4) Result of voting : Po-Ting Chen was a director of the Foundation and recused himself, and the motion was passed by other directors present at the meeting.

6. Wan Hai Lines (HK) Limited invested in proposed to make a donation to WAN HAI Charity Foundation.

(1) Name of director: Po-Ting Chen

(2) Motion: The 4th meeting of the 21th-term of Board of Directors (Dec,15,2020), for the purpose of "emergency and humane care" and the fulfillment of corporate social responsibility, Wan Hai Lines (HK) Limited proposed to donate N.T 18 million to the WAN HAI Charity Foundation, so that the Foundation could be more actively involved, sustainable, and give back to the community.

(3) Cause for recusal due to conflict of interest: He was the director of the Foundation.

(4) Result of voting : Po-Ting Chen was a director of the Foundation and recused himself, and the motion was passed by other directors present at the meeting.

C. Companies listed in the stock exchange and over-the-counter markets should reveal the periods and durations of the self (or peer) assessment of the Board of Directors, and other information such as scope, methods and contents of assessments.

D. In recent years, for strengthening the functional goals of the Board of Directors (for example setting up the Audit Committee, raising information transparency etc.), and assessment of execution, the Company has appointed a corporate governance officer and revised our Standard Operation Procedures for dealing with demands made by directors (Rules for assessment of performance of the Board of Directors cum Functionality Committee.) in compliance with the requirements of competent authorities.

3.3.2 The 20th Board of independent directors show the following facts of attendance

◎ : Attendance in Person; ☆ : By Proxy; ◇ Absence

2020.12.31

2020	First	Second	Third	Fourth	Fifth	Sixth
The 20th Board of independent directors show the following facts of attendance: (2020/01/01~2020/6/22, the Board of Directors convened a total of 4th board of directors meetings)						
Rung-Nian Lai	◎	◎	☆	◎		
Stephanie Lin	◎	◎	◎	◎		
Pai-Tsung Chen	☆	☆	◇	☆		
The 21th Board of independent directors show the following facts of attendance: (2020/06/23~2020/12/31, the Board of Directors convened a total of 6th board of directors meetings)						
Rung-Nian Lai	◎	◎	◎	◎	◎	◎
Stephanie Lin	◎	◎	◎	◎	◎	◎
Yi-Sheng Tseng	◎	◎	◎	◎	◎	◎

Assessment of execution of the Board of Directors. On November 7, 2019, the Board of Directors of Wan Hai Lines reviewed and passed the "Rules for assessment of performance of the Board of Directors cum Functionality Committee" and will make regular annual performance assessments and submit results thereof to the Board of Directors, which will use them as reference for determining the remuneration of individual directors.

The period of assessment of performance of the Board of Directors cum Functionality is from 1st Jan to 31st Dec 2020, includes the overall Board of Directors, individual directors, Functionality Committee, Audit Committee and the Remuneration Committee.

Methods of assessment include internal self-assessment by the Board of Directors, and self-assessment by individual directors.

Assessment of performance of the Board of Directors includes:
1.Level of participation in operations of the company.
2.Enhancing the quality of making decisions.
3.Composition and structure of the Board of Directors.
4.Election and continued education of directors.
5.Internal control.

Assessment of performance of individual directors:
1.Grasping the goals and missions of the company.
2.Cognition of the jobs and duties of a director.
3.Level of participation in operations of the company.
4.Maintain internal relations and communications.
5.Expertise and continued education of the directors.
6.Internal control.

3.3.3 Audit Committee Annual Main Tasks and their Implementation

1. There are three members in the Audit Committee of our company, and their emphasis and responsibilities are as follows:
   (1) Establish or amend internal control systems in compliance with Article 14-1 of the "Securities and Exchange Act."
   (2) Review effectiveness of the internal control systems.
   (3) Establish or amend, in compliance with Article 36-1 of the "Securities and Exchange Act", handling procedures for major financial or operational actions such as acquisition or disposal of assets, engage in derivatives trading, extension of monetary loans to others, endorsements or guarantees for others.
   (4) Issues involving directors' self-interests.
   (5) Major trading of assets or derivatives.
   (6) Major extensions of monetary loans to others, endorsements or guarantees for others.
   (7) Public offering, issuing and private placements of equity securities.
   (8) Appoint, dismiss and remunerate Certified Public Accountants.
   (9) Appoint or dismiss financial, accounting and internal audit executives.
   (10) Annual Financial report signed by the Chairman and the executive of the Accounting Section, and second quarter financial report, which requires certification by a CPA.
   (11) Operations Reports and the surplus earnings distribution or loss make-up proposals.
2. Audit Committee 2020 Main Tasks
   (1) Auditing the Financial Statement: The annual business report, financial statement and profit sharing proposal were all reviewed and passed by the Audit Committee, and submitted to the Board of Directors for discussion. After being approved and resolved by the Board, they were submitted to the Shareholders Meeting for ratification.
   (2) Evaluation of effectiveness of internal control: Our audit units report on the internal control systems and their implementation to the Audit Committee

annually .Proposed amendments to the internal control systems and the annual Statement of Internal Control Systems are also submitted to the Audit Committee for review and approval.

(3) Appointment of Certified Public Accountants: Our Audit Committee assesses the independency and reasonableness of remuneration for the Certified Public Accountants annually.

3. There were 9th Audit Committee meetings in 2020. The attendance status of members were as follows:

2020.12.31

Position	Name	Number of actual participations (or as an observer)	Number of actual participations through a proxy	Rate of actual participations (or as an observer) (%)	Remarks
The attendance status of members were as follow : (2020/01/01~2020/6/22, there were 4th Audit Committee meetings in 2020)					
Independent Director	Rung-Nian Lai	4	0	100%	
Independent Director	Stephanie Lin	4	0	100%	
Independent Director	Pai-Tsung Chen	0	4	0%	
The attendance status of members were as follow : (2020/06/23~2020/12/31, there were 5th Audit Committee meetings in 2020)					
Independent Director	Rung-Nian Lai	5	0	100%	
Independent Director	Stephanie Lin	5	0	100%	
Independent Director	Yi-Sheng Tseng	5	0	100%	

Other information:

A. the operation of the Audit Committee has one of the following situations, the following shall be disclosed: the date and term of the meeting, content of proposal, the resolutions of the Audit Committee and how the opinion is dealt with by the Company.
   1. Article 14-3 of the Securities and Exchange Act states.
   2. Apart from the above, other resolutions not passed by the Audit Committee but agreed upon by more than two thirds of all directors.

B. In the event of a recusal by one of the independent directors due to conflict of interest, name of the independent director, content of the proposal, cause of the recusal, and the voting by participants should be disclosed : None.

C. Communications between independent directors and internal audit supervisors and accountants (including communications regarding major financial and business situations, methods and results):
   1. Communications between independent directors and internal audit executives: The 2020th term of independent directors and internal audit executives had two communications meetings, summaries of major communications are listed as follows:

Dates of Meeting	Communications with Internal Audit executives	
	Contents of Communications	Results of Communications
2020/03/26	1. Pay attention to collection of accounts receivable.	Auditors paid close attention to collections of accounts receivable of the various offices, and compared them to those of the second half of last year, when payment dates were delayed or when amounts increased, the management received risk alerts in a timely manner. Suggestions by independent directors: No special suggestion..
	2. In response to the company's upfront response measures for managing risks, methods of meetings and internal training were changed expediently.	In response to the company's upfront response measures for managing risks, many meetings (Including the pricing meeting with vendors) and internal trainings were switched to video conferences or e-learning instead. Auditors' special topics on legal compliance and domestic and overseas promotions were planned in accordance with e-learning or skype methods. Suggestions by independent directors: Continue with various epidemic prevention measures.
2020/12/15	1. Explanation of practices and measures regarding promotion of maritime safety and epidemic prevention taken by the Wan Hai Fleet in response to COVID-19.	Auditors participated in discussions and made suggestions regarding various maritime safety and epidemic protection measures, paid close attention to each ship's implementation of epidemic prevention practices. The auditors used on-board epidemic prevention videos and presentation by maritime safety officers to report fleet management and epidemic prevention measures to the independent directors. Suggestions by independent directors: As shown in our CSR Report, our company had a lot of considerate measures to take care of the physical and mental health of our seamen .Moreover, Covid vaccines are now researched and manufactured in many countries, Auditors should keep an eye on a suitable timing for purchasing vaccines, so as to provide another layer of protection to our seamen.
	2. In response to the company's upfront response measures for managing risks, methods of meetings and internal training were changed expediently.	Special topics on legal compliance and domestic and overseas promotions of 2020 were audited by means of e-learning. Six professional courses on Competition Law and International Sanctions were completed. Suggestions by independent directors: Keep on doing it.

Position	Name	Number of actual participations (or as an observer)	Number of actual participations through a proxy	Rate of actual participations (or as an observer) (%)	Remarks

(2) Communications between independent directors and accountants: The 2020th term of independent directors and accountants had two communications meetings, summaries of major communications are listed as follows:

Dates of Meeting	Communications with Accountants	
	Contents of Communications	Results of Communications
2020/03/26	Accountants' responsibility in auditing Financial Statements.	The accountants' responsibilities are auditing in accordance with the "Statement of Auditing Standards" and to form and state their opinions. But the auditing does not exempt management and governance units from their responsibilities regarding financial statements..
	Independency and scope of audition.	1. Persons subjected to independency had all complied with the statements of independency, and made professional judgments as accountants,and they had no relation or situation with the company,which might influence their independency. 2. Audits were conducted in accordance with the"Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Audits were carried out on major amounts calculated, and. expert opinions were adopted regarding other professional items, including actuarial valuation of pensions, and evaluation of real properties and bonds.
	Key Audit Matters:	1. Revenue Recognition. Samples systematically selected were spot checked and the difference between the shipping days of the sample and the shipping days of the actual voyage was compared,to assess the reasonableness of calculating shipping days for the various routes. Test results showed no big abnormalities. 2. Evaluation of impairment loss of fixed assets:The accountants evaluated signs of impairment in accordance with revenue generating units and various indexes for assessing impairment, and no sign of impairment was found.
	Applicable new bulletins and relevant discussions:	The accountants recognized on the applicable date, the right-of-use assets and lease debts assigned to IFRS16.They also evaluated assets and tracked the ability to compile Financial Statements.Moreover in response to the Covid 19 epidemic, and according to the Financial Supervisory Commission's letter Number: Jin Guan Zheng Shen 1090360805, stating that when an accountant cannot obtain sufficient and suitable audit evidences due to the pandemic, the accountant may adopt alternative auditing procedures, and make accurate records of reasons for adopting alternative procedures and relevant evidences.The accountants assessed that Wan Hai Lines did not encounter such a situation.
	Assessment indexes regarding company governance and updating important laws and regulations:	1. Questionnaire Mechanism:Respondents include internal audit executives,and certified public accountants of the assessed company. 2. The new requirement for date of publication of Financial Statement in 2020,influenced assessment scores. 3. The basis for setting aside statutory earnings reserve was amended. It is now also required to disclose information of major shareholders in financial statements;to list actual investment expenses as deductible items for undistributed surplus reserves; and mandatory disclosure of company's major information in English.
2020/12/15	Key audit items.	1. Recognition of revenues.The accountants took note of the internal control system, conducted loop tests,and inspected the information environment at the same time. Moreover, in connection with the spot check sample,accuracy of recognition of revenue was assessed,and authenticity of receipts and recipients was checked,and the results showed no major abnormality. 2. Evaluated impairment of real property, plant and equipment: The accountants evaluated signs of impairment in accordance with indexes listed in bulletin IAS 36,and if there were signs of impairment further evaluation of amount of impairment loss would have to be performed, but no apparent impairment was found.
	Financial statement prepared by the company	1. Taiwan Stock Exchange and Taipei Exchange, respectively on June 30 and July 1, 2020, sent letters to all listed companies to inform them of guidelines for auditions. 2. The competent authorities intend to review at the December IFRS policy announcement meeting, some common mistakes,omissions or matters that need to be improved often made by companies.They will also invite excellent companies to share their experiences in compiling financial statements. 3. When competent authorities find mistakes or omissions, they will ask the company to draw up an improvement plan, and/or set up a deadline for improvements.
	Updating important laws and regulations.	1. The "Q&A regarding guidelines for handling loans, endorsements and guarantees by a listed company" was amended-overdue accounts receivable. 2. Company governance-Blueprint for Sustainable Development.
	Guidelines for acquisition or disposal of assets.	Introduced the guidelines for acquisition or disposal of property and equipment or right-of-use assets thereof.

3.3.4 Distinction between the company's corporate governance and such of the companies listed on the Taiwan Stock Exchange Corporation ("TWSE") and the Taipei Exchange (or together as "TWSE/ TPEx listed companies")

Item	Description of the operation			Distinction from the operation and governance of those TWSE/TPEx listed companies
	Yes	No	Remark	
1. Does the Company follow the "Corporate Governance Best Practice Principles" to establish and disclose its corporate governance principles?	✓		The Company has established and disclosed corporate governance principles according to Board Resolution of 2021.05.11.	No Difference
2.Company's shares structure and shareholders right				
(1) Does Company has SOP to deal with shareholders' suggestions and disputes?	✓		(1) The Company has designated a spokesperson and an acting spokesperson, disclosing their contact information in annual reports, for handling matters in connection with shareholders' suggestions or disputes.	
(2) Does the Company retain a register of major shareholders who have controlling power, and of the persons with ultimate control over those major shareholders?	✓		(2) The Company has committed its stock affairs to Hua Nan Securities Co., Ltd. Registrar & Transfer Agency Dept. The major shareholders and ultimate controller list of the major shareholders who actually control the Company are mainly based on the register list of shareholders provided by the stock agents so the holdings of directors, managers and shareholders holding more than 10% of the shares may be under real-time control.	No Difference
(3) Has the Company built and executed a risk control mechanism and firewall between the Company and its affiliates?	✓		(3) The Company has set up internal rules in the Company's Internal Control System.	
(4) Has the Company established internal standards in order to prohibit insider undisclosed information trading of securities on the market?	✓		(4) The Company has established the "Internal Management Control for the Prevention of Insider Trading" and has already informed all directors, managers and staff, in order to avoid violations of insider trading. The Company also has annual educational training for all employees and managers to prevent insider trading.	
3. The Board of Directors' composition and responsibilities				
(1) Has the Board of Directors formulated the policy on diversity based on its composition and faithfully implemented?	✓		(1) Members of the Board of Directors are elected by the shareholders, and independent directors are nominated. In addition to considering independence, the Company's required service needs are taken into account when the nominated professional and qualified candidates are elected by the shareholders. The Company is run in accordance with the directors' business, legal, accounting, and management experience. There is Company organization governance with diversified thought direction, which provides discussion and resolution for the Board of Directors' deliberations. Diversification of Board Directors Policy please refer to P.20.	(1) No Difference
(2) In addition to being in accordance with the law for establishing a Remuneration Committee and an Audit Committee, is there any voluntary establishment of other functional committees?		✓	(2) The Company has legally established a Remuneration Committee. Audit committees and other types of functional committees will be separately assessed according to actual requirements.	(2) In accordance with the law an Audit committee will be established by 2017.
(3) Has the Company defined its Board of Directors' evaluation performance appraisals, and are there regular annual performance appraisals, and the results of the performance evaluation are reported to the Board of Directors and used as a reference for individual directors' salary and remuneration?	✓		(3) The company has approved the "Board of Directors' evaluation performance appraisals" at 2019.11.7 Board of Directors Meeting. The performance evaluation will be performed regularly every year from 2020, and the results of the performance evaluation will be reported to the Board of Directors and used as a reference for individual director's salary. Year 2020 assessment of performance of the Board of Directors, the period was from 1st, Jan 2020 till 31th, Dec 2020. Scope of assessment of performance of the Board of Directors includes the overall Board of Directors, individual directors, Functionality Committee, Audit Committee and the Remuneration Committee. Methods of assessment include internal self-assessment by the Board of Directors, and self-assessment by individual directors. Assessment of performance of the Board of Directors includes: 1. Level of participation in operations of the company. 2. Enhancing the quality of making decisions. 3. Composition and structure of the Board of Directors. 4. Election and continued education of directors. 5. Internal control. Assessment of performance of individual directors: 1. Grasping the goals and missions of the company. 2. Cognition of the jobs and duties of a director. 3. Level of participation in operations of the company. 4. Maintain internal relations and communications. 5. Expertise and continued education of the directors. 6. Internal control. Assessment of performance of Audit Committee 1. Level of participation in operations of the company. 2. Cognition of the jobs and duties of Audit Committee 3. Enhancing the quality of making decisions. 4. Election the member of Audit Committee 5. Internal control.	(3) No Difference

Item	Description of the operation			Distinction from the operation and governance of those TWSE/TPEx listed companies
	Yes	No	Remark	
(4) Does the Company regularly use an independent certified accountant for assessment?	✓		Assessment of performance of the Remuneration Committee includes: 1. Level of participation in operations of the company. 2. Cognition of the jobs and duties of Remuneration Committee 3. Enhancing the quality of making decisions. 4. Election the member of Remuneration Committee 5. Internal control. (4) The result has been proposed to the board of directors at the meeting on March 22, 2021 for deliberation and has been adopted. After the internal evaluation of the Company, it is confirmed the CPAs do not hold the securities of the Company. There is no possibility of any direct or indirect interest or financial interest related to the Company, and the CPA's family members do not violate the independence requirements. The rotation system of CPA is also in compliance with ISA No. 46 and other relevant regulations.	(4) No Difference
4. Has the TWSE/TPEx listed company set up a full or part-time corporate governance unit or designated personnel to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, handling matters relating to board meetings and shareholders' meetings according to laws, handling corporate registration and amendment registration, producing minutes of board meetings and shareholders' meetings)?	✓		The Board of Directors of the company passed a resolution on March 22, 2019 and announced on the Market Observation Post System that acting assistant manager and spokesperson of our Operation Division Li-Mei Su was appointed our corporate governance officer, she is on our management team and has more than three years working experience in our legal affairs and managing procedures. Her Main Responsibilities Include: (1) Conduct matters related to Board and Shareholders' meetings in accordance with the laws, prepare minutes of Board and Shareholders' meetings, assist directors and supervisors in taking office and continuing their education, provide directors and supervisors with information they need to perform their duties, and to assist directors and supervisors to act in compliance with laws and regulations. (2) In accordance with Article 24, Direction 6 of The Taiwan Securities Act governing setting up and running a Board of Directors by a listed company, the listed company should arrange professional training courses for their governance executive. A new corporate governance officer must take at least18 hours of training courses within a year starting from the day of taking the position, and at least 12 hours a year thereafter. Our corporate governance officer completed 21 hours of training in 2020, in conformity with the requirements of the law, and the courses are detailed as follows: 2020/5/26：Taiwan Academy of Banking and Finance- Public relations crisis management (3 Hours) 2020/6/5 ：Taiwanese Corporate Governance Association - Corporate Governance and Securities Regulations (3 Hours) 2020/6/9 ：Taiwan Corporate Governance Association- The Criminal Law Risks of the Directors and Supervisors of Enterprises and the Corresponding Measures——From the Perspective of Enterprise Fraud and Money Laundering Prevention (3 Hours) 2020/6/23：Taiwan Academy of Banking and Finance -Analysis of important practical judgments on corporate governance (3 Hours) 2020/7/21：Taiwan Independent Director Association- How independent directors grasp the key lines of defense and case analysis of financial report risks (3 Hours) 2020/7/31：Taiwan Corporate Governance Association-Insight into key messages hidden in financial statements.(3 Hours) 2020/11/24：Taiwan Corporate Governance Association.-Corporate Governance 3.0-Blueprint for Sustainable Development.(3 Hours) 2021 Annual Operations Plans: (1) Performances of the Board of Directors and directors are self-assessed annually, and results are reported before the end of the first quarter. (2) Liability insurances will be provided for directors, supervisors and important employees.	No Difference
5. Has the Company established a communication channel with interested parties/individuals, and an area for them on the Company's website, in order to respond appropriately to questions concerning the Company's corporate social responsibility?	✓		The Company has established a stakeholder comment zone under the Corporate Social Responsibility (CSR) section of the Company website based on respecting the rights and interests of stakeholders. Each department is responsible for its respective function and communicating with the stakeholders: (1) Employees Issues of concern: Labor-management relations, employee welfare, multiple and equal opportunities, occupational safety and health maintenance, education and training. Communication channels and response methods: 1. Outlook Electronic Bulletin Board/non scheduled. 2. Business operation meetings./biweekly. 3. Battle status meetings/weekly 4. Maritime safety seminars/monthly or impromptu depending on situation. 5. In department meetings/monthly or impromptu depending on situation. 6. Employee feedback investigations/every six months 7. Employee welfare committee meetings/at least once a year. 8. Electronic questionnaires regarding opinions and proposals of maritime personnel/before disembarkation.	No Difference

Item	Description of the operation			Distinction from the operation and governance of those TWSE/TPEx listed companies
	Yes	No	Remark	
			9. Education and training of maritime personnel/before embarkation and monthly and quarterly. 10. Education and training: questionnaires regarding course satisfaction and training inclinations. 11. Employee safety and health committee meeting/regular or impromptu depending on situation. 12. Common e-mail, dedicated telephone line, electronic bulletin board and message board for maritime personnel/non scheduled. 13. Labor and management communication meetings/quarterly. 14. Communication and Liaison window. Ms. Huang :886-2-25677961 # 7531 Ms. Yang:886-2-25677961 # 7586 Email: csr@wanhai.com (2) Customer Issues of concern: Economic performance, energy, compliance with regards to environmental protection Protection for and communication with customers; safety and transparency of information. Communication channels and response methods: Corporate governance, operational performance, compliance with regards to environmental protection, service quality 1. Contract regulations / once a year on average. 2. Customer satisfaction survey, customer visit, meeting discussion / irregularly 3. Customer email(cs@wanhai.com) 4. Company website (https://www.wanhai.com) continue to open to receive customer response comments. 5. Customer hotline number Ms.Huang:886-2-25677961 #7531 Ms.Yang:886-2-25677961 #7586 Email: csr@wanhai.com (3) Shareholder / Investor: Issues of concern: Corporate governance, sustainable development strategy; risk management, 1. Shareholders' meeting / annually 2. Judicial persons' conference / at least once a year 3. Publish material financial and business information on the Market Observation Post System / follow the regulations of the competent authority 4. Company website, shareholders servicing methods (hotline and email)/irregular 5. Contact window: Ms.Huang:886-2-25677961 #7531 Ms.Yang:886-2-25677961 #7586 Email: csr@wanhai.com (4) Government and Competent authority Issues of concern: Corporate governance, corporate governance; risk management; communication with competent authorities. Company Financial Statement / quarterly 1. Telephone, official document exchange, trade association meeting discussion / irregularly 2. Labor inspection, declaration of safety and health related information / irregular, in accordance with the requirements of the competent authorities 3. Labor inspection/ non scheduled, occupational disaster applications accepted monthly. 4. Contact window: Ms.Huang:886-2-25677961 #7531 Ms.Yang:886-2-25677961 #7586 Email: csr@wanhai.com (5) Supplier Issue of concern: Corporate image and supplier management Communication channels and response methods: 1. Education and training for seamen hired through crew labor agents/quarterly or regularly upon completion of project. 2. Agency evaluation, vendor evaluation and certification system, supplier safety and health management, contract specifications/ annually. 3.E-mail, dedicated phone line, conference discussions, field visits, company website/non scheduled. 4. Operation Division shall evaluate the contractor (new container inspector) once a year. ◦ 5. Frequency of supplier evaluation by the Engineering Division. (1)Maintenance. (2)Accessories. 6. Frequency of supplier evaluation by the Marine Division. (1)Material/fuel oil/lubricant (2)Crew labor. ◦ 7. Frequency of agency evaluation . 8. Frequency of AEO business partner evaluation. 9. Contact window: Ms.Huang:886-2-25677961 #7531 Ms.Yang:886-2-25677961 #7586 Email: csr@wanhai.com (6) Social groups or Nonprofit organization corporate image , social concerns and participation. Issues of concern: Communication channels and response methods: 1. Volunteer services or public welfare activities.	

Item	Description of the operation			Distinction from the operation and governance of those TWSE/TPEx listed companies
	Yes	No	Remark	
			2. Publications: "Ting Bo Zhan" magazine, "Ting Bo Zhan" newsletter. 3. Official website bulletin, Wan Hai Charity Foundation and Ting Bo Zhan Facebook pages, News and public messages, e-mail, dedicated phone line, official letters, field visits, internet groups/ non scheduled. 4. Contact window: Ms.Huang:886-2-25677961 #7531 Ms.Yang:886-2-25677961 #7586 Email: csr@wanhai.com (7) Correspondent banks Issue of concern: : Corporate governance, correspondent banks, business performance, sustainable development strategy, energy, green acquisition, market dynamics. Communication channels and response methods: 1. Credit extension meetings. 2. Non scheduled visits ,communications. 3. Various professional meetings and seminars. 4. Contact window: Ms.Huang:886-2-25677961 #7531 Ms.Yang:886-2-25677961 #7586 Email: csr@wanhai.com (8) Other creditors Issues of concern: Corporate Image; Safety and Transparency of Information; Energy Management Communication channels and response methods: 1. Announce business performance. 2. Non scheduled meetings, telephones, e-mails. 3. Communicate with investors through bond underwriters and compile a prospectus. 4. Evaluate credit ratings annually. 5. Contact window: Ms.Huang:886-2-25677961 #7531 Ms.Yang:886-2-25677961 #7586 Email: csr@wanhai.com	
6. Has the company appointed a professional shareholder Services agency for shareholders affairs?	✓		Hua Nan Securities Co., Ltd. Registrar & Transfer Agency Dept.	No Difference
7. Disclosure of Information (1) Has the company established a website disclosing financial operations and corporate governance information?	✓		(1) Company website(http://www.wanhai.com.tw) A.Finance and business related information: investor relations and a related news area are on the website, as well as financial reports, shareholders' meeting and dividend stock price information and business news so that the public are informed about relevant information. B.Corporate Governance Information: the investor relations area on the website shows the Company's articles to the general public, as well as the procedure for asset acquisition and disposal, the procedure for endorsements and guaranties, the procedure for capital financing and lending, the procedure for derivative financial products acquisition and disposal, internal auditing of organization, and the organizations and departments of the Company.	(1) No Difference
(2) Does the Company disclose information in other ways (such as an English website, a designated person responsible for the Company's collection and disclosure of information, a company spokesman system, or have the investor conference be placed on the Company's website)?	✓		(2) The Company has designated a person responsible to collect and disclose company information, and also build the Chinese/English websites with PR mailbox system (PR@wanhai.com), IR mailbox system (IR@wanhai.com), stakeholders' opinion section and with a spokesperson as a clear communications channel with the interested parties/individuals. The Company's website also has an investor relations area which shows descriptions of investor conference.	(2) No Difference
(3) Does the Company publicly announce and register the annual financial reports within two months after the end of the fiscal year, and publicly announce and register in advance, within the stipulated time limit, the financial reports for the first, second and third quarters as well as operation status for each month?		✓	(3) The Company publicly announce and register quarterly financial reports and monthly operations status, within the time limits set by Article 36 of the Securities and Exchange Act.	(3) Although the company does not comply with the assessed item, but comply with the time limit set by Article 36 of the Securities and Exchange Act.
8. Any other information that is beneficial to and may enhance the understanding of corporate governance (for example, employees right, employees welfare, investor relation, supplier relation, right of interested parties/ individuals, continuing education for corporate directors, risk management policy and risk assessment criteria and their execution, execution of customer policy, and purchase of liability insurance for company directors, etc.	✓		(1) The Company's Independent Director / Rung-Nian Lai had completed The new version of corporate governance and the matters that the board of directors should follow in exercising their powers by Securities &Futures Institute (2) The Company's Independent Director / Rung-Nian Lai had completed Intellectual property management and company operating risks by Securities &Futures Institute (3) The Company's Independent Director / Rung-Nian Lai had completed Early Warning and Type Analysis of Enterprise Financial Crisis by Securities &Futures Institute (4) The Company's Independent Director Stephanie Lin had completed Analysis and Practice of International Taxation Trends Issues under the New Corporate Governance Blueprint by Securities & Futures Institute (5) The Company's Independent Director Stephanie Lin had completed Relevant norms and operational practices of the audit committee by Securities & Futures Institute (6) The Company's Independent Director Yi-Sheng Tseng had completed Would taking a gun violate the trade secrets law? [Corporate Law-Trade Secrets] by Taiwanese Corporate Governance Association (7) The Company's Independent Director Yi-Sheng Tseng had completed 2002 Prevention of Insider Trading and Insider Equity Trading Publicity Seminar by Securities & Futures Institute	No Difference

Item	Description of the operation			Distinction from the operation and governance of those TWSE/TPEx listed companies
	Yes	No	Remark	
			(8) The Company's Independent Director Yi-Sheng Tseng had completed Ten Required Courses of Corporate Governance by Taiwanese Corporate Governance Association (9) The Company's Independent Director Yi-Sheng Tseng had completed Prevention of insider trading by Taiwanese Corporate Governance Association (10) Valuing environmental protection: The Company has been continuously promoting the ISO 14001 environmental management system since 2004. The Company's dedicated docks in Kaohsiung Port and Taichung Port have installed wastewater treatment equipment. Dock wastewater is processed by wastewater equipment under normal operation, and water quality is examined periodically in accordance with the regulations. The water quality is in compliance with the regulations. In addition, the Company's shipping fleet is in compliance with the International Convention for the Prevention of Pollution from Ships (MARPOL), and the standard for the management of ship ballast water is stipulated in accordance with relevant regulations of the International Maritime Organization (IMO). The Company was awarded the Best Green Shipping Line of the Asian Freight, Logistics and Supply Chain Awards (AFLAS) in 2016. In addition, the Company is recognized with the Development of Green Shipping Excellence Award by the Ministry of Transportation and Communications every year. (11) Valuing workplace safety and health issues: Regular firefighting and escape drills are held at the Taipei headquarters, the Taichung dock, and the Kaohsiung dock. The dock workplaces have been established, have been certified, and continuously promote the CNS15506 & OHSAS 18001 occupational health and safety management systems. In addition, the Company's fleet is in compliance with the International Safety Management Code (ISM Code) and the International Ship and Port Facility Security Code (ISPS Code) and conducts regular drills. (12) We take care of all employees' health; facilities like health center, stress relief room, AED service and breastfeeding room are especially set up for the female or pregnant ones. Also, we keep closed eyes on the physical exercising, fitness or hold the mental growth oriented workshop. (13) Regularly organizing various health promotion activities: through providing health checks, holding health seminars and establishing company sports clubs, etc., and regularly sending occupational safety and health information, the Company strives to guide employees to pay attention to and take care of their own physical and mental health. Both recognized with a "Healthy Workplace Certification: Health Promotion Stamp" from the Health Promotion Administration of the Ministry of Health and Welfare and awarded a "Sports Company Certification" from the Sports Administration of the Ministry of Education in 2020. (14) The Company has purchased liability insurance for directors and officers. The insured amount is US$5 million, and notification has been issued through the Market Observation Post System. (15) We follow WCO SAFE (Framework of Standards to Secure and Facilitate Global Trade) and obtained customs certification of AEO (Authorized Economic Operator). (16) Facing the rapid development of information technology, the Company continues to increase capital expenditures on information technology and optimize hardware and software based on its business needs, so as to enhance information management and promote digitization while maintaining efficiency and information security. (17) The Information Security Policy and the Procedures and Regulations for Information Security Management are formulated to improve the Company's information management system, maintain normal operations of information systems, and control information and network security. To strengthen the Company's (18) Information security, an identity management mechanism was introduced in 2017 to avoid the risk of illegal access, intrusion, leakage, or falsification. In 2018, the mailing system was moved to the cloud to lower the costs of equipment maintenance and backup and reduce information security risks.	

9. Please provide information on the status of the improvements regarding the results of a corporate governance evaluation published by the TWSE Corporate Governance Center in the most recent year. For improvements not yet implemented, state the areas and policies your company established as priorities for improvement. (Leave blank if your company was not evaluated.)

The Company conducted the corporate governance self-assessment in response to the promotion of the corporate governance evaluation and prepared a report.
The Corporate Governance Center publicized the results of the evaluation, according to which, the Company was able to comply with the major aspects of the standards.

Results of the corporate governance evaluation:
Ranked top 6% to 35% amid all TWSE listed companies from 2014 to 2020.
Key points of the improvements include:
1. Disclose greenhouse gas emissions, water consumption and weight of waste of recent two years.
2. Establish and disclose policies with respect to energy savings, reduction of carbon and greenhouse gas emissions, water savings and other waste management.
3. Establish and disclose corporate governance principles.
4. Establish diversified policy of board of directors and disclose in annual report.
5. Establish succession planning of directors and important management and disclose operating situation in annual report.
6. Establish risk management policies and procedures approved by board resolution.

Improvements not yet implemented:
Set up the Intellectual Property Management Plan relating to operating goal, and disclose operating situation in company website or annual report, and report to board meeting at least once a year.

3.3.5. Continuing education and training related to business administration attended by the Company's officers

*Continuing education and training for the directors and managers:

Name	Title	Date	Sponsor unit	Course	Time (hr.)
Rung-Nian Lai	Independent Director	Oct 15,2020	Securities & Futures Institute	The new version of corporate governance and the matters that the board of directors should follow in exercising their powers	3
		Oct 16,2020	Securities & Futures Institute	Intellectual property management and company operating risks	3
		Oct 16,2020	Securities & Futures Institute	Early Warning and Type Analysis of Enterprise Financial Crisis	3
Stephanie Lin	Independent Director	Sep 15,2020	Securities & Futures Institute	Analysis and Practice of International Taxation Trends Issues under the New Corporate Governance Blueprint	3
		Sep 16,2020	Securities & Futures Institute	Relevant norms and operational practices of the audit committee	3
Yi-Sheng Tseng	Independent Director	Aug 18,2020	Taiwanese Corporate Governance Association	Would taking a gun violate the trade secrets law? [Corporate Law-Trade Secrets]	3
		Oct 14,2020	Securities & Futures Institute	2002 Prevention of Insider Trading and Insider Equity Trading Publicity Seminar	3
		Nov 05,2020	Taiwanese Corporate Governance Association	Ten Required Courses of Corporate Governance	3
		Dec 24,2020	Taiwanese Corporate Governance Association	Prevention of insider trading	3

3.3.6 Matters relating to obtaining license or qualification for purpose of financial transparency as required by the competent authority:

*Taiwan CPA Association: Two individuals (Financial Division)
*Taiwan CIA Association: One individual (Financial Division)
* Continuing Education for Auditing Division personnel:

Name	Title	Date	Sponsor unit	Course	Time (hr.)
Yi-Ching Wu	Audit Supervisor	Nov 10,2020	Accounting Research and Development Foundation	How internal auditors use digital forensics in business secret protection and investigation	6
		Dec 17,2020	The Institute of Internal Auditors Chinese Taiwan	The law of self-protection: how to face the investigation and trial procedure	6

*Continuing Education/Training for the Financial Division personnel:

Name	Title	Date	Sponsor unit	Course	Time (hr.)
Chia-Yi Hsiao	Accounting Supervisor	Nov 11,2020	Securities & Futures Institute	Finance, stock affairs, and audit use Excel Word joint application and hub analysis application class	3
		Nov 25,2020	Securities & Futures Institute	Corporate M&A Tax Seminar	6
Chih-Hsien Chen	Financial Supervisor	Jan 13,2020	Accounting Research and Development Foundation	Compilation of IFRS financial report related norms amendment key points and common deficiencies analysis	3
		Jun 30,2020	Securities & Futures Institute	New Issues of Taxation on Transfer of Multinational Enterprises	3
		Jul 24,2020	Securities & Futures Institute	Consolidated Statement Preparation Practice Seminar	3
		Sep 23,2020	Securities & Futures Institute	The key points of reinvestment business and subsidiary supervision from the perspective of internal control and finance	3

3.3.7 Difference between the corporate responsibility measures taken by other publicly-listed, OTC companies and reason for difference

Items	Y	N	Status of Work	Difference between the corporate responsibility measures taken by other publicly-listed, OTC companies and reason for difference
1. Does the company perform risk assessments regarding the environmental, social and governance issues in compliance with the materiality principle?	✓		Wan Hai Lines has upheld the operational philosophies of "customer first, full participation, environmental protection, and business continuity". While pursuing sustainability and profitability, it shall at the same time fulfill its corporate social responsibilities ,attach importance to stakeholders' rights and interests, and pay attention to environmental, social and governance issues. The above shall be incorporated into Wan Hai Lines' management strategies and operations.	No Difference
2. Does the company set up a unit to promote corporate social responsibility and authorized by the Board of Directors and report to the Board?	✓		(1) In order to integrate resources to promote CSR, the Company established a permanent Corporate Social Responsibility unit that is responsible for business operations in accordance with corporate social responsibility. This includes the approval of the annual target areas, implementation of the scope of the program, execution and review of tracking performance of the program, and the production of the Board of Directors report and Corporate Social Responsibility report. The Chairperson serves in the Corporate Social Responsibility unit as a joint steering committee member. The unit covers corporate governance, employee care, customer care, economic/ environmental care, and social/welfare groups. (2) The Company has implemented the "Code of Conduct for Corporate Social Responsibilities of Wan Hai Lines Ltd." after it was approved by the Board of Directors on November 11, 2015, and has set up an exclusively (or concurrently) dedicated corporate governance unit pursuant to Paragraph 1, Article 9 of Chapter 2 of the Code (please refer to http://www.wanhai.com/file/whl_tw/duty.pdf). Details on the structure and positions of the unit can be found at (http://www.wanhai.com/file/whl_ tw/CSR_Team. pdf). The Company shall comply with Paragraph 1, Article 5 of Chapter 1 of the Code and submit CSR relevant matters to the Board of Directors for approval on a regular basis.	No Difference
3. Environmental Issue (1) Has the Company established a suited environmental management system to its industry characteristics?	✓		(1) Current environmental management system employed by the company as related to the shipping industry is as follows: A. All vessels have been fitted with sewage and bilge water treatment system, B. Engines and generators on ships built after 2000 are all up to Tier 1 emissions standards C. When waste oil are discharged from engine room, should be filled out with oil record book and recycled by a qualified company D. Bilge water from the engine room passes through a 15 PPM bilge water separator before being released, and properly recorded. E. Garbage and wastewater are processed by qualified equipment, registered in the record book and discharged according to regulations F. The combustion and exhaust of equipment produced by the ship in operation shall comply with the exhaust emission standards. G. Our vessels use low-sulfur fuel in the ECA (Emission Control Area). Reduce the effects of exhaust in specific area. H. In accordance with international laws and regulations, our entire fleet is now using low sulfur fuel in compliance with the regulations. I. In accordance with The International Convention for Control and Management of Ships' Ballast Water and Sediments, we installed qualified ballast water management systems on our ships successively according to the certificate valid date. On ships where the systems are not yet installed, we carried out standard procedures for exchanging ballast water, keep accurate records of ballast water operations to comply with ballast water management standards stipulated in the International Convention. J. In 2020, all newly built ships will use the latest electric fuel injection main engine, which meets the requirements of the IMO for Phase 2 of the Energy Efficiency Design Index (EEDI), effectively further reducing energy consumption and reducing exhaust emissions. K. The ISO14001 management system is applicable to the office operations and vessel services of the Company, including the environmental impacts associated with life cycle assessments, from vessel design, vessel monitoring, shipping services to final vessel disposal. However, this does not include container freight station business activities.	No Difference
(2) The status of the Company devotion to increasing the efficiency of all its resources, and the use of renewable resources with a lower environmental impact	✓		(2) WHL has devoted itself to increasing the efficiency of all its resources, and the use of renewable resources with a lower environmental impact in the following ways: A. Vessels use Low Steaming Shipping, reducing fuel consumption, and greatly reducing the effect of emissions on the environment. B. Hulls are painted with a tin-free paint, avoiding the release of toxic tin into the environment, preventing damage to marine life. C. Trace the company fleet's efficiency of fuel consumption, well maintain main diesel engines and proceed regular ship clean and propeller polishing to maintain well efficiency of fuel consumption. D. Main diesel engines adapted for the latest electronic oil lubricator systems, alpha lubricators, and slide valves to improve the efficiency and reduce lubricating oil consumption. E. Stern tube sealing system adapted for latest air guard type to reduce the possibility of pollution. F. Instruction of manufacturers working on the ship to recycle and dispose of trash on shore. G. Amended ES-BOW to save ship fleet fuel consumption. H. Adopt energy-saving paint. I. Propeller polishing and hull clean. J. The Company's shipping fleet is totally replaced 60W (and below) light bulbs with LED light bulbs.	No Difference

Items	Y	N	Status of Work	Difference between the corporate responsibility measures taken by other publicly-listed, OTC companies and reason for difference
			K. The dedicated docks of the Company's Kaohsiung Port and Taichung Port facilities have installed smart meters. L. We have renewed our vehicles to enhance fuel efficiency. Especially, we purchased new energy efficient truck heads designed for operation in terminal. M. The efficiency of newly-purchased RTGs, GCs as well as SCs is greatly improved compared with the old ones in wharf areas #33 and #34, Port of Taichung. N. We have invested considerable effort into building wastewater recycling systems from container cleaning water to enable water purification and reuse, so as to reduce water consumption in Taichung Port. O. We dedicated in developing solar energy. The renewable energy provided an exceptional opportunity for mitigation of greenhouse gas emission gradually in Taichung Port. P. The dedicated docks of the Company's Taichung Port have installed air conditioner with energy saving stamp to reduce electricity consumption. Q. We installed self-service gas station using card reader and computer system, which can record the fuel consumption of trucks, in Wharves No.63-64, Port of Kaohsiung and further grasp the consumption situation by analyzing the records. R. Eco-friendly waterborne paint is applied on new production. S. Some new reefer machines apply frequency conversion model for energy saving.	
(3) The status of the Company's awareness of climate change's effect on operation activities, and policies for reducing carbon emissions	✓		(3) WHL's policies and measures for achieving goals of carbon emission and greenhouse gas reduction are as follows: The Company's policies for reducing carbon emissions: promote fuel efficiency and reduce carbon emissions. The related procedures for energy saving and reducing carbon emissions as below : A. Purchases low sulfur fuel to comply with the limit as required by MARPOL. B. The Company's vessels use the fuel which meets the regulations and perform oil change procedures when entering sulfur oxide emission control area (ECA). C. Appropriate speed reduction when ships come in and out of port can reduce the emission of greenhouse gases. D. The fleet adopt continuously high performance paint to reduce greenhouse gas emission and promote energy saving. E. Founded an energy saving team to research and promote energy saving and resource recovery. F. The Company periodically estimates its greenhouse gas emissions. The greenhouse gas emission and reduction information is published on the company's website and on the Market Observation Post System. G. Wan Hai Fleet start using low-sulfur fuel from 1st of Jan, 2020. H. Wan Hai provide real-time weather forecast information and data to whole fleet included charter vessel by using relevant resources and weather advise system. In 2020, we advise more than 400 routes in severe weather to avoid entering dangerous area effectively. No major hazards caused by climate factors in 2020. I. Carry out monthly review and feedback to whole fleet according to what didiciencies being inspected by Port State Control officer. Auditing different items for vessel's safety every year to ensure seaworthiness. J. "Smart Ship Notation" were certified for new building vessel which adopt new main diesel engines with high efficiency of propeller , ES-BOW and LV Fin(Low Viscous Resistance Fin) to match environmental standard and the goal of energy saving. K. In order to improve the availability and efficiency, WHL not only keeps equipment replacement, but also purchases new assets such as tractor and FLs at Taichung W34 terminal and Kaohsiung W63 terminal. The new tractors meet the tier III emission standard, and there's 2.5 liter/hour saving compared to traditional ones. As to RMGC, which is powered by electricity, has energy saving while the hoist is lifting up. L. Replacing aging air conditioner with a modern and eco-friendly model to meet the higher environmental and energy efficiency standards of today. M. The output for our solar photovoltaic has reached 559,200kWh since construction completed at Taichung W34 terminal in 2020. That is roughly equivalent to 26 hectares of tree planting providing detrimental effects on afforestation. It can be attributed to evident economic, social, and ecological benefits resulting therefrom.	No Difference
(4) Does the company calculate total greenhouse gas emission ,water and waste for past two years and make policies for reducing carbon emission ,greenhouse gas , water and waste?	✓		(4) A. Greenhouse Gas Emission and water consumed for past two years , please see Wan Hai Corporate Social Responsibility Report CH4. B. The Company's Environmental Protection policy as below : a. Compliance with relevant articles of International Safety Management Code, international conventions and regulations, and any other environmental protection requirements signed and issued by the Company. b. Monitoring and modifying the extent of pollution and minimizing impact on the environment. c. Full implementation of the ISO 14001 Environmental Management System(EMS), and establishment of an ISO Committee for periodic review of environmental protection performance. d. Integrating environmental protection and awareness concepts into the Company's everyday operations. e. Advocacy of resource recycling and energy saving to reduce waste. f. Requesting contractors and business partners to enhance environmental protection awareness. Joint observation environmental protection regulations. g. Improving safety management skills of personnel onshore and aboard ships, including emergency preparations related to safety and environmental protection.	No Difference

Items	Y	N	Status of Work	Difference between the corporate responsibility measures taken by other publicly-listed, OTC companies and reason for difference
4.				
(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The Company conducts itself according to the relevant labor laws and regulations, and protects the legal rights of its employees, and has set up an appropriate management process. The Company also coordinates, amends, and implements in a timely manner in accordance with the relevant regulations, policies, and measures that are published by the government.	No Difference
(2) Should the Company implemented the reasonable individual's welfare measures (including saraly, leaves and other welfares), and reflect operating performance in employee compensation?	✓		(2) Wan Hai Lines , in accordance with local laws and regulations, set salary standards according to an individual's education and work experiences and professional skills, and do not vary because of sex, race, religion, political standing, marital status and membership in unions or other groups. The company also grants year-end bonuses in line with its annual operation situation and the individual's performance to motivate employees. Our company also provides labor and health insurances, maternal/parental leaves, pension reserves, moreover the company also takes out group insurance for our employees, employees can also, at their own cost, let their dependants join the company group insurance plan, to extend the protection to their family. Moreover, the company established an Employee Welfare Committee in accordance with the law, and committee members are appointed through recommendations or elections. The committee holds regular meetings to decide on employee welfare policies, and plan and promote welfare businesses. Wan Hai Lines' human resources and welfare system not only allow employees to have outstanding performances according to their talents, but also let them obtain a balance between work and living, so that they can work without any worries.	No Difference
(3) The status of the Company's provision of a safe and healthy working environment to its employees, and the regular provision of health and safety education to its employees.	✓		(3) The Company's provision of a safe and healthy working environment to its employees, and the regular provision of health and safety education to its employees is implemented as follows: A. Worker health and safety education: apart from obtaining legally required certification and retraining, the Company also provides regular health and safety guidance, carries out fire, evacuate and emergency drills, etc... At the same time, we also provide a yearly health inspection, health education counseling, health and safety class information, and other assistance. This provides employees with proper health and safety management. B. Healthy working environment: We check concentration of CO_2, illumination and drinking water clean air conditioner and carpet regularly. Moreover, executing epidemic preventionprocedures for caring about employees' healthy behavior C. Coordinate workplace safety and health policies: We arranged regular repair and maintenance for automated equipment pursuant to laws and regulations. Also, by holding meetings, we are able to increase safety and health awareness and implemented safety and health document management policies to promote the idea of safety and health, build a secure workplace and prevent occupational disasters. D. Standard on-site pier working safety: Aimed at the vendor management of pier, the Company has arranged a standard operating procedure for implementing health and safety management and examination of operations. Additionally, the company has held regular meetings with the Health and Safety Committee to enhance communication and coordination, with the focus on a constant demand for improvement, and the enhancement of the effectiveness of health and safety policies. The dock workplace follow the standard of ISO 45001 and TOSHMS(Taiwan Occupational Safety and Health Management System) with verification in 2020 to promote pier on-site operation safety. E. Health Improvement : The Company has set health center(equipped with on-site medical staff), stress relief studio , AED (Automated External Defibrillator) and breastfeeding room to promote the health for employees and motherhood. All branches (including Taichung port and Kaohsiung port) have CPR & AED accreditation. F. We organized various health promotion activities, including regular physical examinations, health seminars, sports clubs, etc., on a regular basis and delivered occupational safety and health messages periodically. We care and strive to increase employees' awareness on physical and mental health. G. Wan Hai was awarded "Badge of Accredited Healthy Workplace" by the Health Promotion Administration (HPA), Ministry of Health and Welfare in 2020. H. The Company was awarded a "Sports Company Certification" from the Sports Administration of the Ministry of Education in 2020.	No Difference
(4) Should the Company establish an effective career training program for its employees?	✓		(4) The Company values the growth and development of all our workers, and provides multi-faceted educational training classes as a way of enriching professional knowledge and developing personal potential. The training plan includes : A. Newcomers Orientation B. Professional training for general staff C. Professional training for management associate D. Professional training for supervisors E. Courses sponsored by the Employee Benefits Committee F. External training courses	No difference
(5) Has the company complied with relevant laws, regulations and international guidelines for customer health and safety, customer privacy, marketing and labeling of products and services, and established any consumer protection mechanisms and	✓		(5) A. In order to protect the interests of customers, our business operation with reference to Taiwan export and import all follow the rules and gain approval from the Maritime and Port Bureau, besides , business about US import & export are subject to US Federal Maritime Commission (FMC) for common carriers regulatory specifications, where tariff rates are shown online, and with the timely submission of customer transport service contracts to the FMC. B. The Company has instituted policies for the protections of consumers' rights and	No difference

Items	Y	N	Status of Work	Difference between the corporate responsibility measures taken by other publicly-listed, OTC companies and reason for difference
grievance procedures?			interests, and are recorded amongst the provisions on the back of the bill of lading , also , the company has established a website, http://www.wanhai.com (includes relevant announcement of business information and inquiry service), and has created a customer service email (cs@wanhai.com) providing an outlet for an expression of opinions and inquiries on the part of the customer.	
(6) Whether the company has appointed a supplier management policy, demand supply business in environmental protection, occupational safety health or labor rights. The questions follow the relevant specifications, and how about its implementation?	✓		(6) The Company drafted the Supplier Management Policy in 2018, and requires all its suppliers have to pay attention to business ethics, labor rights , safety , healthy and environmental protection to reduce potential social impact. Wan Hai requires all its suppliers to comply with its Supplier Management Policy in order to develop and implement CSR practices together. Wan Hai will not be able to continue its collaboration with suppliers that do not subscribe to its Supplier Management Policy. A. Suppliers should adhere to the principles of business ethics and ethics, and prohibit illegal acts such as illegal interests. B. Suppliers should comply with international and local human rights and labor standards, ban child labor and ensure equal treatment of employees. C. Suppliers should follow relevant international occupational safety and health and environmental protection conventions and local regulations to prevent occupational hazards and environmental accidents. D. Implement supplier assessment and control mechanisms and treat all suppliers fairly. E. Cooperate with suppliers to promote corporate social responsibility, services and products comply with relevant sustainability standards, reduce environmental impact and socialimpact.	No difference
5. Does the company, in reference to general international reports, compile guidelines, instructions, and reports disclosing non- financial information such as Corporate Social Responsibility Report? Are the above reports certified or approved by a third party certification unit?	✓		Description of accreditation given by relevant accrediting organizations the Company's products or corporate responsibility report may have received: This report has obtained a statement of independent assurance opinions issued by the British Standards Institute (BSI), a third-party independent agency. The verification standards and grades are the AA1000 Assurance Standard, Type 1 and the Moderate Assurance which is developed by the global non-profit organization and also follow GRI Standards. (Double international verification standards)	No difference
6. The Company has complied with the rules and regulations for corporate responsibility as laid out in "Practice and Regulations for Corporate Responsibility for Listed, OTC Companies." Please describe anything else that differs from the regulations described: No Difference.				
7. Any other important information which may aid in the understanding of the actions taken to further promote corporate responsibility: None The Company is dedicated in providing professional services in route operations, and spares no effort in promoting environmental protection. The Company has been awarded the following recognition by both domestic and international governments and business organizations in 2020: (1) Wan Hai Lines was awarded five approvals and commendations by the Ministry of Transportation and Communications. Achieved excellent performance in total operation income. Excellent performance in assisting transportation of congested cargo or providing disaster relief measures. Excellent performance in accepting interns (not including domestic maritime university or vocational school students) in terms of number of interns and total days of internship on ships. Excellent performance in developing green sailing. Excellent performance in cooperation between Wan Hai Lines and educational institutes. (2) Wan Hai Lines was awarded the “model port workers award”, “model seamen” and“ model maritime personnel award”, of the 66th R.O.C. Maritime Day. (3) Wan Hai Lines was awarded the “Excellent Practitioners Award” and the “Excellent Young Practitioners Award ” by the Taipei Shipping Agencies Association (4) Established and continued to promote the ISO 14001 environmental management system since 2005. (5) Starting from 2020, Wan Hai Lines’ offices in Taipei, Taichung and Kaohsiung all complied with ISO45001 and CNS 45001 standards, and set up “Occupational Safety and Health Risk Management Systems” and was inspected and approved by competent authorities. (6) Following obtaining safety certification and AEO certification in 2016, our annual safety and customer privacy items etc. are all within the range of official certification. (7) Our stocks were listed in the “TWSE RAFI Taiwan High Compensation 100 Index” for three consecutive years(2018-2020). (8) Our stocks were included in the “FTSE4Good TIP Taiwan ESG Index” for three consecutive years, and we were awarded an Exclusive Corporate Symbol(2018-2020). (9) Won the “ Sea Cargo Pre-shipment Declaration Scheme 2020 - GoldAward Certificate” issued by the Hong Kong Customs and Excise Department. (10)After receiving the special honor of “Sports Company Certification” from the Sports Administration of the Ministry of Education, we received the same honor again in 2020~2023, which showed our corporate culture spirit of balancing work and quality of life. (11)Our Taipei Headquarters was again awarded “Healthy Workplace Certification: Health Promotion Stamp” by the Ministry of Health and Welfare.(2020~2022) (12)Our offices in Taipei, Taichung and Kaohsiung were all awarded CPR+AED Security Venue certification.				

Note 1:If you check "Yes" in the operation situation, please explain the important policies, strategies, measures and implementation conditions adopted; if you check the "No" in the operation situation, please explain the reasons. It also explains plans to adopt relevant policies, strategies and measures in the future.

Note 2:If the company has prepared a corporate social responsibility report, the operation situation may indicate the method of consulting the corporate social responsibility report and the index page to replace it.

Note 3:The principle of materiality refers to those who have a significant impact on the company's investors and other interested parties related to environmental, social and corporate governance issues.

3.3.8 Methods of disclosure and inquiries of corporate governance principles and related regulations:

The Company has established and disclosed corporate governance principles according to Board Resolution of 2021.05.11, and also other relevant regulations like “Procedures for the Election of Directors”, “Procedures for Board of Directors Meetings”, “Internal Audit Organization and Operation”, “Compensation Committee Organization and Memorandum of Association”, “Audit Committee Charter”, “Evaluation of the Board of Directors and the Functional Committees” and so on. The Company has published this information on the Wan Hai website to facilitate inquiry by interested parties/individuals, and also established the “Internal Management Control for the Prevention of Insider Trading” to strengthen corporate governance.

Investors can visit the Company website https://www.wanhai.com, and also https://mops.twse.com.tw, to check for important information company governance regulations; other important financial information is announced on the Company's website in the "Investor info." area.

3.3.9 Other important information to promote better understanding of the company's corporate governance practices, as disclosed:

1. The Company's important financial information is announced on the Company's website in the "Investor info." area, which also has an "Investor relations".
2. The company has established a comprehensive internal control system and internal audit system, and has established an annual audit plan, following the regulations passed by the Board of Directors in accordance with the provisions of the Financial Supervisory Committee. Each department conducts an inspection of their results and audit reports with internal auditing are issued with declaration of agreement from the Board of Directors to the Financial Supervisory Committee.
3. The company amended important financial regulations such as the "Procedures for Endorsements and Guarantees", "Procedures for Lending Funds to Other Parties", "Procedures for Acquisition or Disposal of Assets", and the "Procedures for Acquisition or Disposal of Derivative Products" in accordance with law. The regulations are passed by the Board of Directors and shareholders.
4. The company has established the "Internal Management Control for the Prevention of Insider Trading," and has already informed all directors, managers and staff, in order to avoid violations of insider trading. The Company also has annual educational training for all employees and managers to prevent insider trading.

3.3.10 The Declaration of Internal Control

1. The Declaration of Internal Control

WAN HAI LINES LTD.
The Declaration of Internal Control

March 22, 2021

Based on the self-assessment of Company's internal control system for year ended of 2020,we declare that:

1. The establishment, implementation and maintenance of an internal control system are the responsibility of its Board of Directors and management.The Company has established such a system,designed to provide reasonable assurance with respect to the effectiveness and efficiency of business operations (including profitability,performance and safeguarding of assets), reliability, timeliness, transparency, and regulatory compliance of reporting and their compliance with applicable laws,regulations,and by laws.
2. An internal control system, no matter how well designed, has inherent limitations and therefore can provide only reasonable assurance with respect to the accomplishment of the above goals.Furthermore, because of changing conditions and circumstances, the effectiveness of an internal control system may vary over time.Notwithstanding,the internal control system of the Company contains self-oversight mechanisms,and actions are taken to correct deficiencies as they are identified.
3. The Company examined the design and effective implementation of its internal control system according to the criteria prescribed in " Regulations Governing Establishment of Internal Control Systems by Public Companies " (called the " Regulations " below).The " Regulations " divide internal control into five constituents in line with the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities. Each constituent contains several criteria. Please refer to the " Regulations " for details.
4. The Company has evaluated the design and effectiveness implementation of its internal control system in accordance with the above criteria.
5. Based on the results of assessment,the Company believes on Dec 31,2020 that the design and implementation of its internal control system (including supervision and management of subsidiaries), consisting of understanding the effectiveness and efficiency of business operations, reliability, timeliness, transparency,and regulatory compliance of reporting and their compliance with applicable laws, regulations, and bylaws, are effective and reasonably assure the achievement of the aforementioned goals.
6. This Statement shall become a major part of the annual report of the Company and be made public. Any false representation or concealment in this Statement shall be subjected to legal consequences as stipulated in Articles 20, 32, 171 and 174 of the R.O.C. Securities & Exchange Law.
7. This Statement has been unanimously approved by 7 directors and objected by 0 directors of the Company present at the meeting held on Mar 22, 2021.

WAN HAI LINES LTD.

Chairman: Jiufu Garden Co.,Ltd.

Representative: Po-Ting Chen

President: Fur-Lung Hsieh

2. For those internal control system conducted by accountant with special project should disclose the accountant audit report: not applicable

3.3.11 From the past year and current year up to the annual report's publish date, if the results of the company's punishment of its employees for violating internal control rules, have major influences on the interests of shareholders or stock prices, the company shall reveal the contents of the punishments, their main flaws and how they are improved : None.

3.3.12 Major Resolutions by the General Shareholders Meeting and Board of Directors from the past year and current year up to the annual report's publish date.

1. Major Resolutions of the General Shareholders Meeting

<table>
<tr><th>Date</th><th>Resolutions</th></tr>
<tr><td>2020 General Shareholders Meeting(June 23, 2020)</td><td>Elections:
Elected Wan Hai Lines' 21st term directors (including independent directors)
Result:
<table>
<tr><th>Title</th><th>Name</th><th>NO.</th><th>Shares in favor</th></tr>
<tr><td>Director</td><td>Jiufu Garden Co.,Ltd.</td><td>175910</td><td>2,487,596,733 shares</td></tr>
<tr><td>Director</td><td>Chen-Yung Foundation</td><td>53808</td><td>2,181,612,985 shares</td></tr>
<tr><td>Director</td><td>Taili Corporation</td><td>37557</td><td>2,156,385,353 shares</td></tr>
<tr><td>Director</td><td>Sun Shine Construction Co., Ltd</td><td>79923</td><td>2,142,983,036 shares</td></tr>
<tr><td>Independent Director</td><td>Rung-Nian Lai</td><td>C120******</td><td>1,231,669,552 shares</td></tr>
<tr><td>Independent Director</td><td>Yi-Sheng Tseng</td><td>A123******</td><td>1,212,462,266 shares</td></tr>
<tr><td>Independent Director</td><td>Stephanie Lin</td><td>AB90******</td><td>1,210,052,312 shares</td></tr>
</table>
Issues discussed:
1. Removal of the non-compete clause for new directors of the company.
Resolution: All motions passed based on electronic and on-site votes.
2. Amendment of the "Articles of Incorporation of Wan Hai Lines Ltd."
Resolution: All motions passed based on electronic and on-site votes.
3. Amendment of the "Procedures for General Shareholders Meeting Rules by Wan Hai Lines Ltd".
Resolution: All motions passed based on electronic and on-site votes.
4. Amendment of the "Procedures for the Election of Directors of Wan Hai Lines Ltd."
Resolution: All motions passed based on electronic and on-site votes.

Ratification Items:
1. The 2019 Financial Statement and Business Report were submitted for ratification
Resolution: All motions passed based on electronic and on-site votes.
2. The 2019 Disposition of Net Profit was submitted for ratification.
Resolution: All motions passed based on electronic and on-site votes.</td></tr>
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2. Review of execution of resolutions passed by the general shareholders meeting of year 2020.

Elections:

Motion to elect directors of the company (including independent directors):

New directors already assumed office and registered items were changed.

Issues discussed:

(1) Removal of the non-compete clause for new directors of the company.
Executed in accordance with the resolutions.

(2) Amendment of the "Articles of Incorporation of Wan Hai Lines Ltd.".
Executed in accordance with the resolutions.

(3) Amendment of the "Procedures for General Shareholder Meeting Rules by Wan Hai Lines Ltd".
Executed in accordance with the resolutions.

(4) Amendment of the "Procedures for the Election of Directors of Wan Hai Lines Ltd."
Executed in accordance with the resolutions.

Ratification:

(1) The 2019 Financial Statement and Business Report: Relevant statements and reports were filed with competent authorities according to the Company Law and relevant laws.

(2) The 2019 Disposition of Net Profit: Disposition of net profit was ratified, cash dividend per share was TWD 0.8.The record date was 2nd, Sep, 2020 and the distribution date was 17th , Sep, 2020

Major resolutions of the Board of Directors

Date	Resolutions
2020 5th temporary meeting of the 20th Board(March 2, 2020)	Motion: Our important subsidiary Wan Hai Lines (Singapore)Pte Ltd. intended to purchase two ships, and their proposal was submitted for approval. Resolution: The motions were passed by all directors present at the meeting.
2020 17th Meeting of the 20th Board(Mar 26, 2020)	Motion: Propose to lease wharves No. 79/80/81 of the Kaohsiung Harbor. Resolution: The motions were passed by all directors present at the meeting.
2020 17th Meeting of the 20th Board(Mar 26, 2020)	Motion: Propose to lease three vessels with capacities of 5,600 TEU, 1,300TEU and 1,500 TEU respectively from our subsidiary Wan Hai Lines (Singapore) Ltd, and the assets of right-of-use rights were submitted for retrospective ratification. Resolution: The motions were passed by all directors present at the meeting.
2020 17th Meeting of the 20th Board(Mar 26, 2020)	Motion: Propose to determine reasons for 2020 convening general shareholders meeting. Resolution: The motions were passed by all directors present at the meeting.
2020 17th Meeting of the 20th Board(Mar 26, 2020)	Motion: 2019 surplus distribution. Resolution: The motions were passed by all directors present at the meeting.
2020 17th Meeting of the 20th Board(Mar 26, 2020)	Motion: Propose to issue domestic unsecured ordinary corporate bonds. Resolution: The motions were passed by all directors present at the meeting.
2020 17th Meeting of the 20th Board(Mar 26, 2020)	Motion: Acquired same securities with accumulated volume reaching that of a major transaction, and ratification was requested. Resolution: The motions were passed by all directors present at the meeting.
2020 18th Meeting of the 20th Board(May 6, 2020)	Motion: Propose to lease one ship and un-lease one ship from our subsidiary, Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
2020 18th Meeting of the 20th Board(May 6, 2020)	Motion: Propose to remove the non-compete clause for our managerial officers. Resolution: The motions were passed by all directors present at the meeting.
2020 18th Meeting of the 20th Board(May 6, 2020)	Motion: Propose to purchase self-use office building in Taipei. Resolution: The motions were passed by all directors present at the meeting.
2020 6th temporary meeting of the 20th Board(May 14, 2020)	Motion: Propose to purchase office building in Taipei. Resolution: The motions were passed by all directors present at the meeting.
2020 1st Meeting of the 21st Board(June 23, 2020)	Motion: Regarding election of the 21st term Chairman of the Board, discussion was requested. Resolution: Jiufu Garden Company (Represented by Po-Ting Chen) was chosen to be the 21st term Chairman of the Board, and the recommendation was unanimously passed by all directors present at the meeting.
2020 1st Meeting of the 21st Board(June 23, 2020)	Motion: Election of the 21st term Vice-Chairman. Resolution: Taili Corporation (Represented by Randy Chen) was chosen to be the 21st term Vice-Chairman of the Board, and the recommendation was unanimously passed by all directors present at the meeting.
2020 2nd Meeting of the 21st Board(August 10, 2020)	Motion: Determining the surplus distribution, ex-dividend date and cash dividend issue date of 2019. Resolution: The motions were passed by all directors present at the meeting.
2020 2nd Meeting of the 21st Board(August 10, 2020)	Motion: Appointment of members of the remuneration committee for the 4th term and to determine their remuneration. Resolution: Because Rung-Nian Lai and Stephanie Lin were candidates , they recused themselves. Chairman of the meeting enquired the other directors attending the meeting, and they passed the motion without objection.
2020 1st temporary meeting of the 21th Board(September 28, 2020)	Motion: Un-leasing ships and disposal of right-of-use acquired TWD 3.6 billions. Resolution: The motions were passed by all directors present at the meeting.
2020 1st temporary meeting of the 21th Board(September 28, 2020)	Motion: Proposed to lease (acquire) right-of-use for 4 ships from Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
2020 1st temporary meeting of the 21th Board(September 28, 2020)	Motion: Proposed to purchase new containers. Resolution: The motions were passed by all directors present at the meeting.
2020 1st temporary meeting of the 21th Board(September 28, 2020)	Motion: Propose to purchase office building in Taipei. Resolution: The motions were passed by all directors present at the meeting.
2020 3rd Meeting of the 21st Board(November 9, 2020)	Motion: Shenzhen Yong Chun International Shipping Management Co., Ltd. intends to to renew lease of Unit B, 26th floor of the Fumian City Tower in Shenzhen from Wan Hai Lines (HK) Limited. Resolution: The motions were passed by all directors present at the meeting.
2020 3rd Meeting of the 21st Board(November 9, 2020)	Motion: Un-leasing (disposal) and leasing (acquiring) right-of-use of ships acquired TWD 3.1 billions and TWD 4.1 billions. Resolution: The motions were passed by all directors present at the meeting.
2020 2nd temporary meeting of the 21th Board(December 7, 2020)	Motion: Wan Hai Lines (Singapore) Pte Ltd intended to purchase ships. Resolution: The motions were passed by all directors present at the meeting.
2020 4th Meeting of the 21st Board(December 15, 2020)	Motion: Un-leasing (disposal) right-of-use of ships acquired TWD 1.7 billions. Resolution: The motions were passed by all directors present at the meeting.
2020 4th Meeting of the 21st Board(December 15, 2020)	Motion: Credit limit of capital loan to Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
2021 3rd temporary meeting of the 21st Board(January 25,2021)	Motion: Proposed to purchase new containers. Resolution: The motions were passed by all directors present at the meeting.
2021 3rd temporary meeting of the 21st Board(January 25,2021)	Motion: Proposed to major subsidiary Wan Hai Lines (Singapore) Pte Ltd. new shipbuilding procurement. Resolution: The motions were passed by all directors present at the meeting.
2021 4th temporary meeting of the 21st Board(February 3.2021)	Motion: Proposed to purchase new ships. Resolution: The motions were passed by all directors present at the meeting.

Date	Resolutions
2021 5th temporary meeting of the 21st Board(March 10,2021)	Motion: Proposed to purchase new containers. Resolution: The motions were passed by all directors present at the meeting.
2021 5th Meeting of the 21st Board(March 22, 2021)	Motion: Propose to remove the non-compete clause for our managerial officers. Resolution: The motions were passed by all directors present at the meeting.
2021 5th Meeting of the 21st Board(March 22, 2021)	Motion: Propose to 2020 Financial Statements and Consolidated Financial Statements. Resolution: The motions were passed by all directors present at the meeting.
2021 5th Meeting of the 21st Board(March 22, 2021)	Motion: Propose to off-hire 2 ships right-of-use and on-hire 2 ships right-of-use. Resolution: The motions were passed by all directors present at the meeting.
2021 5th Meeting of the 21st Board(March 22, 2021)	Motion: Propose to off-hire(disposal) right-of-use of ships. Resolution: The motions were passed by all directors present at the meeting.
2021 5th Meeting of the 21st Board(March 22, 2021)	Motion: Propose to off-hire (disposal) right-of-use of 7 ships. Resolution: The motions were passed by all directors present at the meeting.
2021 5th Meeting of the 21st Board(March 22, 2021))	Motion: Propose to determine reasons for 2021 convening general shareholders meeting. Resolution: The motions were passed by all directors present at the meeting.
2021 5th Meeting of the 21st Board(March 22, 2021)	Motion: Propose to 2020 surplus distribution. Resolution: The motions were passed by all directors present at the meeting.
2021 5th Meeting of the 21st Board(March 22, 2021)	Motion: Propose to stock dividends of common stock issued new shares. Resolution: The motions were passed by all directors present at the meeting.
2021 6th Meeting of the 21st Board(May 11, 2021)	Motion: Propose to off-hire(disposal) right-of-use of ships Resolution: The motions were passed by all directors present at the meeting.
2021 6th Meeting of the 21st Board(May 11, 2021)	Motion: Propose to subsidiary Wan Hai Lines (Singapore) Pte Ltd Director reassignment. Resolution: The motions were passed by all directors present at the meeting.
2021 6th Meeting of the 21st Board(May 11, 2021)	Motion: Proposed to purchase new containers. Resolution: The motions were passed by all directors present at the meeting.
2021 6th Meeting of the 21st Board(May 11, 2021)	Motion: Proposed to purchase new ships. Resolution: The motions were passed by all directors present at the meeting.

3.3.13 From the past year and current year up to the annual report's publish date, dissenting opinions that have been recorded as written declarations from directors with regards to a major resolution passed by the board of directors: None

3.3.14 Summary of resignations and dismissals from the past year and current year up to the annual report's publish date that connected with the company's financial report: None

The connected with company includes the President, the General Manager, the Accounting Manager, the Financial Manager, the Audit Manager, and the RD Manager etc.

3.3.15 Procedures for handling important internal information

The company has passed the management and internal control operation to prevent insider trading at the 17th session of the board of directors, and abides by the operation. The relevant specifications of the procedure are stated as follows:

1. The company timely publicizes related regulations to prevent insider trading for new and current directors, audit committees, managers and internal high-level personnel.
2. The company's major internal information, including major internal news or trade secrets that affect the stock price, important business, and financial affairs they shall be properly protected or encrypt and add warnings about confidentiality and prevention of insider trading when they are transmitted in writing, e-mail or other electronic means.
3. The disclosure of major internal news of the company shall be provided by the company's spokesperson or agent unless otherwise provided by laws or regulations. The spokesperson handles and confirms the order of agents.
4. The speech content of the company's spokesperson and acting spokesperson shall be limited to the scope authorized by the company. Except for the person in charge, spokesperson, acting spokesperson, and the authorized person designated by the project, the company's personnel without authorization shall not expose major internal news outside.

   The company has disclosed the above specifications in internal public folders for employees, managers, and directors to refer to them at any time.

3.3.16 Company Remuneration Committee

1. Remuneration Committee Member Information

Position (Note 1)	Condition / Name	Meet the following professional qualification requirements listed below, with at least five years of work experience			Confirms with independent Status (Note 2)										Number of other public companies concurrently serving on as a Remuneration Committee member	Remark
		An instructor or higher position in a department of commerce, law, finance, accounting, or another academic department related to the business needs of the Company in a public or private college or university	A judge, public prosecutor, attorney, certified public accountant, or another professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Have work experience in the area of commerce, law, finance or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent Directors	Rung-Nian Lai	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Independent Directors	Stephanie Lin		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Other	Ming-Zhu Chen	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	

Note 1:For position please fill in director, independent director, or other.

Note 2:For each member during the two years before being elected and during the term of office, meets with any of the conditions listed, please put a tick ("✓") in the corresponding box.

(1) Not employed by the Company or any of its affiliates.

(2) Not a director or supervisor of the company or any of its affiliates. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the company holds, directly or indirectly).

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.

(4) Managers not listed in (1) or spouses, relatives within the second degree of kinship and lineal relatives within the third degrees of kinship listed in (2) and (3).

(5) Not directly holding 5% or more of the total number of shares issued by the company,ranking among the top five in shareholdings, or representatives by article 27 (1) or (2) of the Companies Act legally appointed by corporate shareholders to act as directors or supervisors of the company or their employees. (However this restriction does not apply in cases where a company and its parent company, subsidiary, or subsidiaries of the same parent company mutually appoint independent directors in accordance with this Act or laws of the local country.)

(6) Not a director, supervisor or employee of another company, where the majority of directors or half or more voting shares are controlled by the same person. (However this restriction does not apply in cases where a company and its parent company, subsidiary, or subsidiaries of the same parent company mutually appoint independent directors in accordance with this Act or laws of the local country.)

(7) Not directors, supervisors or employees of another company or institution where the chairman, general manager or equivalent position is held by the same person or his spouse. (However this restriction does not apply in cases where a company and its parent company, subsidiary, or subsidiaries of the same parent company mutually appoint independent directors in accordance with this Act or laws of the local country.)

(8) Not directors, supervisors, managers or shareholders holding more than 5% of shares of a specific company or institution which has financial or business transactions with our company. (However this restriction does not apply in cases where the specific company or institution is already holding shares issued by our company and parent company, subsidiary, or subsidiaries of the same parent company mutually appoint independent directors in accordance with this Act or laws of the local country.)

(9) Not professional individuals,owners, partners, directors, supervisors, managers and the spouses of a sole proprietorship,partnership, company or institution that provides commercial,legal, financial,accounting services or auditing services to our company or our affiliates, and whose total accumulative remuneration for the past two years does not exceed TWD$ 500,000. However this restriction does not apply to a member of the remuneration committee,public tender offer review committee, or special committee for merger and acquisition who exercises powers pursuant to the Securities Exchange Act and or to the Business Mergers and Acquisitions Act.

(10)Not situation of article 30 of the Companies Act.

2. The jurisdiction of Remuneration Committee

The Committee shall perform the following function faithfully with the due care of a good administrator in mind, and shall make recommendations and submit to the Board of directors for discussion and resolution for the following item.

(1) Formulate and regularly review the policy,system,standards,and structure of the performance assessment,salary, and remuneration of Directors and managerial officers.

(2) Regular assessment and determination of compensation for Directors and managers.

3. Remuneration Committee Operation

The tenure of 3rd term members commenced on August 11, 2017 and expired on June 22, 2020 and the tenure of 4th term commenced on August 10, 2020. The Remuneration Committee hold 2 (A) meeting in 2020. The qualification and attendance of members is as follows:

2020.12.31

Position	Name	Number of actual participations (B)	Number of actual participations through a proxy	Rate of actual participations(%) (B / A)	Remarks
The tenure of 3rd term members: 2020/01/01~2020/6/22					
Convener	Rung-Nian Lai	1	0	100%	
Member	Stephanie Lin	1	0	100%	
Member	Ming-Zhu Chen	1	0	100%	
The Tenuer of 4th term members: 2020/8/10~2020/12/31					
Convener	Rung-Nian Lai	1	0	100%	Has been elected as a convener on 2020/11/9
Member	Stephanie Lin	1	0	100%	
Member	Ming-Zhu Chen	1	0	100%	

Other information:

1. The Board of Directors shall record the date and session of board meetings, contents of motions, resolutions, and measures taken concerning the recommendation of the Remuneration Committee, if it does not adopt or decide to revise the recommendation (For example, if the compensation passed by the Board of Directors is higher than the recommendation proposed by the Remuneration Committee, the Board shall record the differences and reasons): None.
2. Resolutions approved by the Remuneration Committee where members have expressed opposition or opinions that have been noted in the record or declared in writing, the meeting minutes shall record the date and session of the Remuneration Committee, content of the resolution, and all members responses regarding the opinions: None.

Note:

1. By the end of the year, the dates of any Remuneration Committee member resignations and their actual Remuneration Committee member's attendance rate percentage should be noted.
2. By the end of the year, when there is a re-election of the Remuneration Committee members the new and old Remuneration Committee members starting or re-election dates, respectively, will be recorded in the remarks column. The actual Remuneration Committee member's attendance rate percentage should be noted.

4. Major resolutions of the Remuneration Committee

Date	Resolutions
2020 seventh meeting of the 3rd Remuneration Committee (March 26, 2020)	1. Motion: Distribution of remuneration to directors and employees,(including managerial officers) in 2019. All members of the remuneration committee agreed to pass the motion and submitted it to the Board of Directors for approval. 2. Motion: The 21th Board remuneration to independent directors. Recusal of independent directors due to conflict of interest and result of voting: Because Stephanie Lin and Rung-Nian Lai were independent director candidates for the next term, and according to law they should recuse themselves from the remuneration committee meeting and the Board of Directors meeting regarding the remuneration of independent directors. Other members of the remuneration committee passed the motion without objection, and submitted it to the Board of Directors for approval. 3. Motion: Giving managerial officers a raise in 2020. All members of the remuneration committee agreed to pass the motion and submitted it to the Board of Directors for approval. Three motions were passed at the seventh meeting of the third-term remuneration committee, and were passed without objection by all directors attending the 17th Board meeting of the 20th-term of Board of Directors.
2020 first meeting of the 4th Remuneration Committee (November 9, 2020)	Motion: Annual bonus for managerial officers in 2020. The motion was passed by all members attending the first meeting of the fourth-term remuneration committee, and was lawfully submitted to the Board of Directors for approval, and subsequently passed without objection by all directors attending the third meeting of the 21st term of the Board of Directors.

3.3.17 Discrepancies between actual performance of ethical corporate management and "Ethical Corporate Best Practice Principles for TWSE/ GTSM Listed Companies" and the reasons.

Assessment Item	Implementation Status			Discrepancy with industry standards and reasons
	Yes	No	Summary	
1. Establishment of ethical management policy and programs				
(1) Does the Company have regulations and publicly available documents addressing its ethical management policy and measures, and the commitment regarding implementation of such policy from the Board of Directors and the management team?	✓		(1) The Company has stipulated "Ethical Corporate Management Best Practice Principles" (https://www.wanhai.com/file/whl_www/csr-ecm-82861.pdf) on December 19th , 2018 under the approval of the Board of Directors. The Principles have clearly stated the policies and practices of ethical corporate management of the Company, as well as the commitment of the Board of Directors and management team to actively implement these policies. In addition, the Company has also disclosed the aforementioned principles publicly in the "Ethical Corporate Management Section" of its website and an internal bulletin board of the Company.	No Difference
(2) Does the Company establish preventive measures for the business activities as prescribed in paragraph 2, article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and any other such activities within their business scope which are possibly at a higher risk of being involved in an unethical conduct?	✓		(2) The Company has stipulated relevant prevention measures in accordance with all items in Clause 2 of Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and business activities that contain higher risk of unethical behaviors in other business areas, and the Company has requested all departments of the Company to implement it strictly.	No Difference
(3) Does the Company establish relevant policies which are duly enforced to prevent unethical conduct and provide implementation procedures, guidelines, consequence of violation, and complaint procedures in such policies?	✓		(3) The Company has stipulated "Ethical Corporate Management Procedures and Guidelines" (https://www.wanhai.com/file/whl_www/csr-ecm-82862.pdf) and "Report System of Illegal (including corruption) and Unethical Behavior" (https://www.wanhai.com/file/whl_www/csr-ecm-82863.pdf) on December 19th , 2018 under the approval of the Board of Directors. The aforementioned policies have specified the form of unethical behaviors, fair and transparent business activities, illegitimate interests including offering and accepting bribery, avoidance of conflicts of interest, and plans to prevent unethical behaviors. The policies have also clearly stipulated disciplinary actions for violating the policies and the report system. The designated unit of the Company (Administration Division) is responsible for promoting and supervising the implementation of ethical corporate management policies and prevention plans.	No Difference
2. Ethical Management Practices				
(1) Does the Company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		(1) A.The Company has stipulated regulations for ethical record assessment and enactment of clauses for ethical behaviors. B.The company requests all suppliers to sign the "Supplier Commitment" and abide by "Supplier Management Policies". The main content of the Commitment is as follows: a. Comply with ethical corporate management best practice principles and engage in commercial activities in a fair and transparent manner. b. Respect intellectual property rights and comply with relevant laws and regulations. c. The Company insist to abide by the principle of business integrity and any improper interest is strictly forbidden. d. If the Company has obtained confidential information due to business needs, the Company agrees that it shall keep such information protected, confidential, and use the information legally and appropriately to avoid damage due to leakage.	No Difference
(2) Does the Company set up a unit which is dedicated to or tasked with promoting the company's ethical management that reports to the Board of Directors periodically on relevant matters?	✓		(2) Administration Division is the designated unit for promoting ethical corporate management and the Department is responsible for stipulating and supervising the implementation of the policies of ethical management and prevention plan. The Department assists the Board of Directors and management team to review and assess whether the preventive measures established for the ethical management implementation are carried out effectively. The Department reports the status of implementation at the Board of Directors meetings in every December regularly.	No Difference
(3) Does the Company establish policies for preventing conflicts of interest, provide appropriate communication, complaint channels, and implement such policies properly?	✓		(3) The Company has stipulated "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Procedures and Guidelines" in 2018 to prevent conflicts of interest and provide appropriate reporting channels. The	No Difference

Assessment Item	Implementation Status			Discrepancy with industry standards and reasons
	Yes	No	Summary	
			aforementioned policies are implemented through the internal control system, audit system and various internal management policies of the Company.	
(4) To implement ethical management policies, does the company establish effective accounting and internal control systems that are audited by internal auditors or CPA periodically?	✓		(4) The Company has established an effective accounting system, internal control system, and internal audit implementation rules. The internal audit unit conducts an internal audit to check the implementation of the internal control system each year and continuously review the operating procedures of the Company.	No Difference
(5) Does the Company provide internal and external ethical management training programs on a regular basis?	✓		(5) The Company has stipulated "Ethical Corporate Management Best Practice Principles","Ethical Corporate Management Procedures and Guidelines", and "Report System of Illegal (including corruption) and Unethical Behavior" in 2018. The Company promotes the ethical corporate management concept consistently through internal public information, education and training to implement the ethical corporate management. The subjects include corporate anti-corruption principles, duties and responsibilities of company managers, competition law, etc. Three sessions with a total of 1,782 participants were held in 2020, which accumulated for a total of 2.5 hours in lecture.	No Difference
3. Implementation of complaints procedures				
(1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	✓		(1) The Company has stipulated "Report System of Illegal (including corruption) and Unethical Behavior" to encourage internal and external personnel report any improper conduct that violates "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Procedures and Guidelines ". The Report System clearly defines the relevant reporting methods and incentive mechanisms. In addition, an independent reporting mailbox (comment@wanhai.com) was set up to establish a convenient reporting channel. The mailbox is disclosed on the "Ethical Corporate Management Section" of the Company website and an internal bulletin board. The head of Administration Division is the designated personnel for handling the reports.	No Difference
(2) Does the Company establish standard operation procedures for investigating the complaints received and ensuring such complaints are handled in a confidential manner?	✓		(2) The Company has stipulated "Report System of Illegal (including corruption) and Unethical Behavior" in 2018. A designated unit is responsible for handling the reports in accordance with the procedures. Personnel of the Company who handle reported violations shall use written declarations to ensure that the identity of the reporter and the content of the report is kept confidential. The Company also promises to protect the reporter from improper and unfair treatment because of the reported violation.	No Difference
(3) Does the Company adopt proper measures to prevent a complainant from retaliation for filing a complaint?	✓		(3) Personnel of the Company who handle reported violations shall use written declarations to ensure that the identity of the reporter and the content of the report are kept confidential. The Company also promises to protect the reporter from improper or unfair treatment because of the reported violation.	No Difference
4. Enhancement of Information Disclosure				
(1) Does the Company disclose its own ethical management guidelines as well as information about implementation of such guidelines on its website and Market Observation Post System?	✓		(1) The Company has disclosed Ethical Corporate Management Best Practice Principles on the "Ethical Corporate Management Section" of the Company website and Market Observation Post System. In addition, the results of promoting ethical corporate management are disclosed on the "Ethical Corporate Management Section".	No Difference
5. If the Company has established its own ethical management guidelines based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation: The Company comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, to facilitate ethical corporate management. And he Company has established its own ethical management guidelines based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies; therefore, there is no significant difference.				
6. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review the company's corporate conduct and ethics policy): None				

3.4 Information on CPA professional fees

Name of CPA firm	Name of CPA		Audit Period	Remarks
KPMG	Chung-Yi Chiang	Rou-Lan Kuo	2020/01/01 ~ 2020/12/31	-

Note: The Company did not change the CPA during the year.

Unit : TWD thousand

Amount scales \ Fees item		Audit fees	Non-audit fees	Total
1	Under 2,000 thousand dollars			
2	2,000 ～ 4,000 thousand dollars			
3	4,000 ～ 6,000 thousand dollars	V	V	
4	6,000 ～ 8,000 thousand dollars			
5	8,000 ～ 10,000 thousand dollars			
6	Above 10,000 thousand dollars			V

3.4.1. The non-audit fees paid to the CPA, the CPA firm, and any affiliated enterprise of the CPA firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed:

Unit : TWD thousand

Name of CPA firm	Name of CPA	Audit fees	Non-audit fees					Audit period	Remark
			System design	Company Registration	Human resources	Others (Note)	Subtotal		
KPMG	Chung-Yi Chiang Rou-Lan Kuo	5,900	0	0	0	5,324	5,324	2020/01/01~ 2020/12/31	The "Others" of Non-audit fees include: Tax audit reports, Transfer pricing reports, Fees for CPA's business trip, Review issuance of corporate bonds and salary checklist.

3.4.2 If changed CPA firm with less audit fee, the audit fees before and after the change and the reason shall be disclosed: None.

3.4.3 If the audit fees reduced by 10% or more compared to the previous year, the amount, percentage, and reason of the reduction shall be disclosed: None.

3.5 Information on replacement of CPA

3.5.1 Former CPA:

Date of Change	Approved by BOD on 2020/03/26			Approved by BOD on 2021/03/22		
Reasons and Explanation of Changes	Due to the internal adjustment requirements of KPMG, the current CPA Yi-Chun Chen will be replaced by Rou-Lan Kuo starting from 2020.			Due to the internal adjustment requirements of KPMG, the current CPA Chung-Yi Chiang will be replaced by Chun-Kuang Chen starting from 2021.		
State whether the Appointment is Terminated or Rejected by the Consignor or CPA	Related parties / Status	CPA	Consignor	Related parties / Status	CPA	Consignor
	Appointment terminated automatically	-	-	Appointment terminated automatically	-	-
	Appointment rejected (discontinued)	-	-	Appointment rejected (discontinued)	-	-
The Opinions other than Unmodified Opinion Issued and the Reasons in the Last Two Years	None			None		
Any disagreement in opinion with the issuer	None			None		
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None			None		

3.5.2 Successor CPA:

Name of CPA firm	KPMG	KPMG
Name of CPA	Rou-Lan Kuo	Chun-Kuang Chen
Date of Engagement	Approved by BOD on 2020/03/26	Approved by BOD on 2021/03/22
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	None	None
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinions	None	None

3.5.3 The Reply of Former CPA on Article 10.6.1 and Article 10.6.2.3 of the Standards: None.

3.6 Information of the chairman, president and managerial officers in charge of finance and accounting who has served as the company's certified public accountant or related parties in the past year: None.

3.7 Changes in Shareholdings of Directors, Managers and major shareholders in the past year and up to the annual report publishing date

Title (note1)	Name	2020/1/1~2020/12/31		2021/1/1~2021/4/30		Remark
		Increase (Decrease) in holding shares	Increase (Decrease) in pledge holding shares	Increase (Decrease) in holding shares	Increase (Decrease) in pledge holding shares	
Chairman	Jiufu Garden Co., Ltd. Representative: Po-Ting Chen	2,627,000	0	0	0	
Chairman	Shihlin Paper Co., Ltd. Representative: Po-Ting Chen	0	0	0	0	2020.06.23 Discharge
Vice Chairman	TAILI Corporation Representative: Randy Chen	0	0	0	0	
Director	CHEN-YUNG Foundation Representative: Chih-Chao Chen	0	0	0	0	
Director	Sunshine Construction Co., Ltd Representative: Chiu-Ling Wu	0	0	0	0	
Independent Director	Rung-Nian Lai	0	0	0	0	
Independent Director	Stephanie Lin	0	0	0	0	
Independent Director	Pai-Tsung Chen	0	0	0	0	
Main shareholder	YI CHUN NAVIGATION INC.	0	0	0	0	
President	Fur-Lung Hsieh	0	0	0	0	
Executive Vice President	Wen-Chau Yeh	0	0	0	0	
Vice President	Wei-Chien Chuang	0	0	0	0	
Vice President	Kuo-Loong Kao	0	0	0	0	
Vice President	Ming-Shan Huang	(17,545)	0	0	0	
Vice President	Juang-Jyh Juang	0	0	0	0	
Vice President	Jen-Kai Wu	0	0	0	0	
Vice President	Chien-Cheng Hsiao	(5,000)	0	0	0	
Vice President	Shen-Hsing Lo	8,000	0	6,000	0	
Project Vice President	Wei-Shin Sheu	(57,000)	0	(2,000)	0	
Vice President	Hung-Chuan Chien	0	0	0	0	
Vice President	Huey-Jang Chung	5,000	0	0	0	
Vice President (concurrently act as the manager of Corporate Governance)	Li-Mei Su	0	0	0	0	
Vice President (Finance Officer)	Chih-Hsien Chen	0	0	0	0	
Vice President	Chien-Feng Wu	0	0	0	0	
Vice President	Ching-Yin Wang	(3,000)	0	(4,000)	0	
Vice President	Han-Peng Chu	0	0	0	0	
Vice President	I-Cheng Lin	0	0	0	0	
Assistant Vice President	Chun-Chieh Chen	0	0	0	0	
Deputy Vice President	I- Feng Lin	0	0	0	0	
Deputy Vice President	Shyue- Jih Ma	0	0	0	0	
Deputy Vice President	Wei-Kai Huang	0	0	0	0	
Deputy Vice President	Fu-An Yang	0	0	0	0	
Vice President	Fei-Fei Chuang	20,000	0	(26,000)	0	
Deputy Vice President	Wen Yuan Chiang	0	0	0	0	
Assistant Vice President	Tze-Ling Chen	0	0	0	0	
Assistant Vice President	Yi-Ching Wu	0	0	0	0	
Deputy Vice President	Meng-Chuan Chang	(19,000)	0	(3,000)	0	
Vice President	Cheng-Hsien Huang	0	0	0	0	
General Manager	Chih- Chung Chen	0	0	0	0	
Accounting Officer	Chia-Yi Hsiao	0	0	0	0	

Note1:The entity has the shares holding of the company over 10% should be remarked as "main shareholders" and disclosed accordingly.
Note2:If the entities of shares holding transferred or shares holding pledged were relative parties, the information should be disclosed as following chart.

3.8 Information Disclosing the Relationship between any of the Company's Top Ten shareholders

2021.04.30

Name	Shareholding		Spouse and minors shareholding on current date		Shareholding in others name		The company's 10 largest shareholders are related parties		Remark
	Shares	Holding ratio	Shares	Holding ratio	Shares	Holding ratio	Name	Relation	
YI CHUN NAVIGATION INC.	285,234,291	12.85%	0	0%	0	0%	None	None	None
Representative: Ching-Chih Chen	0	0.00%	9,095,335	0.41%	0	0%	None	None	None
Asia Pacific Logistics International Co., Ltd.	176,854,398	7.97%	0	0%	0	0%	None	None	None
Representative: Fur-Tian Huang	0	0.00%	0	0.00%	0	0%	None	None	None
TCE	170,902,859	7.70%	0	0%	0	0%	None	None	None
Representative: Hui-Ying Chen	0	0.00%	0	0%	0	0%	None	None	None
CCE	170,902,859	7.70%	0	0%	0	0%	None	None	None
Representative: Chih-Yuan Chen	15,004,552	0.67%	15,015,747	0.67%	0	0%	None	None	None
Evervaliant Corp.	57,173,950	2.57%	0	0%	0	0%	None	None	None
Representative: Ching-Chih Chen	0	0%	9,095,335	0.41%	0	0%	None	None	None
Chun-Shin Lin	56,667,820	2.55%	713	0%	0	0%	None	None	None
Da Shin Investment, Inc.	55,165,219	2.48%	0	0%	0	0%	None	None	None
Representative: Yun-Yu Qiu	0	0%	0	0%	0	0%	None	None	None
Pictet & Cie (Europe) SA	47,822,043	2.15%	0	0%	0	0%	None	None	None
Yeong Yi (Asia) Co., Ltd.	47,617,724	2.14%	0	0%	0	0%	None	None	None
Representative: Chih-Yuan Chen	15,004,552	0.67%	15,015,747	0.67%	0	0%	None	None	None
Banque Pictet N Cie SA	47,152,850	2.12%	0	0%	0	0%	None	None	None

Note 1：Should list all of the company's top ten shareholders and need to list the company name and the name of representative separately if belongs to corporate shareholder.

Note 2：The calculation of shareholding ratio is calculate the shareholding ratio of shares hold by self, by spouse and minors and hold in others name separately.

Note 3：Should disclose the relation between shareholders listed above including corporate shareholders and natural persons.

3.9 The comprehensive shareholdings of directors, supervisors, presidents and direct or indirect controlling business on the same investing business.

2021.04.30; Unit: Shares,%

Investing Business (note)	Investment of the Company		Investment of Directors, Supervisors, Presidents and Direct or Indirect Controlling Business		Comprehensive Investment	
	Shares	Holdings%	Shares	Holdings%	Shares	Holdings%
Wan Hai Lines (Phils.) Inc.	0	0%	901,540	100%	901,540	100%
Wan Hai Lines (HK) Limited	0	0%	160,000,000	100%	160,000,000	100%
Wan Hai Lines (Singapore) Pte Ltd	979,399,234	100%	0	0%	979,399,234	100%
Wan Hai Lines (M) Sdn. Bhd.	0	0%	500,000	100%	500,000	100%
Yi chun Shipping Agencies (M) Sdn. Bhd.	0	0%	200,000	100%	200,000	100%
Wan Hai Lines (Korea) Ltd.	0	0%	80,000	100%	80,000	100%
Guangzhou Wan Hai Information Technology Ltd.	No shares issued	0%	No shares issued	100%	No shares issued	100%
Wan Hai International Pte. Ltd.	0	0%	10,312,460	100%	10,312,460	100%
Wan Hai Lines (India) Pvt. Ltd.	0	0%	10,000	100%	10,000	100%
k.k. WH Corporation	500	100%	0	0%	500	100%
Wan Hai Lines (UAE.) LLC.	0	0%	147	49%	147	49%
WAN HAI SHIPPING LIMITED	0	0%	35,000	70%	35,000	70%
Wan Hai Lines (Peru) LLC.	0	0%	247,600	100%	247,600	100%
Taipei Port Container Terminal Corp.	79,315,476	15.25%	0	0%	79,315,476	15.25%
TK LOGISTICS INTERNATIONAL CO., LTD	14,300,000	55%	0	0%	14,300,000	55%
Dawin Logistics (International) Limited	0	0%	144,640,000	100%	144,640,000	100%
Wan Hang Tours Co., Ltd..	No shares issued	0%	No shares issued	50%	No shares issued	50%
Shenzhen Uniwin International Logistics Ltd.	No shares issued	0%	No shares issued	100%	No shares issued	100%
Clipper International Shipping Agency Ltd.	No shares issued	0%	No shares issued	49%	No shares issued	49%
Blue Ocean Logistics (Shanghai) Ltd	No shares issued	0%	No shares issued	100%	No shares issued	100%
Wan Hai Lines (Thailand) Ltd.	0	0%	49,000	49%	49,000	49%
United Stevedoring Corporation	781,250	15.63%	0	0%	781,250	15.63%
BAO SHENG SHIPPING AGENCY CO., LTD.	3,000,000	70.01%	0	0%	3,000,000	70.01%
Shenzhen Yong Chun International Shipping Management Co., Ltd.	No shares issued	0%	No shares issued	90%	No shares issued	90%
Wan Hai (Vietnam) Ltd.	No shares issued	0%	No shares issued	100%	No shares issued	100%
Tan Cang-Cai Mep International Terminal Co., Ltd	No shares issued	21.33%	No shares issued	0%	No shares issued	21.33%
PHUC XUAN MARITIME SERVICE CO.,LTD.	No shares issued	0%	No shares issued	49%	No shares issued	49%
Bravely International Pte. Ltd.	0	0%	18,332,701	100%	18,332,701	100%
Bravely (Myanmar) Transport and Logistics Company Limited	0	0%	4,000,000	80%	4,000,000	80%
Qingdao Port & Win International Logistics Co., LTD.	No shares issued	0%	No shares issued	50%	No shares issued	50%
WanHai Lines Ecuador S.A.	0	0%	51,000	51%	51,000	51%
Infinite Marine Investment Co., Ltd.	0	0%	5,550,000	100%	5,550,000	100%
HAI PHONG INTERNATIONAL CONTAINER TERMINAL COMPANY LIMITED	No shares issued	16.5%	No shares issued	0%	No shares issued	16.5%
Wan Hai Lines (Arizona) LLC.	No shares issued	0%	No shares issued	100%	No shares issued	100%
Wan Hai Lines (USA) LTD.	0	0%	284,381	100%	284,381	100%
HE CHUN LOGISTICS COMPANY LIMITED	No shares issued	0%	No shares issued	100%	No shares issued	100%
WH Logistics Private Limited	0	0%	100,000	50%	100,000	50%

Note: Long term investment of Wan Hai Lines and subsidiary companies.

IV Information on capital raising activities

4.1 Capital and Shares

4.1.1 Capital's Resource

Date	Issue Price	Authorized Capital		Issued Capital		Remark		
		Shares	Amount	Shares	Amount	Source of capital	Capital paid by property, rather than cash	Others
1994.09.27	10	360,000,000	3,600,000,000	360,000,000	3,600,000,000	Capital increment by retained earnings TWD 600,000,000	none	Note1
1996.06.22	10	720,000,000	7,200,000,000	450,000,000	4,500,000,000	Capital increment by retained earnings TWD 900,000,000	none	Note2
1997.07.30	10	720,000,000	7,200,000,000	720,000,000	7,200,000,000	Capital increment by cash TWD 675,000,000 Capital increment by retained earnings TWD 2,025,000,000	none	Note3
1998.06.25	10	1,200,000,000	12,000,000,000	900,000,000	9,000,000,000	Capital increment by retained earnings TWD 1,080,000,000 Capital increment by capital reserve TWD 720,000,000	none	Note4
1999.06.25	10	1,200,000,000	12,000,000,000	1,080,000,000	10,800,000,000	Capital increment by retained earnings TWD 1,350,000,000 Capital increment by capital reserve TWD 450,000,000	none	Note5
2000.07.15	10	1,500,000,000	15,000,000,000	1,296,000,000	12,960,000,000	Capital increment by retained earnings TWD 874,800,000 Capital increment by capital reserve TWD 1,285,200,000	none	Note6
2001.07.20	10	1,500,000,000	15,000,000,000	1,316,736,000	13,167,360,000	Capital increment by capital reserve TWD 207,360,000	none	Note7
2003.07.09	10	2,000,000,000	20,000,000,000	1,511,612,928	15,116,129,280	Capital increment by retained earnings TWD 1,948,769,280	none	Note8
2004.07.08	10	2,000,000,000	20,000,000,000	1,587,193,574	15,871,935,740	Capital increment by retained earnings TWD 755,806,460	none	Note9
2004.11.02	10	2,000,000,000	20,000,000,000	1,587,543,305	15,875,433,050	Convertible bonds converted to common stock TWD 3,497,310	none	Note10
2005.02.22	10	2,000,000,000	20,000,000,000	1,600,746,843	16,007,468,430	Convertible bonds converted to common stock TWD 132,035,380	none	Note10
2005.05.04	10	2,000,000,000	20,000,000,000	1,678,951,738	16,789,517,380	Convertible bonds converted to common stock TWD 782,048,950	none	Note10
2005.08.03	10	2,000,000,000	20,000,000,000	1,699,236,239	16,992,362,390	Convertible bonds converted to common stock TWD 202,845,010	none	Note10
2005.09.28	10	2,000,000,000	20,000,000,000	1,868,839,275	18,688,392,750	Capital increment by retained earnings TWD 1,611,228,840 Capital increment by capital reserve TWD 84,801,520	none	Note11
2005.10.13	10	2,000,000,000	20,000,000,000	1,870,086,655	18,700,866,550	Convertible bonds converted to common stock TWD 12,473,800	none	Note10
2006.10.12	10	2,500,000,000	25,000,000,000	2,057,095,321	20,570,953,210	Capital increment by retained earnings TWD 1,870,086,660	none	Note12
2007.07.27	10	2,500,000,000	25,000,000,000	2,057,307,642	20,573,076,420	Convertible bonds converted to common stock TWD 2,123,210	none	Note10
2007.10.12	10	2,500,000,000	25,000,000,000	2,068,227,049	20,682,270,490	Convertible bonds converted to common stock TWD 109,194,070	none	Note10
2008.01.14	10	2,500,000,000	25,000,000,000	2,072,291,486	20,722,914,860	Convertible bonds converted to common stock TWD 40,644,370	none	Note10
2008.04.18	10	2,500,000,000	25,000,000,000	2,078,357,829	20,783,578,290	Convertible bonds converted to common stock TWD60,663,430	none	Note10
2008.09.05	10	2,500,000,000	25,000,000,000	2,182,275,721	21,822,757,210	Capital increment by retained earnings TWD 1,039,178,920	none	Note13
2008.12.05	10	2,500,000,000	25,000,000,000	2,177,573,254	21,775,732,540	Return of capital by merging Yi-Chun Express Co., Ltd. TWD 47,024,670	none	Note14
2009.01.12	10	2,500,000,000	25,000,000,000	2,155,751,254	21,557,512,540	Retire Treasury Stock TWD 218,220,000	none	Note15

Date	Issue Price	Authorized Capital		Issued Capital		Remark		
		Shares	Amount	Shares	Amount	Source of capital	Capital paid by property, rather than cash	Others
2009.03.11	10	2,500,000,000	25,000,000,000	2,146,606,254	21,466,062,540	Retire Treasury Stock TWD 91,450,000	none	Note16
2009.05.11	10	2,500,000,000	25,000,000,000	2,117,533,254	21,175,332,540	Retire Treasury Stock TWD 290,730,000	none	Note17
2009.08.13	10	2,500,000,000	25,000,000,000	2,112,664,254	21,126,642,540	Retire Treasury Stock TWD 48,690,000	none	Note18
2011.09.02	10	2,500,000,000	25,000,000,000	2,218,297,466	22,182,974,660	Capital increment by retained earnings TWD 1,056,332,120	none	Note19

Note1: Approved by SFC on July 22,1994 with notice (83) Tai-tsai-chen (I) No.32532
Note2: Approved by SFC on May 30,1996 with notice (85) Tai-tsai-chen (I) No.33869
Note3: Approved by SFC on May 24,1997 with notice (86) Tai-tsai-chen (I) No.38192 on May 19,1997 with notice (86) Tai-tsai-chen (I) No.39738
Note4: Approved by SFC on June 2,1998 with notice (87) Tai-tsai-chen (I) No.48091
Note5: Approved by SFC on May 24,1999 with notice (88) Tai-tsai-chen (I) No.48511
Note6: Approved by SFC on June 16,2000 with notice (89) Tai-tsai-chen (I) No.51473
Note7: Approved by SFC on June 18,2001 with notice (90) Tai-tsai-chen (I) No.138422
Note8: Approved by SFC on July 9, 2003 with notice (92) Tai-tsai-chen (I) No.0920130756
Note9: Approved by SFB on July 8, 2004 with notice (93) Tai-tsai-chen (I) No.0930130230
Note10: Approved by SFC on Jan 14, 2003 with notice Tai-tsai-chen (I) No.09100168501
Note11: Approved by SFB on July 12, 2005 with notice (94) No.0940128150
Note12: Approved by SFB on July 12, 2006 with notice No.0950130049
Note13: Approved by SFB on July 8, 2008 with notice No.0970033912
Note14: Approved by MOEA on December 5, 2008 with notice No.09701306840
Note15: Approved by SFB on October 31, 2008 with notice No.0970058655
Note16: Approved by SFB on January 8, 2009 with notice No.0970072104
Note17: Approved by SFB on March 18, 2009 with notice No.0980010596
Note18: Approved by SFB on May 20, 2009 with notice No.0980024236
Note19: Approved by SFB on July 21, 2011 with notice No. 1000032221

2021.04.30

Type \ Shares	Authorized Capital			Remark
	Issued on Market	Unissued	Total	
Common Stock	2,218,297,466	281,702,534	2,500,000,000	-

4.1.2 Shareholder's Composition

2021.04.30

	Government institution	Financial institution	Other Corporation	Individual	Foreign institutes and corporation	Total
Stockholder's No	2	45	146	45,252	332	45,777
Holding shares	11,273,165	47,787,660	756,745,384	448,259,008	954,232,249	2,218,297,466
Holding percentage	0.51%	2.15%	34.11%	20.19%	43.04%	100.00%

4.1.3 Shares' Distribution

2021.04.30

Shares Level	Stockholder's No.	Holding shares	Holding percentage
1--------999	13,332	2,520,355	0.11%
1,000------5,000	25,693	48,429,724	2.18%
5,001-----10,000	3,340	26,329,267	1.19%
10,001-----15,000	1,007	12,754,320	0.57%
15,001-----20,000	632	11,818,506	0.53%
20,001-----30,000	543	13,732,677	0.62%
30,001-----50,000	438	17,681,023	0.80%
50,001----100,000	322	23,438,096	1.06%
100,001----200,000	169	24,062,235	1.08%
200,001----400,000	92	25,920,076	1.17%
400,001----600,000	39	19,015,841	0.86%
600,001----800,000	10	7,094,791	0.32%
800,001----1,000,000	19	17,034,129	0.77%
1,000,001 and above	141	1,968,466,426	88.74%
Total	45,777	2,218,297,466	100.00%

4.1.4 Main share holders

The top ten shareholder's name, holding shares, and holding percentage

2021.04.30

Main share holders	Holding Shares	Holding percentage
YI CHUN NAVIGATION INC	285,234,291	12.85%
Asia Pacific Container Terminal Inc.	176,854,398	7.97%
Taiwan (Liberia) Container Express Co., Ltd.	170,902,859	7.70%
China (Liberia) Container Express Co., Ltd.	170,902,859	7.70%
Evervaliant Corp.	57,173,950	2.57%
Chun-Hsing Lin	56,667,820	2.55%
Da Shin Investment, Inc.	55,165,219	2.48%
Pictet & Cie (Europe) SA	47,822,043	2.15%
Yeong Yi (Asia) Co., Ltd.	47,617,724	2.14%
Banque Pictet & Cie SA	47,152,850	2.12%

4.1.5 Market Price, Net Value, Earnings and Dividends per share for the past 2 years and this year

Unit: TWD and share

Item \ Year			2020	2019	2021/01/01~2021/05.11 (Note 9)
Market Price per share (Note 1)	Highest		57.70	23.4	106
	Lowest		11.85	15.45	40.6
	Average		36.35	19.16	62.29
Net Value per share (Note 2)	Before Distribution		19.79	16.28	26.77
	After Distribution		(Note 4)	15.48	-
Earnings per share	Weighted Average shares		2,218,297,466	2,218,297,466	2,218,297,466
	Earning Per Share (Note 3 & 4)	Before Adjustment	5.1	1.61	6.62
		After Adjustment			
Dividend per share	Cash Dividend		1	0.8	-
	Stock Dividend	Dividends from Retained Earnings	1	0	-
		Dividends from Capital Surplus	0	0	-
	Accumulated dividend not paid (Note 5)		0	0	-
Return on Investment	Price / Earning Ratio (Note 6)		7.13	11.90	-
	Price / Dividend Ratio (Note 7)		36.35	23.95	-
	Cash Dividend Yield Rate (Note 8)		0.03	0.04	-

The retrospectively adjusted market price of issued shares and cash dividend information shall be disclosed when there is capital increase by retained earning or capital surplus.

Note1: Listed the highest and the lowest price of common stock and calculated average price by value and volume.

Note2: The calculation is based on outstanding shares by the end of the year and the distributions approved by the Meeting of the Board of Directors in the next year.

Note3: Adjustments to the before and after figures on retroactive adjustments to non-denominated stock dividends are to be duly noted.

Note4: Approved by the Meeting of the Board of Directors, but not approved by shareholders' meeting, has no adjustment required.

Note5: Conditions that stipulated beneficiary certification requires the issuance of all cumulative appropriation of the current year over a year in future with earnings are required to disclose all cumulative dividends undistributed to date.

Note6: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note7: Price / Dividend Ratio = Average Market Price / Annual Dividend per Share

Note8: Cash Dividend Yield = Annual Dividend per Share / Average Market Price

Note9: In respect to book value per share and net earnings per share, data from the latest quarter that has been verified by a CPA up until the date of publication of the Annual Report should be filled in. For all other columns, the Company should fill in the year's information until the date of publication of the Annual Report.

4.1.6 Dividend Policy and Implementation Status

1. Dividend policy

   If there is any annual profit for the Company, not less than 1% of the annual profit should be appropriated as remuneration for employees, and not more than 1% of the annual profit should be appropriated as remuneration for Directors. However, if are there are accumulated losses to the company, compensation should be reserved in advance. The remuneration of independent directors shall not be made during the remuneration of the Directors, as the remuneration shall be determined by a resolution from the Board of Directors.

   The industry in which the Company operates is changeable, and is capital-intensive. The Company considers future capital needs, and long-term financial plans, as well as satisfying shareholder needs pertaining to cash inflows, any surplus earnings after the Company's total annual accounts have been calculated, after tax, and compensation for accumulated losses, the net profit after tax shall be listed as the annual retained earnings, are then carried to the 10 percent legal reserve, and according to the law, set aside or added to the reversal of special reserve. If there is a requirement for the expansion of transportation equipment and an improvement of the financial structure, this shall be made using the surplus within the special reserve, along with undistributed earnings within the same year to complete the amount needed, including 30 percent or more of the undistributed earnings at the beginning of the period will be considered in regards to the Company's capital requirements by the Board of Directors, along with the capital budget and other factors. The interests of shareholders and the company's long-term financial planning will be taken into account, with the proportion of dividends and dividend distribution being assigned after the shareholders' meeting. The cash or shares distribution ratio is subject to the current years' profits, financial conditions, and capital expansion program dividend distribution scheme, where the proportion of cash dividends may not be below 10 percent of total dividends.

2. Proposed Distribution of Dividend

   The company's 2020 net income after tax was TWD11,316,980,783, and the other comprehensive loss was TWD24,194,586 (2020 remeasurement of the defined benefit plans). According to the relevant laws and regulations and the company's articles of incorporation, after appropriating the 10% legal reserve TWD1,129,278,620 and the special reserve TWD1,719,920,547, plus the unappropriated retained earnings TWD3,649,102,331 at the beginning, there were TWD12,092,689,361 available for distribution. The proposed allocation of TWD4,436,594,926 for dividend distribution is as follows:

   (1) Cash dividends is TWD 1 per share, totaling TWD2,218,297,466.

   (2) Stock dividends is TWD 1 per share, totaling TWD2,218,297,460.

4.1.7 Impact of Stock Dividends issuance on the Company's Business Performance and Earnings per Share: It is not applicable.

4.1.8 Compensation of Employees and Directors

1. Information Relating to Compensation of Employees, and Directors in the Articles of Incorporation: Please refer to 4.1.6 -1.
2. The basis for estimating the amount of employee, and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: The estimated figures for the fiscal year of 2020 for employees compensation is TWD143,616,713 and directors compensation is TWD143,616,713. It is as same as distributed amount of the resolutions in the board of directors meeting.
3. Distribution of Compensation of Employees and Directors for 2020 Approved in the Board of Directors Meeting:
   (1) Recommended Distribution of Compensation of Employees and Directors: In 2020, the Company appropriated TWD143,616,713 as directors compensation, and TWD143,616,713 as employees compensation.
   (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income and total employee compensation: There's no proposed distribution of employee compensation distributed in stocks in 2020.
   (3) The annual report shall assess the effect upon imputed earnings per share of any proposed distribution of employees, and directors compensation: Diluted earnings per share is TWD5.09/share.
   (4) The actual distribution of Compensation of Employees and Directors of the previous year (including distributed shares, amount and market price). If the amounts distributed vary from the amount recognized, it should display the difference amount, reason and the status of handling procedure: The company distributed TWD45,315,616 as directors' compensation, and TWD45,315,616 as employee compensation of year 2019. The actual distribution was in line with the resolution of the board of directors.

4.1.9 Buyback of Common Stock: None.

4.2 Status of Corporate Bond

Bond Type		1st Ordinary unsecured bond issuing of 2014		1st Ordinary unsecured bond issuing of 2016	1st Ordinary unsecured bond issuing of 2017
		A	B		
Issue date		Aug. 14, 2014		June 21, 2016	June 26, 2017
Par value		TWD1,000,000		TWD1,000,000	TWD1,000,000
Place of listing		At R. O. C.		At R. O. C.	At R. O. C.
Issue price		At Par value		At Par value	At Par value
Total issue amounts		TWD1,000 million	TWD800 million	TWD3,000 million	TWD2,100 million
Coupon rate		Fixed annual rate at 1.65%	Fixed annual rate at 1.95%	Fixed annual rate at 1.18%	Fixed annual rate at 1.55%
Maturity date		5-year，Date of maturity：Aug. 14, 2019	7-year，Date of maturity：Aug. 14, 2021	5-year，Date of maturity：June 21, 2021	5-year，Date of maturity：June 26, 2022
Guarantee institute		None		None	None
Trustee		H.C.B. Trust Dept.		H.C.B. Trust Dept.	H.C.B. Trust Dept.
Lead manager		None		Master link Securities	Yuanta Securities
Endorsement lawyer		Modern Law office		Modern Law office	Modern Law office
Endorsement accountant		KPMG		KPMG	KPMG
Redemption		on the Maturity Date		on the Maturity Date	on the Maturity Date
Outstanding amount		TWD1,800,000,000		TWD3,000,000,000	TWD2,100,000,000
Redemption / Call option		None		None	None
Restriction covenants		None		None	None
Rating institute Rating date Rating result of the bond		None		None	None
Rights	The amounts of bonds converted	None		None	None
	Terms and Conditions for issuance and conversion	None		None	None
Terms and Conditions for issuance and conversion		None		None	None
Trustee for conversion		None		None	None

Bond Type		1st Ordinary unsecured bond issuing of 2019		2nd Ordinary unsecured bond issuing of 2019		1st Ordinary unsecured bond issuing of 2020
		A	B	A	B	
Issue date		June 18. 2019		OCT. 07. 2019		OCT 23, 2020
Par value		TWD1,000,000		TWD1,000,000		TWD1,000,000
Place of listing		At R. O. C.		At R. O. C.		At R. O. C.
Issue price		At Par value		At Par value		At Par value
Total issue amounts		TWD1,500 million	TWD3,300 million	TWD2,100 million	TWD2,000 million	TWD2,500 million
Coupon rate		Fixed annual rate at 0.95%	Fixed annual rate at 1.05%	Fixed annual rate at 0.97%	Fixed annual rate at 1.07%	Fixed annual rate at 0.97%
Maturity date		3-year，Date of maturity：June 18, 2022	5-year，Date of maturity：June 18, 2024	5-year，Date of maturity：OCT 07, 2024	7-year，Date of maturity：OCT. 07, 2026	5-year，Date of maturity：OCT 23, 2025
Guarantee institute		None		None		None
Trustee		JIH SUN Int. Bank. Trust Dept.		JIH SUN Int. Bank. Trust Dept.		JIH SUN Int. Bank. Trust Dept.
Lead manager		Yuanta Securities		Master link Securities		Master link Securities
Endorsement lawyer		Modern Law office		Modern Law office		Modern Law office
Endorsement accountant		KPMG		KPMG		KPMG
Redemption		on the Maturity Date		on the Maturity Date		on the Maturity Date
Outstanding amount		TWD4,800,000,000		TWD3,200,000,000		TWD2,500,000,000
Redemption / Call option		None		None		None
Restriction covenants		None		None		None
Rating institute Rating date Rating result of the bond		None		None		None
Rights	The amounts of bonds converted	None		None		None
	Terms and Conditions for issuance and conversion	None		None		None
Terms and Conditions for issuance and conversion		None		None		None
Trustee for conversion		None		None		None

4.3 Status of preferred stock: None.

4.4 Status of Global Depositary Receipt: None.

4.5 Status of Employee Stock Options: The company has not executed employee stock options.

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

4.7 Financing Plans and Implementation.

Domestic ordinary corporate bonds capital status and planning:

4.7.1 2014 Wan Hai domestic ordinary corporate bonds:

1. Total amount of fund required: TWD5,000,000,000.
2. Funding: issue TWD1,800,000,000 of domestic ordinary corporate bonds, with the remaining TWD3,200,000,000 is coming from its own fund or loans.
3. Implementation status as follows:

Unit: TWD thousand

Program Item	Execution Situation		Accumulated till Dec. 31, 2020	Reason for being ahead or behind schedule
Loan payment	Amount	Program	4,538,478	The project completed
		Actual	4,538,478	
	Progress	Program	100.00%	
		Actual	100.00%	
Increase operating fund	Amount	Program	461,522	The project completed
		Actual	461,522	
	Progress	Program	100.00%	
		Actual	100.00%	

4.7.2 2016 Wan Hai domestic ordinary corporate bonds:

1. Total amount of fund required: TWD3,000,000,000.
2. Funding: issue TWD3,000,000,000 of domestic ordinary corporate bonds.
3. Implementation status as follows:

Unit: TWD thousand

Program Item	Execution Situation		Accumulated till Dec. 31,2020	Reason for being ahead or behind schedule
To repay debt and to strengthen financial structure	Amount	Program	3,000,000	The project completed
		Actual	3,000,000	
	Progress	Program	100.00%	
		Actual	100.00%	

4.7.3 2017 Wan Hai domestic ordinary corporate bonds:

1. Total amount of fund required: TWD2,100,000,000.
2. Funding: issue TWD2,100,000,000 of domestic ordinary corporate bonds.
3. Implementation status as follows:

Unit: TWD thousand

Program Item	Execution Situation		Accumulated till Dec. 31,2020	Reason for being ahead or behind schedule
To repay debt and to strengthen financial structure	Amount	Program	2,100,000	The project completed.
		Actual	2,100,000	
	Progress	Program	100.00%	
		Actual	100.00%	

4.7.4 2019-1 Wan Hai domestic ordinary corporate bonds:

1. Total amount of fund required: TWD4,800,000,000.
2. Funding: issue TWD4,800,000,000 of domestic ordinary corporate bonds.
3. Implementation status as follows:

Unit: TWD thousand

Program Item	Execution Situation		Accumulated till Dec. 31,2020	Reason for being ahead or behind schedule
To repay debt and to strengthen financial structure	Amount	Program	4,800,000	The project completed.
		Actual	4,800,000	
	Progress	Program	100.00%	
		Actual	100.00%	

4.7.5 2019-2Wan Hai domestic ordinary corporate bonds:

1. Total amount of fund required: TWD3,200,000,000.
2. Funding: issue TWD3,200,000,000 of domestic ordinary corporate bonds.
3. Implementation status as follows:

Unit: TWD thousand

Program Item	Execution Situation		Accumulated till Dec. 31,2020	Reason for being ahead or behind schedule
To repay debt and to strengthen financial structure	Amount	Program	3,200,000	The project completed.
		Actual	3,200,000	
	Progress	Program	100.00%	
		Actual	100.00%	

4.7.6 2020-1 Wan Hai domestic ordinary corporate bonds:

1. Total amount of fund required: TWD2,500,000,000.
2. Funding: issue TWD2,500,000,000 of domestic ordinary corporate bonds.
3. Implementation status as follows:

Unit: TWD thousand

Program Item	Execution Situation		Accumulated till Dec. 31,2020	Reason for being ahead or behind schedule
To repay debt and to strengthen financial structure	Amount	Program	2,500,000	The project completed.
		Actual	2,500,000	
	Progress	Program	100.00%	
		Actual	100.00%	

V Condition of the Business Operation

5.1 Business profile

5.1.1 Scope of business

1. Marine transportation (94.05%)
2. Shipping agency (1.03%)
3. Purchase & sales of vessels and containers (0.25%)
4. Container freight station business (0.98%)
5. Leasing of vessels and containers (3.69%)

Wan Hai Lines provides full-containerized shipping service covering ports in Japan, Korea, Taiwan, China, Hong Kong, Thailand, Indonesia, Philippines, Singapore, Malaysia, Vietnam, Myanmar, Cambodia, India, Pakistan, Sri Lanka, Bangladesh, the Middle East, Egypt, the United States, Mexico, Guatemala, Columbia, Ecuador, Peru, and Chile. Wan Hai Lines also operates shipping agency business and is currently representing Norwegian HOEGH AUTOLINERS as their general agent in Taiwan for the import and export of vehicle and other cargoes. The Company deploys its services with domestic and foreign shipping operators. Additionally, the Company continues with its new service and studies of new markets to enhance its competitiveness overseas.

5.1.2 General State of the Industry

1. Current State and Development of the Industry.

   In 2020, the whole world was influenced by the COVID-19 pandemic, with more than 100 million persons infected, and seriously affected international transactions which resulted in sharp drops both in demand and supply, IMF estimated that the global economic growth for 2020 was -3.5%, which was lower than 2.8% for 2019. Although it is hoped that the global economic growth will gradually rebound in 2021, but the COVID-19 pandemic is still raging, and we must face it cautiously. Even through economic growth was effected by the COVID-19 pandemic in 2020, but shipping companies continued to place orders for new vessels, and with the delivery of large new vessels, global shipping capacity continued to increase in 2020, by the end of 2020 the number of container ships reached 5,371 and global capacity reached 23,894,530 TEUs, an increase of 2.6% over 2019, therefore container shipping may still be in oversupply. During the second half of 2020 pandemic restrictions were gradually eased globally, and markets and economic activities gradually recovered, and driven by basic livelihood needs, international trade quickly recovered. After been effected by the pandemic, the demand for charter ships increased, and the cost for chartering ships rose sharply. Facing the challenges of the ever changing external environment, our company continued to replace our old vessels with new ones so as to strengthen the operations of our own fleet, moreover we flexibly adjusted the layout of our fleet with chartered ships, and at the same time we implemented joint operations with other shipping companies to reduce costs. Our aim is to provide low cost, high quality services to our customers, hoping to expand our market share and raise our profitability.

2. The upper-, middle- and downstream of the industry
   The transportation of shipping containers is an important part of the industry chain, which is closely related to global trade:
   (1) Upper stream:
      A. Shipbuilding industry
      B. Transportation equipment manufacturing industry
      C. Terminal equipment manufacturing industry
      D. Ship or transportation equipment leasing industry
      E. Container manufacturing industry and leasing companies
      F. Terminal equipment maintenance industry
      G. Ship fuel suppliers
   (2) Midstream:
      A. Terminal operators
      B. Land carriers
      C. Ocean Carriers in joint venture or slot exchange cooperation
   (3) Downstream:
      A. Branch line ship companies
      B. Barge companies
      C. Container yard
      D. Truck companies
3. Container shipping industry trends and competition situation
   (1) Industry development trends:
      A. The development trend for larger vessels:
         In recent years, container harbor facilities keep upgrading to accommodate and serve larger container ships, causing shipping companies to speed up upsizing their ship types. Orders for new ships last year also tend to increase the orders for ultra large container vessels so as to attain the economics of scale to lower unit operation costs. According to Alphaliner statistics, large vessels with capacities over 10,000 TEU increased to 609 by the end of 2020, accounting for 37.3% of the total container shipping capacity, it is estimated that by the end of 2021, there will be 665 large vessels with capacities over 10,000 TEU, accounting for 39.5% of the total container shipping capacity, and it is estimated that large vessels with capacities over 10,000 TEU will increase to 697 in 2022, accounting for 40.5% of the total container shipping capacity.
      B. Development trend of green shipping:
         Rapid climate changes have driven worldwide environmental protection to become the top global issue. IMO's limitation on sulfur emission will be effective in 2020, sulfur content of fuel oil used by ship sailing in international waters and on international shipping routes must not exceed 0.5%.
         Major international ports are gradually demanding shipping companies to reduce emission of waste gas while their ships are in port. Europe, the U.S. and China etc. have asked ships to gradually adopt the onshore power supply system or the exhaust gas recovery system to reduce environmental pollution caused by exhaust emissions at ports. In response to global regulatory

requirements and in line with future trends, the development of energy-efficient, low-pollution ship design has become the new trend in shipping vessel construction.

(2) Industry competition situation

A. Shipping companies are upsizing

Due to the nature of competition in the container liner shipping markets and the requirement for investing huge amounts of capital, major companies continue to increase the sizes of their fleet and to expand the scope of market operations to maintain their market shares and their competitive advantage. They continue to order ultra-large ships to upsize their ship types to reduce operating costs and unit costs. Container liner companies are continuously moving towards ultra-sized group business model and share ships and container port resources with other shipping companies to cut operational costs and to enhance operational competitiveness, leading to fiercer competition among container shipping companies. According to statistics from Alphaliner (as of January 1, 2021), the global fleet capacity reached 23,894,530 TEU, while the total number of ships operated by the top four shipping companies were 2,364, with a fleet capacity of 14,030,067 TEU. This accounted for 58.7% of the market, and the fleet capacity of the top 12 shipping companies even reach 20,935,919 TEU, accounting for 87.6%.

B. The development trend towards larger strategic alliances:

In seeking diversity and entirety in service products, more efficient operation models and to avoid the risks of huge investments, the world's major shipping companies have been forming strategic alliances, and run joint ventures, on the east-west main line or on regional routes, in cooperation with allies For instance, the world's top two shipping companies, APM-Maersk and Mediterranean Shipping Co., have formed the 2M alliance; CMA CGM, COSCO Container Lines, and Evergreen have formed the Ocean alliance, and Hapag-Lloyd, ONE and Yang Ming have formed the THE alliance. The major shipping companies create large strategic alliances to compete with one another.

5.1.3 General state of technology and development

As a member in maritime container transport industry, the Company upholds and fulfills its social responsibility by embracing today's trends and spirit for environmental protection and risk management and to carry out our goal and policy of "Customer First". On the one hand we will cautiously and comprehensively plan and evaluate ahead, so as to comply with timely market trends, on the other hand we will strictly control and reduce costs so as to achieve the projected profits, to live up to the expectations and support of our shareholders and the general public and will continue our excellent performances.

1. Research and development investment, and techniques or products successfully developed up to the date of publication of this report.

   In 2020 Wan Hai Lines invested TWD405 million. As of May 11, 2021, the company invested TWD143 million. Related R&D expenditures were spent on R&D and construction of the following projects:

Category	Item
Planning	(1) Researched on optimal route layout. (2) Increased or adjusted shipping routes in response to shifting markets and sources of cargo. (3) Researched on further expanding the Indian and surrounding markets. (4) Researched on expanding South American west coast markets. (5) Expanded the development of strategic alliances. (6) Promoted e-commerce business.
Vessels	(1) Installed fleet satellite communications systems, to enhance ship-shore operational efficiency and to enhance management. (2) Optimized fuel oil and materials management systems and digitize the supplier system. (3) Optimized the version interchange function of the nautical chart system. (4) Optimized the Wan Hai Eagle-Eye system to enhance voyage safety monitoring. (5) Installed ship systems that place importance on environment protection appeals. (6) Performed research and development on intelligent vessels. (7) Optimized ship efficiency.
Operations	(1) Performed research and development on hazardous material management system in cooperation with educational institutions. (2) Enhanced schedule reliability. (3) Researched on container specifications and structures. (4) Enhance efficiency of container dispatch.
Information	Renewed and enhanced global fraud proof bill of lading printing systems.

2. Future research and development plans and estimated R&D spending.

In 2021, Wan Hai Lines plans to invest TWD 428 million in research and development and construction of the following items.

Category	Items
Planning	(1) Research on most suitable ship type for given shipping route. (2) Research on new and second hand ship markets. (3) Increase or adjust shipping routes in response to shifting global supply chains. (4) Research on expanding the American markets. (5) Research on expanding the middle eastern, Indian and Pakistan markets (6) Expand the development of strategic alliances. (7) Promote e-commerce business.
Vessels	(1) Enhance the quality of fleet communications systems, to make operations more efficient, and also to make the environment on board more human. (2) Develop fuel oil and material management systems. (3) Optimize the Wan Hai Eagle-Eye system to enhance voyage safety monitoring and risk prevention. (4) Install ship systems that place importance on environment protection appeals. (5) Research and development on intelligent vessels. (6) Optimize ship efficiency. (7) Seamen training stimulators.
Operations	(1) Optimize hazardous material management systems. (2) Enhance schedule reliability. (3) Research on optimizing structure of the container team. (4) Enhance cold chain logistic expertise in cooperation with educational institutes.
Information	Establishing the Taipei New Generation Data Center.

In addition, in order to strengthen the company's competitiveness, cut cost, prevent loss that may be caused by natural disasters, maintain ship's port arrival and departure safely, the company has invested in R&D projects regarding fuel saving and typhoon preventing.

In terms of fuel saving and carbon reduction, the company has fully complied with all maritime conventions and environmental regulations, and has utilized various energy conservation and carbon reduction measures to strengthen fleet energy efficiency management and mitigate the GHG emissions impact on the environment.

In order to comply with the IMO's target of reducing global CO2 emissions by 40% in 2030 compared to 2008, we implemented the above carbon reduction measures. The CO2 emission rate of the fleet was 74.1g/TEU-KM in 2020, which was 33% lower than that in 2008. Our vision in 2030 is a reduction of 41.5% carbon emission (which is in advance of IMO's standard) compared to 2008.

5.1.4 Long-term and short-term business development plans

The short-term business development plans are to decrease operation costs and enhance operating effectiveness. In terms of shipping route layouts, we will maintain our existing dense and convenient service networks as basis, and in response to market development requirements, adjust shipping routes and port of calls. We will continue to expand niche markets in the near sea region while seeking potential new markets in the mid to far sea region. As for fleet planning, we will replace our old ships with new ones, and upgrade our equipment to strengthen our fleet. We will also actively plan integration to enhance competitiveness of our shipping routes and our fleet, and create better performance efficiencies.

The long-term business development plans are to research and strengthen the capacity and quality of our own vessel fleet, expand the scope of business cooperation with other carriers, continue to actively develop niche markets, fulfill our corporate social responsibilities and maintain sustainable development.

5.2 General Situation of Market and sales

5.2.1 Operational Plan for 2021

Fleet: by the end of year 2021, Wan Hai has a total fleet of 132 vessels among which, 92 are self-owned vessels and 40 are chartered vessels.

Service Profile: Wan Hai's service can be categorized in three different types: A. Independent Service 26 strings; B. Joint Venture Services 33 strings; and C. Slot Charter 14 strings.

1. Independent Services: 26 strings
   (1) Central China / American West Coast (AA1), deploys five vessels
   Central China – American West Coast
   (2) Taiwan / South China / American West Coast (AA2), deploys five vessels
   Taiwan – South China – American West Coast
   (3) Vietnam / South China / American West Coast (AA3), deploys seven vessels
   Vietnam – South China – American West Coast
   (4) Taiwan / South China / Central China / American West Coast (AA5), deploys six vessels
   Taiwan – South China –Central China – American West Coast
   (5) South China / Vietnam / Malaysia / India (CI8), deploys four vessels
   South China – Vietnam – Malaysia – India
   (6) China / Thailand/ Cambodia (CTK) deployed with two vessels
   South China – Thailand – Cambodia
   (7) South China / Malaysia / Haiphong (CVM) deployed with two vessels
   South China – Malaysia – Haiphong
   (8) Central China / Vietnam (CV7) deployed with two vessels
   Central China – Taiwan – Vietnam
   (9) Taiwan / Fuzhou (FOC) deployed with one vessel
   Taiwan – Fuzhou – Jiangyin – Xiamen
   (10) Taiwan / Hong Kong I (HKG) deployed with one vessel
   Taiwan – Hong Kong

(11) Taiwan / Hong Kong III (HKG III) deployed with one vessel
Taiwan – Hong Kong
(12) Taiwan / Haiphong I (HPH) deployed with one vessel.
Taiwan – Haiphong
(13) Japan / Korea / Haiphong (JKH) deployed with three vessels
Japan – Korea –Taiwan– Hong Kong – South China – Haiphong
(14) Japan / South China / Vietnam (JSH) deployed with two vessels
Japan Kansai – Korea – Taiwan – Hong Kong – South China – Haiphong
(15) Japan Kansai / Thailand service (JST) deployed with four vessels.
Japan Kansai – Taiwan – Shekou – Thailand
(16) Japan Kansai / Vietnam (JSV) deployed with three vessels.
Japan Kansai – Korea –Taiwan – Vietnam
(17) Japan Kanto / S.E.A (JTS) service deployed with four vessels.
Japan Kanto – Taiwan – Hong Kong – Singapore – Malaysia
(18) Japan Kanto / Thailand service (JTT) deployed with four vessels.
Japan Kanto – Taiwan – Hong Kong – Thailand – Vietnam
(19) Korea / South East Asia (KSS), deployed with four vessels
Korea – Taiwan – Hong Kong – Shekou – South East Asia
(20) Korea / Vietnam / S.E.A service (KVS) deployed with four vessels.
Korea – Taiwan – Vietnam – Singapore – Malaysia
(21) Mindanao / Hong Kong / Taiwan (MHT) deployed with two vessels
Taiwan – Cebu – Mindanao – Hong Kong
(22) Taiwan / South China / Philippines (SES) deployed with two vessels
Taiwan –South China –Philippines
(23) Thailand / Belawan (TBS) deployed with two vessels
Thailand – Singapore – Indonesia
(24) South China / Philippines (TPF) deployed with one vessel
South China – Philippines
(25) Taiwan / Hong Kong / Indonesia service (TPI) deployed with three vessels
Taiwan – Hong Kong – South China – Indonesia
(26) Taiwan / Philippines I (TPS) deployed with one vessel
Taiwan – Philippines

2. Joint Service: 33 stings
(1) Far East to Red sea (AR1), joint venture with YML and ONE. WHL deploys one vessel, YML deploys four vessels and ONE deploys two vessels.
Korea – Central China – Singapore / Malaysia – Red sea area.
(2) Taiwan / South & Central China / West Coast of South America (ASA), joint venture with EMC, COSCO, and PIL. WHL deploys five vessels, PIL deploys three vessels and COSCO and EMC each deploys one vessel..
South China – Central China –West Coast of South America
(3) China / Singapore / Malaysia / India (CI2), joint venture with IAL. WHL deploys five vessels and IAL deploys one vessel.
China – Singapore / Malaysia –India

(4) China to India III (CI3), joint venture with COSCO, IAL, OOCL and X-PRESS FEEDER. WHL deploys one vessel, WHL and IAL jointly deploy one vessel, and COSCO, OOCL and ONE each deploys one vessel.
China – Singapore / Malaysia –India–Haiphong
(5) China to India V (CI5), joint venture with IAL, BTL, GSL and KMTC. WHL deploys two vessels, IAL, BTL, GSL and KMTC each deploys one vessel.
China – Korea – Singapore / Malaysia –India
(6) China to India VI (CI6), joint venture with IAL, SINOKOR, HEUNG A and FEEDERTECHL. WHL deploys two vessels, IAL, SINOKOR, HEUNG A and FEEDERTECHL each deploys one vessel.
China – Korea – Singapore / Malaysia –India
(7) Taiwan to India (CIX), joint venture with EMC and Hapag-Lloyd. WHL deploys two vessels, and EMC and Hapag-Lloyd each deploys one vessel.
Taiwan – South China – Singapore / Malaysia – India
(8) China – Philippines feeder (CPF), joint venture with SINOTRANS. WHL and SINOTRANS each deploy one vessel.
North China – Philippines
(9) China / Thailand I (CT1), joint venture with COSCO and OOCL. WHL deploys one vessel, COSCO deploys two vessels and OOCL deploys one vessel.
North China– Hong Kong / South China –Thailand
(10) China / Cambodia / Thailand V (CT5), joint venture with YML and SEALAND ASIA. WHL deploys one vessel, YML and SEALAND ASIA each deploys one vessel.
China– Cambodia –Thailand
(11) China / Thailand / Vietnam III (CT3), joint venture with IAL and SEALAND ASIA. WHL deploys one vessel, IAL and SEALAND ASIA each deploys one vessel.
China– Thailand –Vietnam
(12) China / Vietnam I (CV1), joint venture with IAL. WHL deploys two vessels and IAL deploys one vessel.
China – Vietnam
(13) China / Vietnam III (CV3), joint venture with COSCO. WHL and COSCO each deploys one vessel.
South China – Vietnam
(14) China / Vietnam / Thailand (CV6), joint venture with IAL. WHL deploys one vessel and IAL deploys one vessel.
South China – Vietnam – Thailand
(15) China / Vietnam (CV8), joint venture with IAL. WHL deploys two vessels and IAL deploys one vessel.
China – Vietnam
(16) China / Korea / Indonesia (CKI), joint venture with KMTC. WHL deploys one vessels and KMTC deploys three vessel.
China – Korea – Indonesia

(17) Japan / China / Vietnam (JCV), joint venture with IAL. WHL deploys two vessels and IAL deploys one vessel.
Japan – China – Hong Kong / South China – Vietnam

(18) Japan / Taiwan / Haiphong (JH2), joint venture with EMC, WHL deploys two vessels and EMC deploys one vessel.
Japan – Taiwan – Hong Kong / South China – Haiphong

(19) Japan Kansai to Taiwan (JTH), joint venture with EMC. WHL deploys one vessel and EMC deploys one vessel.
Japan Kansai –Taiwan – Hong Kong

(20) Taiwan / South China / Singapore/ Malaysia / Indonesia (CS1), joint venture with APL. WHL deploys one vessel and APL deploys two vessels.
Taiwan / South China – Singapore/ Malaysia – Indonesia

(21) South China / Indonesia / Malaysia (CS2), joint venture with ONE and APL. WHL deploys one vessel, ONE and APL each deploys one vessel.
Taiwan / South China – Singapore/ Malaysia – Indonesia

(22) Taiwan to North China (NCT), joint venture with SINOTRANS. WHL and SINOTRANS each deploy one vessel.
Taiwan – North China

(23) Taiwan to North China (NCT II), joint venture with SINOTRANS. WHL and SINOTRANS each deploy one vessel.
Taiwan – North China

(24) Japan to South East Asia I (NS1), joint venture with IAL and OOCL. WHL deploys two vessels and IAL and OOCL each deploys one vessel..
Japan – Hong Kong / South China– Singapore – Malaysia –Vietnam

(25) Japan to South East Asia III (NS3), joint venture with IAL, WHL deploys three vessels and IAL deploys one vessel.
Japan – Taiwan / Hong Kong / South China– Singapore – Malaysia

(26) Japan to South East Asia V (NS5), joint venture with IAL, WHL deploys three vessels and IAL deploys one vessel.
Japan – Taiwan / South China– Singapore – Malaysia

(27) Central China / Singapore / Malaysia / India / Pakistan (PMX), joint venture with COSCO, PIL, EMC, ONE, and APL. WHL, PIL, APL and EMC/ONE each deploy one vessel and COSCO deploys two vessels.
Central China – Singapore / Malaysia – Pakistan – India

(28) Pakistan / Saudi Arabia (PSX), joint venture with Global Feeder Shipping. WHL and Global Feeder Shipping each deploy one vessel.
Pakistan – Saudi Arabia

(29) Pakistan / Saudi Arabia (PS2), joint venture with Global Feeder Shipping. WHL and Global Feeder Shipping each deploy one vessel.
Pakistan – Saudi Arabia

(30) Singapore / Malaysia / Chennai (SC1), joint venture with Bengal Tiger Line (BTL). WHL and BTL each deploy one vessel.
Singapore / Malaysia – Chennai (Madras)

(31) Singapore / Malaysia / Chittagong (SBX) joint venture with XPF. WHL and XPF each deploy one vessel.
Singapore / Malaysia – Chittagong
(32) Taiwan / Vietnam / Thailand (TVT), joint venture with IAL. WHL deploys one vessel, WHL/IAL deploys one vessel.
Taiwan – Vietnam – Thailand
(33) Taiwan to Shanghai (SHA), joint venture with SHANGHAI MINSHENG. WHL deploys one vessel and SHANGHAI MINSHENG deploys one vessel.
Taiwan–Shanghai

3. Fixed Slot Charter: 14 strings
(1) Central China– Pacific 2 (CP2)
(2) South China– Pacific 3 (CP3)
(3) Vietnam– South China– Pacific 8 (CP8)
(4) China / Philippines (CPS+CPX6)
(5) Fuzhou to Taiwan (FT1+FT2+FT3)
(6) South China to Taiwan (GTE/STD)
(7) North China/ Central China/ Saudi Arabia (MEX)
(8) Hochiming to Cambodia (PNS)
(9) Hochiming to Cambodia (PNH)
(10) Taiwan to South China (SCT I)
(11) Taiwan to South China (SCT III)
(12) Singapore / Malaysia / Calcutta (CCU)
(13) Singapore/Malaysia to Yangon (SYM/MYS)
(14) Saudi Arabia / Red sea (JJS)

5.2.2 R&D plans for the future

As for our future research and development plans, we will maintain our existing frequent and convenient service networks as basis, continue to expand niche markets in the near sea region, actively expand shipping routes within the Larger Asian Region. We will also develop potential new markets in the mid to far sea regions. In response to market development requirements, we will adjust shipping routes and port of calls. We will continue to expand niche markets in the near sea region while seeking potential new markets in the mid to far sea region. We will upgrade our vessels and equipment, and replace our old ships with new ones, to strengthen our fleet. We will also actively plan integration to enhance competitiveness of our shipping routes and our fleet, and create better performance efficiencies.

5.2.3 Market Analysis

1. Major service areas and ratio of market share
Wan Hai is a full container liner operator, its service network includes Northeast Asia, Mainland China, Hong Kong, Southeast Asia, the Indian Subcontinent, Pakistan, the Middle East, and the Americas. They are further elaborated as follows:
(1) Northeast Asia:
Impacted by the global COVID-19 pandemic, all global economic statistics were dropping, the 2020 economy growths of Japan and South Korea were no

exception, and their import and export trading suffered recessions. To stabilize the economic performance, the Japanese government implemented a series of stimulus measures such as continuing monetary easing policies, giving subsidies to corporations and individuals to stimulate the economy; South Korean economy suffered the same effects when facing the COVID-19 pandemic, and so they passed a supplementary budget for 2020, and increased the annual expenditure for 2021 to stimulate economic growth. The Japanese and South Korean governments adopted policies for stimulating economic growth, which hopefully will gradually pull their economies out of the rock bottom. However whether future economic growth will be stable still depends on global epidemic prevention measures. Our company operate in Northeast Asia for an extended period of time, we has established deep roots in the region. In response to accelerated market integration and access, and to meet market demand dynamics and strengthen its competitiveness, our company keep track of economic developments and market trends in Northeast Asia while taking the initiative to adjust existing service routes and swap space with other business partners. This demonstrates our adoption of more flexible business policies and the implementation of our "Customer First" business philosophy.

(2) Mainland China

Effected by both the U.S-China trade dispute and the global demand slump caused by the COVID-19 pandemic, China export performance continued to downturn, causing the Chinese government to place more emphasis on the "Demand side reform" on its 2021 economic efforts. China changed from its previous policy of emphasizing supply end management to upward management from the demand end. From production, logistics to the final consumption will all be dealt with the reformed concept of "Demand tows supply, supply creates demand", to enhance the efficiency of Chinese economic system from the demand end. Wan Hai Lines has a comprehensive layout in China, we enjoy comparative advantages in terms of competition. However, we continue to actively study the strategic routes connecting the Chinese market. We continue to adjust our business strategy according to market needs. Wan Hai Lines monitors market developments in order to meet operational needs and provide customers with faster and more convenient services.

(3) Southeast Asian Markets

Impacted by the global COVID-19 pandemic, the economies of ASEAN countries had also been affected, the economies of Indonesia, Malaysia, Philippines, Thailand and Vietnam were all in recession, and the situation was especially severe in the second and third quarters. But in the fourth quarter the economies made a turnaround after hitting rock bottom, due to the turnaround of consumption demands after countries resumed economic and trading activities. According to the IMF, the average economic growth rate of five ASEAN countries (Indonesia, Malaysia, the Philippines, Thailand, and Vietnam) was -3.7% in 2020. But in the future, with better endemic prevention and the rollout of vaccinations, the estimated economic growth will rebound to 5.2% in 2021.

Wan Hai Lines has operated the Southeast Asian routes serval years, and continually actively researched and developed new routes. And we has also formed joint venture services and swap space with other Southeast Asian business partners to provide more complete, more secure, and faster routes in order to enhance its competitiveness and market share in Southeast Asia.

(4) The Indian Subcontinent, Pakistan, and the Middle East:

India also suffered by the COVID-19 pandemic, and due to comparative insufficient health care services, its ability to control the pandemic lags behind more advanced countries, therefore India's economy took a hard hit, consumption contracted, domestic investment paused and domestic demands plummeted. But in the third quarter when the world gradually eased its quarantine restrictions, basic livelihood demands increased, corporations restarted investment plans, and the economic growth began to rise.

According to the IMF, in 2020, India's economic growth plunged to -8%, but it is expected to strongly rebound to 11.5% in 2021. In comparison with the Indian market, although emerging markets in the Middle East were also impacted by the COVID-19 pandemic, but their economic situations were relatively stable, and recession was less severe than India. The IMF estimated the Middle East economic growth will drop to -3.2% in 2020, but on the basis of stable and healthy market economy, it will rebound to 3% in 2021. In order to strengthen our services from Asia to India, Pakistan and the Middle East, and in an effort to cope with the diversified international trade developments of the Gulf countries, Wan Hai Lines has increased our routes from the Far East to these regions through the joint venture services with other container shipping companies, while also strengthening our Middle Eastern region business feeder services. This has created a complete route network that reduces costs, improves efficiency, and expands market share.

(5) The American market

Although American countries were hardest hit by the COVID-19 pandemic, but thanks to strong government financial stimulus and subsidy measures, strong rebounds in demands occurred after the third quarter of 2020, and economic recession gradually alleviated. After COVID-19 vaccines are gradually rolled out, economic activities will hopefully return to normal, and drive the economies back on the right tracks. The Pan-Pacific routes operated by us were adjusted to more competitive and advantageous joint venture services in accordance with market demands, thereby reducing operating costs and allowing for operational stability. Regional demands in developing Latin American emerging markets continue to grow, and also export demands to Asia are brewing. Hopefully the economies will gradually recover from the pandemic, and demands will strongly rebound in 2021.

Wan Hai Lines maintains our operating advantages in the South American West Coast markets and jointly operates associated routes with the world's major shipping companies. With our flexibility to adjust to market demand by adjusting service space, and reflecting our stable and steady operations, we continued to strengthen our competitive advantages in the South American West Coast market.

2. Supply and Demand of the Market and Growth Prospects:
   Due to the global COVID-19 pandemic, prior to the second quarter of 2020, many cities and countries were locked down to control the spread of the pandemic. According to the observations of the IMF, when COVID-19 vaccines are available and when vaccinations are rolled out globally, hopefully life will return to normal globally. Many governments continue to expand their financial and subsidizing measures to stimulate the economy. Consumer spending and corporate investments will gradually increase. But the 2021 economic growth outlook is still impacted by pandemic control situations and thus we must still face future changes with caution. Moreover, the Regional Comprehensive Economic Partnership (RCEP) was officially signed on November15, 2020. RCEP member nations include 10 ASEAN countries (Singapore, Malaysia, Thailand, Philippines, Indonesia, Brunei, Vietnam, Laos, Myanmar, Cambodia) and China, Japan, South Korea, New Zealand and Australia.
   ECEP has 15 member nations and covers about 2,100 million people. In the future when tariffs between member nations are gradually reduced or exempted, there will be another wave of growth in the region. Hopefully that will bring about continued steady cargo growth globally. Wan Hai Lines will face tough challenges with flexible operational strategies, and apart from cultivation the Asian market, we will also extend our shipping routes all over the world, to allow our company to continue our steady and healthy growth and to operate sustainably.
3. Strength, challenges, and action plans
   (1) Strength:
      A. High market share in principal territory, comprehensive and intensive service network
      B. Stable growth in the emerging shipping markets of Asia and India
      C. Flexibility in container and fleet deployment
      D. Cost efficiency and risk diversification via strategic partnership with other carriers
      E. Enhanced vessel designs for higher efficiency and lower costs
   (2) Challenges:
      A. Formation of large strategic alliances
      B. Risks involving new competitors
      C. Bunker fuel price volatility
      D. Foreign exchange volatility
      E. COVID-19 pandemic control situation.
      F. China–United States trade war
   (3) Action plans:
      Timely respond to market dynamics, flexible adjustment of layout of containers and fleet, keep on researching optimal adjustment of vessel and shipping route, enhance shipping route competitiveness, implement flexible joint venture services strategies, reduce operational risks, strength fleet management and enhance operation safety, enhance service quality and management efficiency.

5.2.4 Key features of major products and production procedures

Currently, the Company provides full container shipping services. A brief description of its procedures of operation is as follows:

1. Business representatives solicit business with importers and exporters based on the shipping charges and schedules offered by the Company. Upon customer's acceptance, the business representative will forward the designated S/O (shipping order) number to customer. The container yard releases empty container to the customer after verifying the S/O number with sales department.
2. Customer picks up the empty container and loads his cargo into the container, and then delivers the loaded container with the relevant cargo documents to the container yard prior to the cargo acceptance closing date. The container yard forwards the customer's documents to the Company for uploading of data into computer and production of bill of lading along with other forms required by Customs, and then forwards the documents to the unloading port.
3. Customer pays fees to the Company according to the S/O number and picks up his invoice and original copy of bill of lading.
4. As soon as the ships arrive at the port, the Company sends a trailer to pick up container from container yard to the ship's side for loading onto the ship. For imports, the Company arranges for a trailer to pick up container from ship's side to the container yard for storage.
5. Upon receipt of export documents from the exporting port, the unloading port produces notice of cargo's arrival and notifies customers to pick up the cargo and pay the related charges. Customer presents the original copy of bill of lading and settles all expenses in exchange of delivery order, then presents the delivery order to the container yard to pick up the laden container.

5.2.5 Main materials supplier:Service industry; not applicable

Wan Hai's business belongs to the service industry (shipping), rather than the manufacturing industry. Thus we are unable to use terms such as upstream, midstream, or downstream to describe our materials supplier.

5.2.6 List of customers, sum of revenue and proportion for operating income account for more than 10% in the last two years

The Company has various customers, incomes from any singular customer is not higher than 10% of operating income

5.2.7 Production output of last two years: Service industry; not applicable

Wan Hai's business belongs to the service industry (shipping), rather than the manufacturing industry. Thus we are unable to use terms such as upstream, midstream, or downstream to describe our production output.

5.2.8 Sales volume of last 2 years

	2020	2019
Consolidated Revenue(TWD)	81.88 billion	72.95 billion
Operating Capacity (TEU)	4510 thousand	4440 thousand
Vessels in Operation (owned & chartered)	119 (67 & 52)	96 (65 & 31)

5.3 Human Resources Statistics

Data of employees for the past two years ending on the publishing date of the Annual Report.

Location \ Year		2020	2019	2021 as of May. 11st
No. of Employees	Offices	2,920	2,888	2,936
	Terminals	1,449	1,445	1,554
	Total	4,369	4,333	4,490
Average Age		38.2	37.7	38.3
Average Years of Service		8.7	8.5	8.7
Level of Education	Ph. D Degree	0.05%	0.05%	0.04%
	Master's Degree	6.57%	6.39%	6.35%
	College Degree	51.13%	50.89%	50.29%
	Associate Degree	21.74%	21.51%	22.41%
	High School	10.71%	11.03%	10.60%
	Below High School	9.80%	10.13%	10.31%

* The statistics on seafarer in 2018 is based on all nationalities of crew members. (including Taiwanese/ Chinese/ Indonesian and Burmese)

5.4 Disbursements for environmental protection

5.4.1 The Company has not been subject to any environmental protection penalties from the past year and current year up to the annual report's publish date.

5.4.2 Take countermeasures

1. Protocol:

(1) All of our Company's vessels according to MARPOL 73/78 I~VI have been insured against ship owner liability risks and equipped with or certified by the following:

- We have an International Oil Pollution Prevention Certificate (IOPP). Our engine rooms are equipped with waste oil and sludge pipelines and joints (international standard joints) and relevant safety equipments to facilitate discharging waste oil and sludge to receiving facilities on shore.
- In order to enhance the separation of bilge water and attain the highest level of environmental standards, all of our vessels are equipped with bilge water separators and also have Bilge Water Primary tanks located in the engine room.
- To process sanity waste water, sewage treatment plant has been installed in all engine rooms, the plant has passed all relevant examinations and received the International Sewage Pollution Prevention Certificate issued by the Classification Society based on the amendment edition.
- We have an International Pollution Prevention by Garbage Statement. We emphasize sorting and storing garbage, and record garbage disposal and incineration in the Garbage Record Book as required.

- Each vessel of our Company has satisfied the requirements of a subsequently received the International Air Pollution Prevent Certificate (IAPP).
- The main engine and auxiliary machinery for all new-built ships conform to the IMO limiting the discharge of nitrogen oxide (NOx) compounds. Manufacturers provided technical files and parameters of diesel engines have passed the relevant examinations. The Engine International Air Pollution Prevention Certificate (EIAPP) has been issued by the Classification Society after passing examinations.

(2) The anti-fouling paint for the outside hull of the vessel has been certified by the material safety data sheet (MSDS), the statement of the AFS and the corresponding information by the paint maker in line with the convention of the IMO for International Convention on the Control of Harmful Anti-fouling Systems on Ship (referred to henceforth as the AFS pact) based on the resolution A.882 (21) as amended by article 19 of A.787 resolution revision. Our company passed the examination and received the international anti-fouling system (IAFS) certification issued by the Classification Society.

(3) In response to IMO Data Collection System (DCS) we drew up the second part of our Energy Efficiency Management Plan, which was certified by the International Association of Classification Societies.

(4) As per the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001(Bunker Convention), we have furnished all vessels with the Bunker Convention Certificate (BCC), which has covered the liability for pollution damage by bunker oil from our vessels.

(5) To prevent alien species from effecting the marine environment and ecosystem of the port country, and in accordance with The International Convention for Control and Management of Ships' Ballast Water and Sediments, we installed qualified ballast water management systems on our ships successively according to the certificate valid date. On ships where the systems are not yet installed, we carried out standard procedures for exchanging ballast water, keep accurate records of ballast water operations to comply with ballast water management standards stipulated in the International Convention.

(6) According to the requirements of the trading areas and port states, our vessels will use the compliant fuel oil while entering into the emission control areas (ECA).

2. The estimated capital expenditure of environmental protection for the next three years:

   All pollution prevention facilities purchased in the future will correspond to MARPOL 73/78 rules.

   These pollution prevention facilities for oil, water, air and Ballast Water Management System will be installed at the time of shipbuilding. Thus, the cost will be included into the overall cost of ship construction.

3. The influence of install facilities to the Company:

   All of our vessels are equipped with anti-pollution facilities for the disposal of residue oil, bilge water, and polluted air to comply with the international environmental protection standards.

5.4.3 In accordance with industry practices, our company is not limited by ROHS

5.5 Labor Relations

5.5.1 Major labor agreements currently being implemented

1. Employee benefit program:
   The Company provides labor and health insurance in line with relevant laws and regulations. The Employee Benefit Committee was established in March 1989 and is charged with all matters concerning employee welfare. The major employee benefits are as follows:
   (1) Employee benefit program: includes meal allowances, group insurance, provision of uniforms, employee's bonus from retained earnings, and regular health examinations.
   (2) The Employee Benefit committee implements a benefit program that includes birthday parties, cash gifts for weddings, childbirth support, monetary condolence, aid for grave accidents, and leisure travel expense reimbursement.
2. Retirement plan:
   Pursuant to the Labor Standards Act and the Labor Pension Act, on July 1, 2005, the Company issued written inquiries to employees with respect to their selection of the new or old pension plan.The Company subsequently reported the results to the Bureau of Labor Insurance (BLI).Accordingly, the Company sets aside a sum equal to 15% of total monthly wage to the retirement funds of those who chose the old pension plan.A sum equal to 6% of total monthly wage is set aside for those who chose the new pension plan.These amounts are deposited into each employee's individual retirement account according to the Table of Monthly Contribution Classification of Labor Pension.The Company has actuarial reports on file for such provisions prepared by qualified actuary.
3. Other major agreements
   The Company held labor-management meeting,maintains harmonious labor relations, and has no labor disputes.
4. Continuing education and training for employees
   The Company values the growth and development of all our workers, and provides multi-faceted educational training classes as a way of enriching professional knowledge and developing personal potential.In total 2,274 classes were run in 2020, with a total of 28,553 participants.

Class type	Content	Time (hr.)	Number of Trainees	Total Cost (Unit: TWD thousand)
Newcomers Orientation	Orientation program designed for new employees to participate in a series of training classes, helping them to better understand the Company's corporate culture, the organization and function of each department The program consists of 1. Corporate culture: corporate culture and business ideals 2. Organization: A brief introduction of the company and each of its departments, attendance rules, labor and health insurance, Employee Benefits Committee, and our non-profit organization 3. Basic skills: Report-writing skills, business etiquette, English e-mail writing, Wan Hai Family site. 4. Shipping industry knowledge: introduction to the shipping industry, the global shipping process, an overview of vessels and shipping containers 5. On-site visit: a visit to Taipei harbor and guided tour of each floor of the company 6. General awareness: professional integrity and legal responsibilities	156	177	235

Class type	Content	Time (hr.)	Number of Trainees	Total Cost (Unit: TWD thousand)
Professional training for general staff	1. Professional training aimed at each area of expertise, separated into the following categories: vessel and terminal operation, knowledge of law, knowledge of cargo solicitation, knowledge of document processing finance, on-shore crew training 2. Apart from specific professional training, a yearly ISO awareness and fire safety training course is given 3. Seminars and other activities aimed at employees personal and professional development 4. Off-Job training: (1)Skills for communication for 16 classes.(online course) (2)Compliance dissemination for 6 classes	1,472	27,105	4,205
Professional training for management associate	Series courses for management associate to build human capital: 1. Advanced shipping industry knowledge 2. The experience of overseas operation and cross-cultural management 3. The practice of international etiquette 4. Business conversation and meeting English 5. Social English	57	23	129
Professional training for supervisors	Series courses for middle-level managers and executive level managers: <Middle-level> 1. Leadership during adversity <Executive-level> 1. Information Security Incident Crisis Management Seminar 2. Information security incident and emergency response practice <Online Course> 1. EMBA leadership development program online courses	8	527	180
Courses sponsored by the Employee Benefits Committee	Every year the Employee Benefits Committee assists in the training of employees, the courses of this year included: 1. Training for CPR & AED 2. The Lecture of work out	3	250	3
External training courses	1. As required by law, internal auditing personnel must complete a minimum of twelve hours of training related to their profession 2. Labor safety courses : Labor safety and sanity, fire safety training 3. Finance classes: IFRS, Internal Audit and Management 4. Information technology courses. 5. For the first-time supervisor courses. 6. Legal and Insurance Webinar	3,308	471	1,448
TOTAL		5,004	28,553	6,200

5.5.2 Damages caused by labor disputes in the past three years:

As the Company has faithfully followed the relevant laws and regulations, included those newly issued by the competent authority, we have enjoyed and maintained harmonious labor relations with its employees.

This is evident in the continued lack of labor conflicts resulting in loss.

5.5.3 Guidelines for employee behavior and morality:

Employee conduct and morality are of the utmost importance to Wan Hai. In addition to including workplace attitude and morality into our employee guidelines, we have also included into our performance evaluation index.

1. General requirements of work attitude and morality:
   (1) All employees should take pride in being a part of Wan Hai, and faithfully observe the company requirements regarding working environment, workplace attitude, employee relationships, etc., as publicized in various regulations, notices, and official announcements.
   (2) All employees should keep business information strictly confidential. Any documents which have not been approved may not leave the office (or be sent via email), nor disclosed to outside parties.

If such an event occurs, the concerned employee risks discharge from his or her post, and may even face legal action if deemed necessary.

(3) During employment at Wan Hai, employees shall not accept nor solicit commission, kickbacks, special treatment, or any other form of gifts, all of which are considered improper. If violation of the above is discovered, the employee will be discharged immediately; in the event that the guilty employee's actions result in a loss for the Company, legal actions for damages shall be carried out.

(4) All employees shall uphold and protect the reputation of the Company. Any personal opinions regarding the company may not be released publicly before obtaining permission. Except when conducting business designated by the Company, employees may not act under the name of the Company.

(5) Employees should be sincere, willing to take initiative, and responsible. They should be actively seeking out problems and proposing solutions.

2. Work attitude and morality as criteria for performance evaluation:

(1) Morality and personal integrity: employees should be honest and selfless, and are prohibited from obtaining personal gain through illegal or morally unjustified means; an employee's conduct shall not adversely impact the Company's reputation.

(2) Compassion and respect for work: employees shall demonstrate compassion for his or her work, and be willing to put in extra time and effort in order to ensure the success of their work.

(3) Activeness and Accountability: employees are to be held accountable by their superiors for working hard to complete their assigned duties.

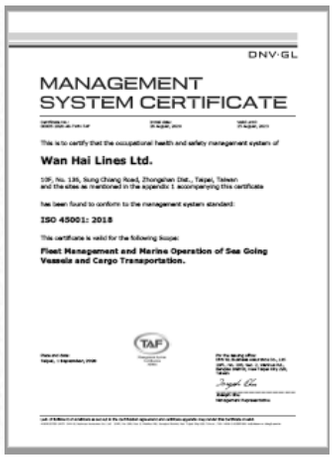
(4) The Company's interest before individual interest: employees shall understand the scope and authority of their jobs, and should be able to understand how to evaluate and uphold the interests of the Company as a whole.

5.5.4 Measures for ensuring the safety of the working environment and employees

The principles of upholding workplace safety and health and lowering employee occupational hazards, has been a long-term pursuit of Wan Hai. This is demonstrated in three broad areas:

1. Occupational safety and health training

In addition to the acquiring the required certification for employee safety and health, the Company has also provided regular safety and health guidance, fire prevention training and emergency drills every half year. At the same time, annual physical examination, hygienic training and consulting, and other human considerate assistance, providing employees with safety and health workplace. The Company follow the standard of ISO45001 and TOSHMS(Taiwan Occupational Safety and Health Management System) with verification to promote occupational safety and health performance since 2020.



2. Regulations and work rules for occupational safety and health coordination
   With well policy making and revise Safety and Health Management regulations and work rules, Our good Company has been going on regular inspections and maintenance of automatic equipment as required by law, and enacting occupational safety and health management system and implement consultation and participation of workers and representatives. By better understanding the concepts of occupational safety and health, we hope to create a surprise-free workplace, and prevent the occurrence of occupational hazards.
3. Standard on-site pier working safety
   For safety management of onsite operations at docks, the Company has set up Occupational Safety and Health Committees in accordance with the law, formulated safety and health management plans, implemented operating environment monitoring, promoted workplace health promotion, implemented contractor safety and health management, and introduced occupational safety and health management systems and Authorized Economic Operator (AEO) mechanisms. By tracking monthly operation performance, Wan Hai is able to implement the effectiveness of safety and health management at docks, prevent the occurrence of safety accidents, and improve the safety and health management of onsite operations at docks. The dedicated docks of the Company's Kaohsiung Port and Taichung Port follow the standard of ISO 45001 and TOSHMS(Taiwan Occupational Safety and Health Management System) with verification to promote pier on-site operation safety since 2020.

5.6 Significant Contracts

5.6.1 Joint Party Contracts

Agreement	Counterparty	Period			Major Contents	Restrictions
		From		To		
Joint Venture	EVERGREEN MARINE CORP. LTD. HAPAG-LLOYD AKTIENGESELLSCHAFT	2006/4/30	-	90 days pre-notice	Far East to India	no
Joint Venture	BENGAL TIGER LINE PTE LTD. EVERGREEN MARINE CORP. LTD.	2019/3/6	-	90 days pre-notice	Southeast Asia to India	no
Joint Venture	EVERGREEN MARINE CORP. LTD. PACIFIC INTERNATIONAL LINES (PTE) LTD. COSCO SHIPPING LINES CO., LTD.	2013/5/3	-	90 days pre-notice	Asia to West Coast of South America	no
Joint Venture	COSCO SHIPPING LINES CO., LTD.. PACIFIC INTERNATIONAL LINES (PTE) LTD.	2017/4/1	-	2020/4/23	Trans-Pacific Trade	no
Joint Venture	COSCO SHIPPING LINES CO., LTD. PACIFIC INTERNATIONAL LINES (PTE) LTD.	2017/4/1	-	2020/3/6	Trans-Pacific Trade	no
Joint Venture	NEW GOLDEN SEA SHIPPING PTE. LTD. INTERASIA LINES, LTD. ORIENT OVERSEAS CONTAINER LINE LTD. OCEAN NETWORK EXPRESS	2019/4/23	-	60 days pre-notice	Far East to India	no
Joint Venture	OCEAN NETWORK EXPRESS HAPAG-LLOYD AKTIENGESELLSCHAFT YANG MING MARINE TRANSPORT CORP.	2018/4/6	-	90 days pre-notice	Far East to Red Sea	no
Joint Venture	INTERASIA LINES, LTD. ORIENT OVERSEAS CONTAINER LINE LTD.	2019/4/11	-	90 days pre-notice	Japan to Southeast Asia	no
Joint Venture	NEW GOLDEN SEA SHIPPING PTE. LTD. ORIENT OVERSEAS CONTAINER LINE LTD.	2018/10/12	-	90 days pre-notice	China to Southeast Asia	no
Joint Venture	NEW GOLDEN SEA SHIPPING PTE.LTD. PACIFIC INTERNATIONAL LINES (PTE) LTD. EVERGREEN MARINE CORP. LTD. OCEAN NETWORK EXPRESS APL CO. PTE LTD.	2018/11/13	-	90 days pre-notice	Far East to India & Pakistan	no
Joint Venture	INTERASIA LINES, LTD. SEALAND MAERSK ASIA PTE. LTD.	2020/5/15	-	60 days pre-notice	China to Southeast Asia	no
Joint Venture	YANG MING MARINE TRANSPORT CORP. SEALAND MAERSK ASIA PTE. LTD.	2020/12/8	-	60 days pre-notice	China to Southeast Asia	no
Joint Venture	INTERASIA LINES, LTD. KOREA MARINE TRANSPORT CORPORATION GOLD STAR LINE BENGAL TIGER LINE PTE LTD.	2020/12/13	-	60 days pre-notice	China to East India	no
Joint Venture	INTERASIA LINES, LTD. FEEDERTECH PTE. LTD. HAPAG-LLOYD AKTIENGESELLSCHAFT SINOKOR MERCHANT MARINE CO.,LTD.	2020/11/15	-	60 days pre-notice	China to West India	no
Joint Venture	OCEAN NETWORK EXPRESS APL CO. PTE LTD.	2020/11/14	-	60 days pre-notice	China to Southeast Asia	no
Joint Venture	APL CO. PTE LTD.	2014/12/28	-	90 days pre-notice	Taiwan to Southeast Asia	no
Charter		2018/6/9	-	45 days pre-notice	Southeast Asia area	no
Charter	BENGAL TIGER LINE PTE LTD.	2017/12/25	-	30 days pre-notice	Southeast Asia area	no
Swap	COSCO SHIPPING LINES CO., LTD.	2013/5/3	-	90 days pre-notice	Asia to West Coast of South America	no
Swap		2017/4/1	-	2020/4/23	Asia to the West Coast of America	no
Swap		2018/8/20	-	2020/3/6	Asia to the West Coast of America	no
Charter		2020/3/10	-	90 days pre-notice	China to Middle East area	no
Charter		2020/4/25	-	90 days pre-notice	Asia to the West Coast of America	no
Charter		2020/4/26	-	90 days pre-notice	Asia to the West Coast of America	no
Charter		2020/5/3	-	90 days pre-notice	Asia to the West Coast of America	no
Charter	CHINA UNITED LINES LTD.	2009/2/10	-	30 days pre-notice	Taiwan Cross- Strait service	no
Charter		2014/7/9	-	30 days pre-notice	Taiwan Cross- Strait service	no
Charter		2015/10/18	-	30 days pre-notice	Taiwan Cross- Strait service	no
Charter		2020/10/16	-	30 days pre-notice	Taiwan to Southeast area	no
Swap	CHENG LIE NAVIGATION CO. LTD.	2018/10/30	-	30 days pre-notice	Intra East Asia	no
Joint Venture	EVERGREEN MARINE CORP. LTD.	2002/9/1	-	120 days pre-notice	Japan to South China	no
Swap		2013/5/3	-	90 days pre-notice	Asia to the West Coast of America	no
Charter		2014/9/3	-	2020/4/3	Korea to South East Asia	no
Swap		2017/1/22	-	45 days pre-notice	Intra East Asia	no
Joint Venture		2017/9/13	-	60 days pre-notice	Japan to South China & Vietnam	no
Joint Venture	GLOBAL FEEDER SHIPPING PTE LTD.	2016/5/13	-	90 days pre-notice	Middle East	no
Swap		2016/9/30	-	60 days pre-notice	Middle East	no
Charter		2020/3/30	-	30 days pre-notice	Middle East	no
Joint Venture		2020/11/17	-	60 days pre-notice	Middle East	no

Agreement	Counterparty	Period			Major Contents	Restrictions
		From		To		
Swap	INTERASIA LINES, LTD.	2009/11/9	-	30 days pre-notice	Intra Southeast Asia	no
Joint Venture		2010/5/6	-	90 days pre-notice	Japan/China to Southeast Asia	no
Joint Venture		2011/9/11	-	90 days pre-notice	Japan to Southeast Asia	no
Charter		2013/9/5	-	45 days pre-notice	Japan to Southeast Asia	no
Charter		2013/9/22	-	45 days pre-notice	Southeast Asia to India	no
Charter		2014/9/5	-	45 days pre-notice	Korea to Southeast Asia	no
Charter		2015/9/9	-	45 days pre-notice	Japan/Taiwan to Southeast Asia	no
Charter		2015/10/30	-	45 days pre-notice	China to Southeast Asia	no
Charter		2017/1/3	-	45 days pre-notice	Intra Southeast Asia	no
Joint Venture		2017/1/16	-	90 days pre-notice	Japan to Vietnam	no
Joint Venture		2017/8/5	-	60 days pre-notice	China to Southeast Asia	no
JV		2020/2/27	-	60 days pre-notice	China to Southeast Asia	no
Charter		2017/11/27	-	45 days pre-notice	Japan to Southeast Asia	no
Charter		2018/7/10	-	45 days pre-notice	Japan to Southeast Asia	no
Charter		2018/9/1	-	45 days pre-notice	Northeast Asia to Southeast Asia	no
Charter		2019/4/11	-	90 days pre-notice	Japan to Singapore & Malaysia	no
Charter		2019/7/28	-	45 days pre-notice	China to Southeast Asia	no
Charter		2019/8/31	-	45 days pre-notice	China to Southeast Asia	no
Joint Venture		2019/1/3	-	60 days pre-notice	Far East to India	no
Joint Venture		2019/4/30	-	2020/11/30	Southeast Asia	no
Joint Venture		2020/7/24	-	45 days pre-notice	Taiwan to Southeast Asia	no
Joint Venture		2020/12/2	-	60 days pre-notice	China to Southeast Asia	no
Joint Venture		2020/3/6	-	60 days pre-notice	China to Southeast Asia	no
Charter		2019/9/11	-	45 days pre-notice	Southeast Asia to India	no
Charter		2019/10/24	-	45 days pre-notice	Korea to Southeast Asia	no
Charter		2019/12/3	-	90 days pre-notice	Japan to Southeast Asia	no
Charter	KOREA MARINE TRANSPORT CORPORATION	2018/5/11	-	45 days pre-notice	Northeast Asia to Southeast Asia	no
Joint Venture		2019/10/31	-	2020/10/30	Korea/China to Southeast Asia	no
Swap	SEALAND MAERSK ASIA PTE. LTD.	2019/11/16	-	2020/3/30	Taiwan to southeast Asia	no
Swap	MINSHENG SHIPPING CO., LTD.	2005/4/28	-	60 days pre-notice	Taiwan Cross-Strait service	no
Swap	NEW GOLDEN SEA SHIPPING PTE.LTD.	2017/7/14	-	60 days pre-notice	China to Southeast Asia	no
Joint Venture		2018/3/29	-	60 days pre-notice	South China to Southeast Asia	no
Charter		2018/4/7	-	2020/4/11	Southeast Asia	no
Swap		2018/7/11	-	30 days pre-notice	East China to Southeast Asia	no
Swap		2018/11/15	-	60 days pre-notice	Far East to India & Pakistan	no
Swap		2019/12/6	-	30 days pre-notice	Intra Asia	no
Charter	NEW PORT CYPRESS JOINT STOCK COMPANY	2015/10/4	-	30 days pre-notice	Southeast Asia	no
Swap	OCEAN NETWORK EXPRESS	2020/10/15	-	30 days pre-notice	Japan to Southeast Asia	no
Swap		2018/5/24	-	60 days pre-notice	India to Thailand	no
Swap		2018/8/5	-	30 days pre-notice	Southeast Asia	no
Swap		2018/4/1	-	90 days pre-notice	Japan to Singapore & Malaysia	no
Joint Venture	SINOTRANS CONTAINER LINES CO., LTD..	2005/5/12	-	90 days pre-notice	Taiwan Cross-Strait Service	no
Joint Venture		2012/1/4	-	90 days pre-notice	Taiwan Cross-Strait Service	no
Joint Venture		2017/1/3	-	60 days pre-notice	East China to Philippine	no
Swap		2019/1/25	-	30 days pre-notice	Taiwan Cross-Strait Service	no
Charter		2019/6/28	-	30 days pre-notice	China to Southeast Asia	no
Charter	SOVEREIGN BASE LOGISTICS HOLDINGS CO. LTD.	2011/5/8	-	30 days pre-notice	Southeast Asia	no
Joint Venture	SINOKOR MERCHANT MARINE CO.,LTD.	2019/9/19	-	30 days pre-notice	Korea to Southeast Asia	no
Charter	SHANGHAI JINJIANG SHIPPING GROUP CO. LTD.	2019/5/18	-	2020/9/27	Intra Asia	no
Charter		2019/6/7	-	45 days pre-notice	Taiwan Cross-Strait Service	no
Charter	SMART POINT SHIPPING LTD.	2016/7/6	-	30 days pre-notice	Taiwan Cross-Strait service	no
Charter	SITC CONTAINER LINES CO., LTD.	2019/6/28	-	30 days pre-notice	East China to Southeast Asia	no
Charter		2019/6/28	-	30 days pre-notice	South China to Southeast Asia	no
Swap		2019/8/1	-	30 days pre-notice	South China to Southeast Asia	no
Charter	X-PRESS FEEDERS	2010/7/1	-	2020/10/31	Southeast Asia to West Asia	no
Charter		2020/2/24	-	30 days pre-notice	Korea to China service	no
Joint Venture		2020/11/3	-	60 days pre-notice	Southeast Asia to India	no
Swap		2010/11/7	-	2020/10/31	Southeast Asia to India	no
Swap		2019/1/19	-	30 days pre-notice	Southeast Asia	no
Charter	ORIENT OVERSEAS CONTAINER LINE LTD.	2020/10/31		30 days pre-notice	Southeast Asia	no
Charter	YANG MING MARINE TRANSPORT CORP.	2017/7/7	-	90 days pre-notice	Asia to West Coast of South America	no
Swap		2018/10/23	-	30 days pre-notice	Asia to Southeast Asia	no

5.6.2 Long –Term Loan

Name of contract	Party	Contract Period	Primary content	Financial covenant
Bank Mortgage Loan	Taiwan Cooperative Bank Cheng-Tung Branch	Jul.20,2012~Jul.20,2022	The principal shall be repaid in 20 successive semiannual installments.	-
Bank Mortgage Loan	Mizuho Bank Taipei Branch	Jan.24, 2019~Jan.24,2024	The principal shall be repaid in 10 successive semiannual installments.	-
Bank Mortgage Loan	Chang Hwa Bank Chilin Branch	Aug.31,2015~Aug.31,2020	The principal shall be repaid in 6 successive semiannual installments.	-
Bank Mortgage Loan	Chang Hwa Bank Chilin Branch	Jul.28, 2016~Jul.28,2021	The principal shall be repaid in 6 successive semiannual installments.	-
Bank Mortgage Loan	Chang Hwa Bank Chilin Branch	Dec.21,2016~Dec.21,2021	The principal shall be repaid in 6 successive semiannual installments.	-
Commercial Paper	China Bills Finance Corporation	Dec.27, 2016~Dec.25,2020	The principal shall be repaid a time.	-
Commercial Paper	China Bills Finance Corporation	Jun.15,2018~Jun.11,2023	The principal shall be repaid a time.	-
Commercial Paper	Mega Bills Finance Co. Ltd	Dec.27,2016~Dec.21,2020	The principal shall be repaid a time.	-
Commercial Paper	International Bills Finance Corporation	Jun.15,2018~Jun.11,2023	The principal shall be repaid a time.	-
Commercial Paper	China Bills Finance Corporation	Sep.15,2020~Sep.14,2023	The principal shall be repaid a time.	-
Commercial Paper	Ta Ching Bills Finance Corporation	Dec.14,2020~Dec.13,2023	The principal shall be repaid a time.	-
Commercial Paper	International Bills Finance Corporation	Dec.29,2020~Dec.28,2023	The principal shall be repaid a time.	-
Bank Mortgage Loan	Mega International Commercial Bank Head Office-Foreign Dept.	Aug.8,2016~Aug.8,2021	The principal shall be repaid in 15 successive quarterly installments.	-
Bank Mortgage Loan	Mega International Commercial Bank Head Office-Foreign Dept.	Oct.23,2017~Oct.23,2022	The principal shall be repaid in 15 successive quarterly installments.	-
Bank Mortgage Loan	Mega International Commercial Bank Head Office-Foreign Dept.	Feb.11,2019~Feb.11,2024	The principal shall be repaid in 15 successive quarterly installments.	-
Bank Mortgage Loan	Land Bank of Taiwan Chang An Branch	Apr.12,2018~Apr.12,2023	The principal shall be repaid in 17 successive quarterly installments.	-
Bank Mortgage Loan	First Commercial Bank Chien Chen Branch	Jun.12,2018~Jun.12,2023	The principal shall be repaid in 10 successive semiannual installments.	-
Bank Mortgage Loan	Bank of China Taipei Branch	Jul.23,2019~Jul.23,2024	The principal shall be repaid in 8 successive semiannual installments.	-
Bank Mortgage Loan	Hua Nan Bank Cheng Tung Branch	Nov.18,2019~Nov.18,2024	The principal shall be repaid in 8 successive semiannual installments.	-
Bank Mortgage Loan	First Commercial Bank Chien Chen Branch	Dec.03,2019~Dec.03,2024	The principal shall be repaid in 10 successive semiannual installments.	-
Bank Mortgage Loan	Chang Hwa Bank Chilin Branch	Jun.29,2020~Jun.29,2025	The principal shall be repaid in 6 successive semiannual installments.	-
Bank Mortgage Loan	Land Bank of Taiwan Chang An Branch	Oct.8,12,2020~Oct.8,2040	The principal shall be repaid in 216 successive monthly installments.	-
Bank Credit Loan	Taipei Star Bank Chang-an Branch	Dec.21,2017~Dec.21,2022	The principal shall be repaid in 16 successive quarterly installments.	-
Bank Credit Loan	First Commercial Bank Chien Chen Branch	Feb.11,2019~Feb.11,2024	The principal shall be repaid in 10 successive semiannual installments.	-
Bank Credit Loan	MUFG Bank, Ltd. Taipei Branch	Jun.19,2018~Jun.18,2021	The principal shall be repaid in 2 successive 2nd and 3rd year installments.	-
Bank Mortgage Loan	Mega International Commercial Bank Singapore Branch	Dec.19,2019~Dec.19,2026	The principal shall be repaid in 21 successive quarterly installments.	-
Bank Mortgage Loan	Land Bank of Taiwan Chang An Branch	Apr.12,2012~Apr.12,2022	The principal shall be repaid in 28 successive quarterly installments.	-
Bank Mortgage Loan	Land Bank of Taiwan Chang An Branch	Aug.14,2013~Aug.14,2023	The principal shall be repaid in 28 successive quarterly installments.	-
Bank Mortgage Loan	Japan Bank for International Cooperation/Citi Bank	Nov.30,2020~Oct.30,2032	The principal shall be repaid in 24 successive semiannual installments.	Financial Covenants -
Bank Mortgage Loan	First Bank Sao Chuan Tou Branch	May.11,2009~May.19,2020	The principal shall be repaid in 14 successive semiannual installments.	-
Bank Credit Loan	First Bank Sao Chuan Tou Branch	May.11,2009~May.19,2020	The principal shall be repaid in 14 successive semiannual installments.	-

VI Financial Highlights

6.1 Summarized financial statements for the past 5 years

6.1.1 Summarized consolidated balance sheets

Unit: TWD thousand

Item \ Year		Financial data in the past five years					2021 as of Mar. 31
		2020	2019	2018	2017	2016	
Current Assets		31,336,570	27,514,862	23,652,827	30,047,229	29,398,146	48,952,075
Property, Plant and Equipment		54,166,521	43,728,724	43,419,203	42,680,442	43,602,819	62,971,958
Right-of-Use		7,727,240	5,097,810	-	-	-	11,684,354
Intangible Assets		81,857	77,322	95,730	53,262	28,386	72,004
Other Assets		15,285,430	11,185,534	9,869,590	3,732,871	3,290,721	16,708,386
Total Assets		108,597,618	87,604,252	77,037,350	76,513,804	76,320,072	140,388,777
Current Liabilities	Before distribution	24,749,262	16,722,195	20,827,805	20,894,731	15,526,398	34,605,103
	After distribution	(Note 1)	18,496,833	22,171,272	22,003,880	16,413,717	(Note 1)
Non-current Liabilities		39,676,014	34,533,592	21,392,140	21,439,456	26,488,190	46,055,605
Total Liabilities	Before distribution	64,425,276	51,255,787	42,219,945	42,334,187	42,014,588	80,660,708
	After distribution	(Note 1)	53,030,425	43,563,412	43,443,336	42,901,907	(Note 1)
Equity attributable to owners of parent		43,902,409	36,104,182	34,584,452	33,966,960	34,107,950	59,383,494
Common Stock		22,182,975	22,182,975	22,182,975	22,182,975	22,182,975	22,182,975
Capital surplus		1,271,775	1,271,775	1,261,681	1,261,681	1,261,681	1,271,775
Retained Earnings	Before distribution	23,687,262	14,169,113	11,950,496	11,649,786	10,078,574	38,379,628
	After distribution	(Note 1)	12,394,475	11,607,029	10,540,637	9,191,255	(Note 1)
Other Equity		(3,239,603)	(1,519,681)	(810,700)	(1,127,482)	584,720	(2,450,884)
Treasury Stock		0	0	0	0	0	0
Non-Controlling Interest		269,933	244,283	232,953	212,657	197,534	344,575
Total stockholders' equity	Before distribution	44,172,342	36,348,465	34,817,405	34,179,617	34,305,484	59,728,069
	After distribution	(Note 1)	34,573,827	33,473,938	33,070,468	33,418,165	(Note 1)

Note 1:Retained earnings have not yet proposed for distribution.
Note 2:The summarized financial data for 2016~2020 have been certified by CPA; and the summarized financial data for first quarter of 2021 have been reviewed by CPA.

6.1.2 Summarized consolidated comprehensive income statements

Unit: TWD thousand

Item \ Year	Financial data in the past five years					2021 as of Mar. 31
	2020	2019	2018	2017	2016	
Operating revenue	81,880,182	72,951,183	66,778,676	60,769,645	57,351,493	38,616,344
Gross profit	17,581,367	7,230,018	5,002,376	7,115,417	5,760,837	19,146,946
Operating income	12,781,658	2,851,286	989,001	3,141,810	1,873,803	17,597,213
Non-operating income & expense	1,468,337	1,703,907	788,306	(22,769)	(374,297)	586,540
Net income before income tax	14,249,995	4,555,193	1,777,307	3,119,041	1,499,506	18,183,753
Profit after tax from continuing operations	11,357,488	3,587,706	1,137,238	2,558,975	1,149,307	14,777,834
Losses from discontinued segments	0	0	0	0	0	0
Profit (Loss) from this period	11,357,488	3,587,706	1,137,238	2,558,975	1,149,307	14,777,834
Other comprehensive profit and loss (Net value after tax)	(1,748,561)	(706,100)	849,956	(1,795,703)	(107,243)	786,615
Total Comprehensive profit and loss from this period	9,608,927	2,881,606	1,987,194	763,272	1,042,064	15,564,449
Net earnings attributable to owners of parent	11,316,981	3,573,703	1,117,906	2,541,889	1,141,680	14,692,366
Net earnings attributable to non-controlling interest	40,507	14,003	19,332	17,086	7,627	85,468
Total comprehensive profit and loss attributable to owners of parent	9,572,865	2,863,197	1,967,988	746,329	1,036,777	15,481,085
Total comprehensive profit and loss attributable to non-controlling interest	36,062	18,409	19,206	16,943	5,287	83,364
Earnings per share (Note1)	5.10	1.61	0.50	1.15	0.51	6.62

Note 1:Base on retroactive adjustment calculation.
Note 2:The summarized financial data for 2016~2020 have been certified by CPA; and the summarized financial data for first quarter of 2021 have been reviewed by CPA.

6.1.3 Summarized balance sheets

Unit: TWD thousand

Item \ Year		Financial data in the past five years					2021 as of Mar. 31
		2020	2019	2018	2017	2016	
Current Assets		26,510,110	20,708,950	17,064,593	23,231,178	23,834,182	N/A
Property, Plant and Equipment		20,976,137	17,953,542	14,683,088	12,944,060	9,642,608	
Right-of-Use		74,302,608	85,001,414	-	-	-	
Intangible Assets		80,514	76,285	94,240	52,139	27,009	
Other Assets		45,047,625	37,258,492	34,814,941	28,305,282	29,481,204	
Total Assets		166,916,994	160,998,683	66,656,862	64,532,659	62,985,003	
Current Liabilities	Before distribution	25,909,864	19,695,635	15,462,430	15,409,683	11,196,555	
	After distribution	(Note 1)	21,470,273	16,805,897	16,518,832	12,083,874	
Non-current Liabilities		97,104,721	105,198,866	16,609,980	15,156,016	17,680,498	
Total Liabilities	Before distribution	123,014,585	124,894,501	32,072,410	30,565,699	28,877,053	
	After distribution	(Note 1)	126,669,139	33,415,877	31,674,848	29,764,372	
Common Stock		22,182,975	22,182,975	22,182,975	22,182,975	22,182,975	
Capital surplus		1,271,775	1,271,775	1,261,681	1,261,681	1,261,681	
Retained Earnings	Before distribution	23,687,262	14,169,113	11,950,496	11,649,786	10,078,574	
	After distribution	(Note 1)	12,394,475	10,607,029	10,540,637	9,191,255	
Other Equity		(3,239,603)	(1,519,681)	(810,700)	(1,127,482)	584,720	
Treasury Stock		0	0	0	0	0	
Total stockholders' equity	Before distribution	43,902,409	36,104,182	34,584,452	33,966,960	34,107,950	
	After distribution	(Note 1)	34,329,544	33,240,985	32,857,811	33,220,631	

Note 1:Retained earnings have not yet proposed for distribution.
Note 2:The summarized financial data for 2016~2020 have been certified by CPA.

6.1.4 Summarized comprehensive income statements

Unit: TWD thousand

Item \ Year	Financial data in the past five years					2021 as of Mar. 31
	2020	2019	2018	2017	2016	
Operating revenue	61,915,516	59,102,119	53,934,045	50,300,722	50,070,845	N/A
Gross profit	9,187,405	3,378,077	345,724	4,454,136	4,748,612	
Operating income	6,534,039	1,147,748	(1,611,199)	2,346,116	2,819,290	
Non-operating income & expense	7,540,399	3,293,183	3,281,587	687,103	(1,361,905)	
Net income before income tax	14,074,438	4,440,931	1,670,390	3,033,219	1,457,385	
Profit after tax from continuing operations	11,316,981	3,573,703	1,117,906	2,541,889	1,141,680	
Losses from discontinued segments	0	0	0	0	0	
Profit (Loss) from this period	11,316,981	3,573,703	1,117,906	2,541,889	1,141,680	
Other comprehensive profit and loss (Net value after tax)	(1,744,116)	(710,506)	850,082	(1,795,560)	(104,903)	
Total Comprehensive profit and loss from this period	9,572,865	2,863,197	1,967,988	746,329	1,036,777	
Earnings per share (Note1)	5.10	1.61	0.5	1.15	0.51	

Note 1:Base on retroactive adjustment calculation.
Note 2:The summarized financial data for 2016~2020 have been certified by CPA.

6.1.5 CPA and Audit results for the past 5 years

Year	CPA name	Audit results
2016	Chen Yi Chun Chiang Chung Yi	Unqualified opinion.
2017	Chen Yi Chun Chiang Chung Yi	Unqualified opinion.
2018	Chen Yi Chun Chiang Chung Yi	Unqualified opinion.
2019	Chen Yi Chun Chiang Chung Yi	Unqualified opinion.
2020	Kuo Rou Lan Chiang Chung Yi	Unqualified opinion.

6.2 Summarized financial analysis for the past 5 years

6.2.1 Consolidated financial analysis

Item \ Year		Financial analysis in the past five years					2021 as of Mar. 31
		2020	2019	2018	2017	2016	
Financial structure (%)	Debt ratio	59.32	58.51	54.80	55.33	55.05	57.46
	Ratio of long-term capital to property, plant and equipment	154.80	162.09	129.46	130.32	139.43	167.99
Solvency	Current ratio (%)	126.62 (Note 1)	164.54	113.56	143.80	189.34	141.46
	Quick ratio (%)	116.89 (Note 1)	151.34	105.95	136.46	179.70	132.46
	Times interest earned	28.02 (Note 2)	7.58	4.14	6.98	3.88	127.33
Operating Performance	Accounts receivable turnover (turns)	27.81	28.39	22.80	22.59	25.07	8.72
	Average collection period	13.12	12.85	16.01	16.15	14.55	10.31
	Inventory turnover (turns)	-	-	-	-	-	-
	Accounts payable turnover (turns)	7.79	8.34	8.50	8.07	8.14	2.09
	Average days in sales	-	-	-	-	-	-
	Property, plant and equipment turnover (turns)	1.67	1.67	1.55	1.41	1.28	0.66
	Total assets turnover (turns)	0.83	0.89	0.87	0.80	0.73	0.31
Profitability	Return on total assets (%)	12.01 (Note 3)	5.03	2.07	3.92	2.02	11.96
	Return on equity (%)	28.21 (Note 3)	10.08	3.30	7.47	3.27	28.45
	Ratio to issued capital of pre-tax income (%)	64.24 (Note 3)	20.53	8.01	14.06	6.76	81.97
	Profit ratio (%)	13.87 (Note 3)	4.92	1.70	4.21	2.00	38.27
	Earnings per share ($)	5.10 (Note 3)	1.61	0.50	1.15	0.51	6.62
Cash flow (%)	Cash flow ratio	70.98 (Note 4)	47.97	24.03	33.88	26.66	50.39
	Cash flow adequacy ratio	96.63	99.52	121.74	112.48	98.28	122.01
	Cash reinvestment ratio	12.44 (Note 4)	5.59	3.61	5.73	1.30	11.90
Leverage	Operating leverage	2.11 (Note 5)	5.91	3.98	4.56	6.86	1.24
	Financial leverage	1.04 (Note 5)	1.32	2.33	1.20	1.38	1.01

Reasons for financial ratios of 2020 increased/decreased more than 20% comparing to 2019:
Note 1:Current ratio & quick ratio decreased since current tax liabilities & current portion of long-term loans increased.
Note 2:Times interest earned increased since net income before income tax and interest expense increased.
Note 3:Return on total assets, return on equity, ratio to issued capital of pre-tax income, profit ratio & earnings per share increased since net income before tax increased.
Note 4:Cash flow ratio & cash reinvestment ratio increased since net cash provided by operating activities increased.
Note 5:Leverage ratios change since operating income increased.

1. Financial structure
   (1) Debt ratio = total liabilities / total assets
   (2) Long-term capital to property, plant and equipment = (total equity + non-current liabilities) /net property, plant and equipment
2. Solvency
   (1) Current ratio = current assets / current liabilities
   (2) Quick ratio = (current assets − inventories − prepaid expenses) / current liabilities
   (3) Times interest earned = net income before income tax and interest expense / interest expenses
3. Operating performance
   (1) Turnover of receivable (including accounts receivable and receivable-trade notes) = net operating revenue / average receivable-trade (including accounts receivable and receivable-trade notes)
   (2) Average collection days = 365 / turnover of receivable
   (3) Turnover of inventories = operating cost / average inventories
   (4) Turnover of payable (including accounts payable and notes payable-trade) = operating cost /average payable-trade
   (5) Average sales days = 365 / turnover of inventories
   (6) Turnover of property, plant and equipment (times) = net operating revenue / average net property, plant and equipment
   (7) Turnover of total assets (times) = net operating revenue / average total assets
4. Profitability
   (1) Return on total assets = [net income after tax + interest expense × (1 − tax rate)] / average total assets
   (2) Return on equity = net income after tax / average total equity
   (3) Profit margin = net income after tax / net operating revenue
   (4) Earnings per share = (net income after tax − dividend of prefer stock) / weighted average number of outstanding shares
5. Cash flow
   (1) Cash flow ratio = net cash provided by operating activities / current liabilities
   (2) Cash flow adequacy ratio = net cash provided by operating activities for past 5 years / (fixed assets expenditure + inventories increase + cash dividend) for past 5 years
   (3) Cash reinvestment ratio = (net cash provided by operating activities − cash dividend) / (property, plant and equipment + long-term investment + other non-current assets + working capital)
6. Leverage
   (1) Operating leverage = (net operating revenue − variable operating cost and expense) / operating profit
   (2) Financial leverage = operating profit / (operating profit − interest expenses)

6.2.2 Financial analysis

Item	Year	Financial analysis in the past five years					2021 as of Mar. 31
		2020	2019	2018	2017	2016	
Financial structure (%)	Debt ratio	73.70	77.57	48.12	47.36	45.85	N/A
	Ratio of long-term capital to property, plant and equipment	672.23	787.05	348.66	379.50	537.08	
Solvency	Current ratio (%)	102.32	105.14	110.36	150.76	212.87	
	Quick ratio (%)	96.98	97.35	103.06	143.42	203.01	
	Times interest earned	9.79 (Note 1)	3.51	5.68	10.29	5.62	
Operating Performance	Accounts receivable turnover (turns)	59.53	60.79	33.77	29.36	33.48	
	Average collection period	6.13	6.00	10.80	12.43	10.90	
	Inventory turnover (turns)	-	-	-	-	-	
	Accounts payable turnover (turns)	7.50	9.00	9.69	9.05	9.60	
	Average days in sales	-	-	-	-	-	
	Property, plant and equipment turnover (turns)	3.18	3.62	3.90	4.45	5.58	
	Total assets turnover (turns)	0.38 (Note 2)	0.52	0.82	0.79	0.79	
Profitability	Return on total assets (%)	7.68 (Note 3)	4.38	2.14	4.41	2.22	
	Return on equity (%)	28.29 (Note 3)	10.11	3.26	7.47	3.27	
	Ratio to issued capital of pre-tax income (%)	63.45 (Note 3)	20.02	7.53	13.67	6.57	
	Profit ratio (%)	18.28 (Note 3)	6.05	2.07	5.05	2.28	
	Earnings per share ($)	5.10 (Note 3)	1.61	0.50	1.15	0.51	
Cash flow (%)	Cash flow ratio	54.27	51.29	1.10	13.05	86.50	
	Cash flow adequacy ratio	129.45 (Note 4)	83.65	58.41	71.03	68.41	
	Cash reinvestment ratio	15.40 (Note 4)	12.48	(1.47)	1.72	10.29	
Leverage	Operating leverage	2.83 (Note 5)	11.54	(6.63)	4.87	2.11	
	Financial leverage	1.32 (Note 5)	(1.84)	0.82	1.16	1.13	

Reasons for financial ratios of 2020 increased/decreased more than 20% comparing to 2019:
Note 1:Times interest earned increased since net income before income tax and interest expense increased.
Note 2:Total assets turnover decreased since average total assets increased.
Note 3:Return on total assets, return on equity, ratio to issued capital of pre-tax income, profit ratio & earnings per share increased since net profit before tax increased.
Note 4:Cash flow adequacy ratio & cash reinvestment ratio increased since net cash provided by operating activities increased.
Note 5:Leverage ratios change since operating income increased.

1. Financial structure
   (1) Debt ratio = total liabilities / total assets
   (2) Long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment
2. Solvency
   (1) Current ratio = current assets / current liabilities
   (2) Quick ratio = (current assets − inventories − prepaid expenses) / current liabilities
   (3) Times interest earned = net income before income tax and interest expense / interest expenses
3. Operating performance
   (1) Turnover of receivable (including accounts receivable and receivable-trade notes) = net operating revenue / average receivable-trade (including accounts receivable and receivable-trade notes)
   (2) Average collection days = 365 / turnover of receivable
   (3) Turnover of inventories = operating cost / average inventories
   (4) Turnover of payable (including accounts payable and notes payable-trade) = operating cost / average payable-trade
   (5) Average sales days = 365 / turnover of inventories
   (6) Turnover of property, plant and equipment (times) = net operating revenue / average net property, plant and equipment
   (7) Turnover of total assets (times) = net operating revenue / average total assets
4. Profitability
   (1) Return on total assets = [net income after tax + interest expense × (1 − tax rate)] / average total assets
   (2) Return on equity = net income after tax / average total equity
   (3) Profit margin = net income after tax / net operating revenue
   (4) Earnings per share = (net income after tax − dividend of prefer stock) / weighted average number of outstanding shares
5. Cash flow
   (1) Cash flow ratio = net cash provided by operating activities / current liabilities
   (2) Cash flow adequacy ratio = net cash provided by operating activities for past 5 years / (fixed assets expenditure + inventories increase + cash dividend) for past 5 years
   (3) Cash reinvestment ratio = (net cash provided by operating activities − cash dividend) / (property, plant and equipment + long-term investment + other non-current assets + working capital)
6. Leverage
   (1) Operating leverage = (net operating revenue − variable operating cost and expense) / operating profit
   (2) Financial leverage = operating profit / (operating profit − interest expenses)

6.3 Audit Committee's Review Report for Fiscal Year 2020

6.3.1 Audit Committee's Review Report for Fiscal Year 2020 (Consolidated)

The Board of Directors has prepared the Company's consolidated financial statements for 2020 and consolidated business report for 2020. Of which, the Company's consolidated financial statements for 2020 have been audited by the CPA firm of KPMG through entrustment by the Board of Directors, and an audit report with unqualified opinion was issued. Pursuant to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, the Audit Committee completed the examination without discoveries of noncompliance. Hence, we make a report hereby.

To the general shareholders' meeting of 2021

WAN HAI LINES LTD.

Chairman of the Audit committee:

Rung-Nian Lai

Mar.22, 2021

6.3.2 Audit Committee's Review Report for Fiscal Year 2020

The Board of Directors has prepared the Company's financial statements for 2020, business report and earnings distribution. Of which, the Company's financial statements for 2020 have been audited by the CPA firm of KPMG through entrustment by the Board of Directors, and an audit report with unqualified opinion was issued. Pursuant to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, the Audit Committee completed the examination without discoveries of noncompliance. Hence, we make a report hereby.

To the general shareholders' meeting of 2021

WAN HAI LINES LTD.

Chairman of the Audit committee:

Rung-Nian Lai

Mar.22, 2021

6.4 Consolidated Financial Statements for Fiscal Year 2020

6.4.1 Independent Auditor's Report

Independent Auditors' Report

To the Board of Directors of Wan Hai Lines Ltd.:

Opinion

We have audited the consolidated financial statements of Wan Hai Lines Ltd. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2020 and 2019, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (" the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

   Please refer to Note(4)(p) " Revenue" , Note (5)(b) " Uncertainty associated with the assumptions and estimations for revenue recognition" and Note(6)(u) "Revenue disclosures" of the financial statements.

   How the matter was addressed in our audit

   The freight revenue is recognized in proportion to the stage of completion of the voyage measured by reference to the proportion of the actual shipping days incurred in balance sheet date. The voyage days is estimated depending on historical experience which involved high uncertainty. Consequently, this is one of the key areas our audit focused on.

Our principal audit procedures included:

Understanding how the management estimates the voyage days of each route including its method and source; sampling the source data from the system and obtaining the method on how the system compute the voyage days to evaluate the reasonableness of the estimated voyage days of each route from the management.

2. Impairment of Property, plant and equipment

Please refer to note(4)(l) "Property, plant and equipment", note(4)(o) "Impairment－non -financial assets", note(5)(a) "Impairment of property, plant and equipment, and intangible assets", and note(6)(i) "Property, plant and equipment".

How the matter was addressed in our audit

The total amount of the Group' s Property, plant and equipment exceeds half of the total assets, and the vessels constituted a considerable proportion. The risk of impairment of the assets may exist due to the highly changeable industry. Consequently, this is one of the key areas our audit focused on.

Our principal audit procedures included:

Understanding the cash generating units included in the Group' s impairment test; understanding the impairment indicators in light of the performance of each asset. The indicators include internal and external factors such as the carrying value exceeding its market capitalization, significant adverse changes in the technological, market, economic or legal environment in which the entity operates, evidence of obsolescence or physical damage to the asset. Evaluate the reasonableness of the future cash flow predicted by Wan Hai Group and review the reasonableness of the discount rate used while the sign of impairment is found.

Other Matter

Wan Hai Lines Ltd. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Rou-Lan Kuo and Chung-Yi Chiang.

KPMG

Taipei, Taiwan (Republic of China)
March 22, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial statements of financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Assets	2020.12.31 Amount	%	2019.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note (6)(a))	$ 15,765,903	15	15,479,460	18
1110	Current financial assets at fair value through profit or loss (note (6)(b))	4,844,840	5	4,125,184	5
1150	Notes receivable, net (notes (6)(e) and 6(u))	52,358	-	39,735	-
1170	Accounts receivable, net (notes (6)(e), (6)(u) and (7))	3,589,346	3	2,206,775	3
1140	Current contract assets (note (6)(u))	1,530,849	1	733,689	1
1200	Other receivables, net (note (7))	1,425,327	1	1,197,291	1
1330	Inventories (note (6)(f))	1,887,030	2	1,996,453	2
1475	Receivables from agents (note (7))	1,213,957	1	939,080	1
1479	Other current assets (note (8))	1,026,960	1	797,195	1
		31,336,570	29	27,514,862	32
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	4,487,899	4	3,696,383	4
1550	Investments accounted for using equity method, net (note (6)(g))	1,178,944	1	1,161,390	1
1600	Property, plant and equipment (notes (6)(i), (8) and (9))	54,166,521	50	43,728,724	50
1755	Right-of-use assets (note (6)(j))	7,727,240	7	5,097,810	6
1760	Investment property (note (6)(k))	3,770,753	4	1,740,224	2
1780	Intangible assets (note (6)(l))	81,857	-	77,322	-
1900	Other non-current assets (notes (8) and (9))	5,847,834	5	4,587,537	5
		77,261,048	71	60,089,390	68
	Total assets	$ 108,597,618	100	87,604,252	100

	Liabilities and Equity	2020.12.31 Amount	%	2019.12.31 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note (6)(m))	$ 50,000	-	70,000	-
2126	Current financial liabilities for hedging (note (6)(d) and (p))	818,459	1	534,197	1
2170	Accounts payable (note (7))	8,386,638	8	8,124,379	9
2200	Other payables (note (7))	2,994,247	3	2,536,977	3
2230	Current tax liabilities (note (6)(r))	1,221,166	1	84,397	-
2280	Current lease liabilities (note (6)(p))	1,202,970	1	382,244	-
2320	Current portion of long-term loans (notes (6)(n), (6)(o) and (8))	7,445,416	7	3,356,533	4
2350	Payables to agents (note (7))	127,385	-	12,563	-
2300	Other current liabilities (notes (6)(u) and (7))	2,502,981	2	1,620,905	2
		24,749,262	23	16,722,195	19
	Non-Current liabilities:				
2511	Non-current financial liabilities for hedging (note (6)(d) and (p))	2,855,649	3	2,026,200	2
2530	Bonds payable (note (6)(o))	12,600,000	11	13,900,000	16
2540	Long-term borrowings (notes (6)(n) and (8))	15,785,110	14	12,374,200	14
2570	Deferred tax liabilities	4,157,326	4	2,735,115	3
2580	Non-current lease liabilities (note (6)(p))	2,854,667	2	2,186,345	2
2640	Accrued pension liabilities non-current (note(6)(q))	687,775	1	703,424	1
2645	Guarantee deposits received	735,487	1	608,308	1
		39,676,014	36	34,533,592	39
	Total liabilities	64,425,276	59	51,255,787	58
	Equity attributable to owners of parent (notes (6)(s) and (t)):				
3100	Common stock	22,182,975	21	22,182,975	26
3200	Capital surplus	1,271,775	1	1,271,775	2
	Retained earnings:				
3310	Legal reserve	7,225,691	7	6,869,483	8
3320	Special reserve	1,519,682	1	810,700	1
3350	Retained earnings-unappropriated	14,941,889	14	6,488,930	7
		23,687,262	22	14,169,113	16
	Other equity interest:				
3411	Exchange differences on translation of foreign financial statements	(3,465,395)	(3)	(1,352,809)	(2)
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	75,448	-	(200,376)	-
3450	Gains (losses) on hedging instruments (note(6)(d))	150,344	-	33,504	-
		(3,239,603)	(3)	(1,519,681)	(2)
	Total equity attributable to owners of parent:	43,902,409	41	36,104,182	42
36XX	Non-controlling interests	269,933	-	244,283	-
	Total equity	44,172,342	41	36,348,465	42
	Total liabilities and equity	$ 108,597,618	100	87,604,252	100

Seeing accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2020		2019	
		Amount	%	Amount	%
4000	**Operating revenue (notes (6)(u) and (7))**	$ 81,880,182	100	72,951,183	100
5000	**Operating costs (notes (6)(f) and (7))**	64,298,815	78	65,721,165	90
	Gross profit	17,581,367	22	7,230,018	10
6000	**Operating expenses**	4,799,709	6	4,378,732	6
	Income from operations	12,781,658	16	2,851,286	4
	Non-operating income and expenses (notes (6)(g) and (6)(w)):				
7100	Interest income	71,877	-	186,199	-
7010	Other income	320,420	-	210,980	1
7020	Other gains and losses	1,399,993	2	1,831,735	2
7050	Finance costs	(527,398)	-	(692,460)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	203,445	-	167,453	-
	Total non-operating income and expenses	1,468,337	2	1,703,907	2
7900	**Profit before tax**	14,249,995	18	4,555,193	6
7950	**Less: Income tax expenses**	2,892,507	4	967,487	1
	Net Profit	11,357,488	14	3,587,706	5
	Other comprehensive income (loss):				
8310	**Items that may not be reclassified subsequently to profit and loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	(31,848)	-	(19,358)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	275,824	-	5,613	-
8349	Less: Income tax related to components of other comprehensive income that may not be reclassified subsequently	7,654	-	7,739	-
	Total items that may not be reclassified subsequently to profit and loss	251,630	-	(6,006)	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation	(2,128,947)	(2)	(738,820)	(1)
8368	Gains (losses) on hedging instrument	116,840	-	33,504	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	11,916	-	5,222	-
	Total items that may be reclassified subsequently to profit and loss	(2,000,191)	(2)	(700,094)	(1)
	Other comprehensive income (net of tax)	(1,748,561)	(2)	(706,100)	(1)
8500	**Total comprehensive income**	**$ 9,608,927**	**12**	**2,881,606**	**4**
	Profit (loss), attributable to:				
8610	Owners of the parent company	$ 11,316,981	14	3,573,703	5
8620	Non-controlling interests	40,507	-	14,003	-
		$ 11,357,488	**14**	**3,587,706**	**5**
	Comprehensive income attributable to:				
8710	Owners of the parent company	9,572,865	12	2,863,197	4
8720	Non-controlling interests	36,062	-	18,409	-
		9,608,927	**12**	**2,881,606**	**4**
9750	**Basic earnings per share (New Taiwan Dollars) (note (6)(t))**	**$ 5.10**		**1.61**	
9850	**Diluted earnings per share (New Taiwan Dollars) (note (6)(t))**	**$ 5.09**		**1.61**	

Seeing accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

WAN HAI LINES LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
	Stock		Retained Earnings			Other Equity Items					
	Common Stock	Capital Surplus	Legal reserve	Special reserve	Retained Earnings - Unappropriated	Foreign Currency Translation Differences Arising from Foreign Operations, Net of Tax	Unrealized Gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total Equity Attributable to Owners of Parent	Non-controlling Interests	Total
Balance at January 1, 2019	$ 22,182,975	1,261,681	6,757,693	1,127,482	4,065,321	(604,711)	(205,989)	-	34,584,452	232,953	34,817,405
Net income	-	-	-	-	3,573,703	-	-	-	3,573,703	14,003	3,587,706
Other comprehensive income (loss)	-	-	-	-	(11,619)	(738,004)	5,613	33,504	(710,506)	4,406	(706,100)
Total comprehensive income (loss)	-	-	-	-	3,562,084	(738,004)	5,613	33,504	2,863,197	18,409	2,881,606
Appropriation of retained earnings:											
Legal reserve	-	-	111,790	-	(111,790)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,343,467)	-	-	-	(1,343,467)	-	(1,343,467)
Reversal of special reserve	-	-	-	(316,782)	316,782	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	10,094	-	-	-	(10,094)	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(7,079)	(7,079)
Balance at 2019.12.31	22,182,975	1,271,775	6,869,483	810,700	6,488,930	(1,352,809)	(200,376)	33,504	36,104,182	244,283	36,348,465
Net income	-	-	-	-	11,316,981	-	-	-	11,316,981	40,507	11,357,488
Other comprehensive income (loss)	-	-	-	-	(24,194)	(2,112,586)	275,824	116,840	(1,744,116)	(4,445)	(1,748,561)
Total comprehensive income (loss)	-	-	-	-	11,292,787	(2,112,586)	275,824	116,840	9,572,865	36,062	9,608,927
Appropriation of retained earnings:											
Legal reserve	-	-	356,208	-	(356,208)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	708,982	(708,982)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,774,638)	-	-	-	(1,774,638)	-	(1,774,638)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(10,412)	(10,412)
Balance at December 31, 2020	**$ 22,182,975**	**1,271,775**	**7,225,691**	**1,519,682**	**14,941,889**	**(3,465,395)**	**75,448**	**150,344**	**43,902,409**	**269,933**	**44,172,342**

Seeing accompanying notes to financial statements.

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WAN HAI LINES LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before income tax	$ 14,249,995	4,555,193
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	5,768,605	5,283,403
Amortization expense	67,986	55,031
Net (gain) loss on financial assets at fair value through profit or loss	(783,642)	(365,273)
Interest expense	527,398	692,460
Interest revenue	(71,877)	(186,199)
Dividend income	(320,420)	(210,980)
Share of income of associates and joint ventures accounted for using equity method	(203,445)	(167,453)
Gain on disposal of property, plant and equipment	(208,852)	(1,119,393)
Impairment loss on property, plant and equipment	-	19,016
Unrealized foreign exchange gain	(403,295)	(157,316)
Others	(1,269)	55
Total adjustments to reconcile profit (loss)	4,371,189	3,843,351
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	8,039	(313,980)
Contract assets	(797,160)	17,395
Notes receivable	(12,623)	(10,099)
Accounts receivable (including related parties)	(1,382,571)	672,724
Other receivables	(243,992)	87,120
Inventories	109,423	(654,809)
Receivables from agents	(274,877)	(105,012)
Other current assets	(222,886)	(103,250)
Total changes in operating assets, net	(2,816,647)	(409,911)
Changes in operating liabilities, net:		
Accounts payable (including related parties)	262,259	440,452
Other payables	781,973	252,181
Payables to agents	114,822	2,090
Other current liabilities	858,825	(387,438)
Accrued pension liabilities	(47,497)	(83,869)
Total changes in operating liabilities, net	1,970,382	223,416
Total changes in operating assets and liabilities	(846,265)	(186,495)
Total adjustments	3,524,924	3,656,856
Cash inflow generated from operations	17,774,919	8,212,049
Income taxes paid	(207,890)	(191,023)
Net cash provided by operating activities	17,567,029	8,021,026
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(548,058)	(654,760)
Acquisition of investments accounted for using equity method	(385)	(8,817)
Net cash flow from acquisition of subsidiaries	-	29,883
Acquisition of property, plant and equipment	(17,235,041)	(5,628,755)
Proceeds from disposal of property, plant and equipment	342,340	1,466,041
Acquisition of intangible assets	(22,888)	(31,401)
Acquisition of investment property	(2,071,850)	(1,442,746)
Other non-current assets	(1,626,584)	(778,618)
Interest received	77,575	194,767
Dividends received	439,723	332,840
Net cash used in investing activities	(20,645,168)	(6,521,566)
Cash flows from financing activities:		
Increase in short-term loans	(20,000)	10,000
Proceeds from issuing bonds	2,500,000	8,000,000
Repayments of bonds	-	(1,000,000)
Proceeds from long-term loans	12,463,723	9,222,250
Repayment of long-term loans	(8,027,117)	(12,667,734)
Guarantee deposits	150,430	2,267
Payments of lease liabilities	(998,801)	(827,245)
Cash dividends paid	(1,774,638)	(1,343,467)
Interest paid	(557,631)	(682,044)
Change in non-controlling interests	(10,412)	(7,079)
Net cash used in financing activities	3,725,554	706,948
Foreign exchange rate effects	(360,972)	(145,530)
Net increase in cash and cash equivalents	286,443	2,060,878
Cash and cash equivalents, beginning of period	15,479,460	13,418,582
Cash and cash equivalents, end of period	**$ 15,765,903**	**15,479,460**

Seeing accompanying notes to financial statements.

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WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company History

Wan Hai Lines Ltd. (the Company) was incorporated as a company limited by shares on February 24, 1965, under the approval of the Ministry of Economic Affairs, ROC. The address of the Company's registered office is 10F, No. 136 Songjiang Rd., Taipei City. The Company and its subsidiaries (the Group) are primarily involved in the business of international marine transportation, shipping agencies, container storage service, and the sale and rental of vessels and containers.

(2) Approval Date and Procedures of the Consolidated Financial Statements

The Board of Directors approved and issued the consolidated financial statements on March 22, 2021.

(3) New Standards, Amendments and Interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The details of impact on the Group's adoption of the new amendments beginning January 1, 2020 are as follows:

(i) Amendments to IFRS 16 "COVID-19-Related Rent Concessions"

As a practical expedient, a lessee may elect not to assess whether a rent concession that meets certain conditions is a lease modification, rather any changes in lease liability are recognized in profit or loss. The amendments have been endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") in July 2020, earlier application from January 1, 2020 is permitted. Related accounting policy is explained in Note 4(m).

The Group has elected to apply the practical expedient for all rent concessions that meet the criteria beginning January 1, 2020, with early adoption. No adjustment was made upon the initial application of the amendments. The amounts recognized in profit or loss for the year ended December 31, 2020 was $4,767 thousand.

(ii) Other amendments

The following new amendments, effective January 1, 2020, do not have a significant impact on the Group's consolidated financial statements:

- Amendments to IFRS 3 "Definition of a Business"
- Amendments to IFRS 9, IAS39 and IFRS7 "Interest Rate Benchmark Reform"
- Amendments to IAS 1 and IAS 8 "Definition of Material"

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WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2021, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform －Phase 2"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

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WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(4) Summary of Significant Accounting Policies

The accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language consolidated financial statements, the Chinese version shall prevail.

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed by the Financial Supervisory Commission, ROC. (hereinafter referred to as the "IFRS endorsed by the FSC")

(b) Basis of preparation

1. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for the following material items in the statement of financial position:

1) Financial instruments measured at fair value through profits or losses are measured at fair value;

2) Fair value through other comprehensive income are measured at fair value; and

3) Hedging financial instruments are measured at fair value;

4) The net defined benefit liability (asset) is recognized as the fair value of plan assets, less the present value of the defined benefit obligation, with a limit based on a defined benefit asset.

2. Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(c) Basis of Consolidation

1. Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group controlls an entity when it is exposed to, or has rights to , variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from Intra-group transactions, are eliminated in preparing the consolidated financial statements.The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group' s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

2. List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding %		Note
			2020.12.31	2019.12.31	
The Company	Wan Hai Lines (Singapore) Pte. Ltd. (WHL Singapore)	International freight transportation, agency services for transport affairs, vessel leasing	100.00 %	100.00 %	
The Company	T.K. Logistics International Co., Ltd. (TK)	Managing container terminals and storage facilities	55.00 %	55.00 %	
The Company	k.k. WH Corporation (WH Corporation)	Operating and managing container yard and vessel leasing	100.00 %	100.00 %	
The Company	Wan Hai Lines (Germany) GmbH (WHL Germany)	International freight transportation and agency services for transport affairs	- %	100.00 %	Completed the liquidation process in March 2020
The Company	Bao Sheng Shipping Agency Co., Ltd. (BS)	Agency services for transportation affair and contracting ocean shipping and related services	70.01 %	70.01 %	
WHL Singapore	Wan Hai Line (M) Sdn. Bhd. (WHL Malaysia)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	
WHL Singapore	Wan Hai Lines (HK) Ltd. (WHL Hong Kong)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of investor	Name of subsidiary	Principal activity	Shareholding %		Note
			2020.12.31	2019.12.31	
WHL Singapore	Wan Hai Lines (Phils.), Inc. (WHL Phils.)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	
WHL Singapore	Wan Hai Lines (Korea) Ltd. (WHL Korea)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	
WHL Singapore	Wan Hai International Pte. Ltd. (WHL INTL.)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	
WHL Singapore	Yi Chun Shipping Agencies Sdn. Bhd. (Yi Chun)	ODD operation	100.00 %	100.00 %	
WHL Singapore	Wan Hai (Vietnam) Ltd. (WHL Vietnam)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	
WHL Singapore	Wan Hai Lines (Thailand) Ltd. (WHL Thailand)	International freight transportation and agency services for transport affairs	49.00 %	49.00 %	
WHL Singapore	WanHai Lines (Ecuador) S.A. (WHL Ecuador)	International freight transportation and agency services for transport affairs	51.00 %	51.00 %	
WHL Singapore	Wan Hai Lines (USA) Ltd. (WHL USA)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	
WHL Singapore	Bravely International Pte. Ltd. (BI)	International freight transportation and investment	100.00 %	100.00 %	
WHL Singapore	HE CHUN LOGISTICS COMPANY LTD. (HE CHUN)	ODD operations	100.00 %	100.00 %	
WHL Singapore	Wan Hai Shipping Limited.	International freight transportation and agency services for transport affairs	70.00 %	70.00 %	
WHL Singapore、WHL INTL.	Wan Hai Lines Peru S.A.C.(WHL Peru)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	
WHL USA	Wan Hai Lines (Arizona) LLC (WHL Arizona)	House rental and management services	100.00 %	100.00 %	The shares of WHL Arizona was originally held by WHL America, However, there was a change in the organization structure in October 2019, resulting WHL Arizona to become a 100% owned subsidiary of WHL USA.

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WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of investor	Name of subsidiary	Principal activity	Shareholding %		Note
			2020.12.31	2019.12.31	
WHL INTL.	Wan Hai Lines (India) PVT Ltd. (WHL India)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	
WHL INTL.	Infinite Marine Investment Co., Ltd.	Investment	100.00 %	100.00 %	
BI	Bravely (Myanmar) Transport and Logistics Company LTD. (Bravely (Myanmar))	Managing container, storage and logistics services	80.00 %	80.00 %	
WHL Hong Kong	Guangzhou Wan Hai Information Technology Ltd. (GZIT)	Information software service	100.00 %	100.00 %	
WHL Hong Kong	Dawin Logistics (International) Ltd. (Dawin)	Transportation, storage and investment services	100.00 %	100.00 %	
Dawin	Shenzhen Uniwin International Logistics Ltd. (Shenzhen Uniwin)	Freight transportation and agency services for transport affairs	100.00 %	100.00 %	
Dawin	Blue Ocean Logistics (Shanghai) Ltd. (Blue)	Containers, storage and international transportation services	100.00 %	100.00 %	
Shenzhen Uniwin	Clipper International Shipping Agency Ltd. (Clipper)	International shipping agency services	49.00 %	49.00 %	
Shenzhen Uniwin	Shenzhen Yong Chun International Shipping Management Co., Ltd. (SZYC)	International shipping management	90.00 %	90.00 %	

3. Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currency

1.Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) qualifying cash flow hedges to the extent that the hedges are effective.

2.Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent.

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent.

An entity shall classify a liability as current when:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(f) Cash and cash equivalents

Cash comprise cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The saving deposits which satisfied the definition above and held for the purpose of meeting short-term cash commitments, rather than for investment or other purposes, are reported as cash equivalents.

Bank overdrafts that are repayable on demand and from an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

1.Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

·it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

·its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group' s right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management' s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

·how managers of the business are compensated—e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

·the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

·contingent events that would change the amount or timing of cash flows;

·terms that may adjust the contractual coupon rate, including variable rate features;

·prepayment and extension features; and

·terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

6) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses(ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivable, receivables from agents, guarantee deposit paid and other financial assets) and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

·debt securities that are determined to have low credit risk at the reporting date; and

·other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available (without undue cost or effort). This includes both quantitative and qualitative information and analysis, based on the Group' s historical experience and informed credit assessment and including forward-looking information.

The Group considers a time deposit to have low credit risk when its trading counterparties' credit risk ratings are equivalent to the globally understood definition of 'investment grade '.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. The difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

·significant financial difficulty of the borrower or issuer;

·a breach of contract such as a default or being more than 90 days past due;

· the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

·it is probable that the borrower will enter bankruptcy or other financial reorganization; or

·the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group' s procedures for recovery of amounts due.

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7) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

2. Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.Hedge accounting

The Group designates certain hedging instruments (which include non-derivatives in respect of foreign currency risk) as cash flow hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

1) Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under ‘other equity — gains (losses) on hedging instruments’, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. Furthermore, if the Group expects that some or all of the loss accumulated in other equity will not be recovered in the future, that amount is immediately reclassified to profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. The discontinuation is accounted for prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item’s cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

(h) Inventories

Fuels purchased by the Group are recorded under inventory account. Inventories are measured at the lower of cost or net realizable value. The cost of inventories consists of all costs of purchase and other costs incurred in bringing the inventories to a salable and useable location and condition. Inventory cost is calculated using the first-in first-out principle.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

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The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics: (a) the parties are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 "Joint Arrangements" defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (ie activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the Group has joint control of the arrangement (i.e. joint venturers) in which the Group has rights to the net assets of the arrangement , rather than rights to its assets and obligations for its liabilities. The Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 " Investments in Associates and Joint Ventures" , unless the Group qualifies for exemption from that Standard. Please refer to note (4)(i) for the application of the equity method.

When assessing the classification of a joint arrangement, the Group considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Company reevaluates whether the classification of the joint arrangement has changed.

(k) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

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(l) Property, plant, and equipment

1.Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

2.Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

3.Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)Buildings	13～57 years
2)Vessels	1～25 years
3)The major compoment of vessels: docking repair assets	2.5 years
4)Containers	1～10 years
5)Privileyed wharf equipment	1～15 years
6)Other equipment	1～15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date, and adjusted if appropriate.

(m) Leases

(i) Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

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2) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3) the customer has the right to direct the use of the asset only if either:

- the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or
- the relevant decisions about how and for what purpose the asset is used are predetermined and:
  - the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
  - the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(ii) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of vessels, buidings,containers and other equipments that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- the rent concessions occurring as a direct consequence of the COVID-19 pandemic;

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- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2021; and
- there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(iii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(n) Intangible assets

1.Recognition and measurement

Other intangible assets, including software and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

2.Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3.Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1)Softwares	1～5 years
2)Trademarks	3～10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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(o) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset' s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(p) Revenue

1.Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Service revenue

The Group provides vessel transportation services and recognizes revenue using percentage-of-completion of voyage method. If the Group has recognized revenue, but not have the right to collect bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional. When the payment has excessed the services rendered, then the entitlement to consideration is recognized as a contract liability.

2) Rental revenue

The Group provides rental of vessels and containers and recognizes revenue using straight-line method over the lease term.

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3) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

2.Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

A.the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

B.the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

C.the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(q) Government grants

The Group recognizes an unconditional government grant as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

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(r) Employee benefits

1. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

2. Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(s) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

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Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

1. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
2. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

1. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
   1) the same taxable entity; or
   2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(t) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any noncontrolling interests in the acquiree either at fair value or at the noncontrolling interest' s proportionate share of the acquiree' s identifiable net assets, if the noncontrolling interests are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation. Other components of noncontrolling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any,in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income will be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount will be reclassified to profit or loss.

(u) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(v) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements, in conformity with the Regulations and the IFRSs endorsed by the FSC, requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the future period.

(a) Impairment of property, plant and equipment, and intangible assets

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Group is required to make subjective judgments by considering the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years.

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(b) Revenue recognition

The Group's cargo freight revenue is recognized using the percentage-of-completion of voyage method. The method is based on historical trend, and the high uncertainty of voyage days will lead to adjustments of the estimated value.

(6) Explanation to Significant Accounts

(a) Cash and cash equivalents

		2020.12.31	2019.12.31
Cash	$	72,288	61,130
Savings accounts		12,779,020	6,366,857
Time deposits		2,914,595	9,051,473
Cash and cash equivalents in statement of cash flows	**$**	**15,765,903**	**15,479,460**

Please refer to Note 6(x) for the interest rate analysis of financial assets and liabilities.

(b) Financial assets and liabilities at fair value through profit or loss

		2020.12.31	2019.12.31
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Stocks listed on domestic markets	$	4,836,764	2,958,241
Emerging stocks on domestic markets		8,076	9,812
Debt securities		-	1,157,131
Total	**$**	**4,844,840**	**4,125,184**

1.For the net gain or loss on fair value on financial instruments at FVTPL, please refer to Note 6(w).

2.As of December 31, 2020 and 2019, the Group's financial assets were not pledged as collateral.

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

		2020.12.31	2019.12.31
Equity investments at fair value through other comprehensive income			
Stocks listed on domestic markets	$	3,377,664	2,712,827
Stocks listed on foreign markets		660,115	513,571
Stocks unlisted on domestic markets		450,120	469,985
Total	**$**	**4,487,899**	**3,696,383**

1. Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

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For the years ended December 31, 2020 and 2019, no strategic investments were disposed, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

For the years ended December 31, 2020 and 2019, the clividends of $152,793 thousand and $109,132 thousand were recognized as equity investment at fair value through other comprehensive income.

The Group has acquired a 20.29% stake in Da Nang Port Joint Stock Company (Da Nang Port JSC), and the main activities of Da Nang JSC are to provide logistics services. The Management claimed that this ownership did not allow the Group to have significant influence over Da Nang Port JSC, since the Group did not occupy any seat in the Board of Directors, and did not participate in any daily operation as well as policy-making processes of the Group.

2. For credit risk and market risk, please refer to Note 6(y).
3. As of December 31, 2020 and 2019, the financial assets of the Group had not been pledged as collateral.

(d) Financial instruments used for hedging

The amounts at the reporting date relating to the lease liabilities designated as hedging instruments were as follows:

		2020.12.31	2019.12.31
Cash flow hedge:			
Financial liabilities used for hedging:			
Current lease liabilities	$	818,459	534,197
Non-current lease liabilities		2,855,649	2,026,200
Total	$	**3,674,108**	**2,560,397**

The Group's strategy is to use lease liabilities to hedge its estimated foreign currency exposure in respect of highly probable future cash revenues. The amounts at the reporting date relating to the items designated as hedging instruments were as follows:

Items to be hedged	Financial assets or liabilities designated to be hedging instruments	Fair value 2020.12.31	Fair value 2019.12.31	Time period(s) during which the future cash flows generated	Time period(s) during which the related gains or losses are expected to be recognized in the income statement
Freight revenue (USD)	Lease liabilities	$ 2,312,368	989,769	2020～2025	2020～2025
WHL terminal revenue (JPY)	Lease liabilities	1,361,740	1,570,628	2020～2028	2020～2028

Items	2020	2019
Amounts recognized as other comprehensive income	**116,840**	**33,504**

For the year ended December 31, 2020 and 2019, no ineffective portion of cash flow hedge that should be recognized in profit or loss, for reconciliation of each component of equity, and an analysis of other comprehensive income, please refer to note (6)(s).

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(e) Notes receivable and accounts receivable

	2020.12.31	2019.12.31
Notes receivable	$ 52,358	39,735
Accounts receivable	3,589,704	2,207,133
Less: Allowance for doubtful receivables	(358)	(358)
	$ 3,641,704	**2,246,510**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision were determined as follows:

	2020.12.31		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 2,480,669	0%~0.0006%	-
Overdue 0~30 days	1,080,306	0%~0.0007%	-
Overdue 31~120 days	64,530	0%~0.002%	-
Overdue 121~365 days	6,177	0%~0.003%	-
Overdue more than 365 days	10,380	0%~100%	358
	$ 3,642,062		**358**

	2019.12.31		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,862,445	0%~0.0006%	-
Overdue 0~30 days	340,098	0%~0.0007%	-
Overdue 31~120 days	31,616	0%~0.002%	-
Overdue 121~365 days	3,506	0%~0.003%	-
Overdue more than 365 days	9,203	0%~100%	358
	$ 2,246,868		**358**

The movemetnt in the allowance for notes and account receivables were as follows:

	2020	2019
Ending balance (equals to beginning balance)	**$ 358**	**358**

Please refer to (6)(x) for the credit risks and the currency risks of the notes receivables, accounts receivables, other receivables and receivables from agents of the Group.

As of December 31, 2020 and 2019, the notes and trade receivable of the Group had not been pledged as collateral.

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(f) Inventories

	2020.12.31	2019.12.31
Marine diesel oil	$ 162,961	196,062
Marine residual fuel oil	1,604,937	1,682,155
Fresh lubricating oil	132,528	118,546
Subtotal	1,900,426	1,996,763
Less: Allowance for inventory valuation and obsolescence losses	(13,396)	(310)
Total	**$ 1,887,030**	**1,996,453**

For the years ended December 31, 2020, the write-downs of inventories to net realizable value amounting to $13,081 thousand was included in operating cost.

For the year ended December 31, 2019, the reversal of write-downs amounted to $175,194 thousand because the previous reasons that caused the net realizable value of inventories lower than its costs have disappeared. The reversals are recognized in gains on inventory value recoveries.

As of December 31, 2020 and 2019, the Group's inventories were not pledged as collateral.

(g) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

	2020.12.31	2019.12.31
Associates	$ 1,002,203	994,040
Joint venture	176,741	167,350
	$ 1,178,944	**1,161,390**

1. Associates

For the first half of 2017, the Group acquired 16.5% of the shares of Hai Phong International Container Terminal Company Ltd. (HICT) for USD6,459 thousand in cash. The Group gets one of HICT's directors, and participated its finance and operating policy decision. Therefore, the Group has significant influence on it, and accounts for it using equity method.

The financial information of individually non-significant equity method associates included in the consolidated financial statements were as follows:

	2020.12.31	2019.12.31
The carrying amount of individually non-significant associates' equity	**$ 1,002,203**	**994,040**

	2020	2019
Attributable to the Group:		
Profit (loss) from continuing operations	$ 180,974	144,194
Total comprehensive income	**$ 180,974**	**144,194**

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2.Joint venture

On July 1, 2019, the Group obtained control over WHL Peru by acquiring the remaining 49% of its shares, resulting in the Group's shares in WHL Peru to increase from 51% to 100%. The Group previously used the equity method on its joint venture with WHL Peru, which the Group had significant influence over it, please refer to note 6(h).

In July 2019, the Group entered into a joint venture agreement with other shareholders using the equity method, and made a capital injection of USD294 thousand to acquire the 49% shares of Phuc Xuan Maritime Service Co., Ltd. (Phuc Xuan).

The financial information of individually non-significant equity method joint venture included in the consolidated financial statements were as follows:

	2020.12.31	2019.12.31
The carrying amount of individually non-significant joint venture equity	**$ 176,741**	**167,350**

	2020	2019
Attributable to the Group:		
Profit (loss) from continuing operations	$ 22,471	23,259
Total comprehensive income	**$ 22,471**	**23,259**

3.Collateral

The Group did not provide any investment accounted for using equity method as collaterals for its loans.

(h) Acquisition of subsidiary

On July 1, 2019, the Group obtained control over WHL Peru (transportation and shipping agency service) by acquiring the remaining 49% of its shares, resulting in the Group's shares in WHL Peru to increase from 51% to 100%.

For the years ended December 31, 2019, the liquidation of WHL Peru resulted in the Group's revenue and profit after tax to increase by $56,687 thousand and $102 thousand, respectively. If the acquisition had occurred on January 1, 2019, the management estimates that the consolidated revenue would have been $125,120 thousand, and the consolidated profit after income tax would have been $12,210 thousand. In determining these amounts, the management assumed that the acquisition occurred on January 1, 2019, and the provisional fair value are adjusted accordingly.

The following are the transfer pricing and the assets acquired at the acquisition date, as well as the liabilities incurred:

1.The transfer price at the acquisition date was PEN$774 thousands (NTD$7,302 thousand) in cash.

2.The identifiable assets acquired and the liabilities incurred were as follows.

Property, plant and equipment (note (6)(i))	$ 135
Intangible assets (note (6)(l))	107
Trade receivables	17,803
Cash and cash equivalents	37,185
Trade and other payables	(40,327)
	$ 14,903

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(i) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2020 and 2019, were as follows:

	Land	Buildings	Vessels	Containers	Other equipment	Privileged wharf equipment	Total
Cost:							
Balance at January 1, 2020	$ 659,350	1,589,301	66,722,536	25,988,559	1,881,536	2,401,587	99,242,869
Additions	1,573,962	642,428	12,187,667	2,276,647	166,773	112,395	16,959,872
Reclassification					26,159	180,020	206,179
Disposals			(2,538,929)	(610,978)	(31,383)		(3,181,290)
Effect of movements in exchange rates	(2,449)	(67,545)	(4,300,819)	(1)	(25,482)	(2,093)	(4,398,389)
Balance at December 31, 2020	**$ 2,230,863**	**2,164,184**	**72,070,455**	**27,654,227**	**2,017,603**	**2,691,909**	**108,829,241**
Balance at January 1, 2019	$ 660,316	1,625,344	69,557,087	24,245,858	1,626,243	1,901,164	99,616,012
Acquisition due to business combination	-	-	-	-	135	-	135
Additions	-	518	475,919	4,280,529	283,735	168,900	5,209,601
Reclassification	-	-	213	-	96,201	346,231	442,645
Disposals	-	-	(1,792,869)	(2,537,827)	(111,450)	(14,380)	(4,456,526)
Effect of movements in exchange rates	(966)	(36,561)	(1,517,814)	(1)	(13,328)	(328)	(1,568,998)
Balance at December 31, 2019	**$ 659,350**	**1,589,301**	**66,722,536**	**25,988,559**	**1,881,536**	**2,401,587**	**99,242,869**
Depreciation and impairment loss:							
Balance at January 1, 2020	$ -	487,045	41,972,338	10,980,670	930,860	1,143,232	55,514,145
Depreciation	-	42,871	2,688,512	1,559,186	182,799	152,410	4,625,778
Disposals	-	-	(2,453,864)	(571,718)	(31,294)	-	(3,056,876)
Effect of movements in exchange rates	-	(24,042)	(2,381,204)	(1)	(14,585)	(495)	(2,420,327)
Balance at December 31, 2020	**$ -**	**505,874**	**39,825,782**	**11,968,137**	**1,067,780**	**1,295,147**	**54,662,720**
Balance at January 1, 2019	$ -	454,414	41,963,470	11,876,538	868,953	1,033,434	56,196,809
Depreciation	-	42,281	2,676,374	1,388,091	155,058	116,012	4,377,816
Loss of impairment	-	-	-	-	19,016	-	19,016
Disposals	-	-	(1,731,567)	(2,283,958)	(104,116)	(6,108)	(4,125,749)
Effect of movements in exchange rates	-	(9,650)	(935,939)	(1)	(8,051)	(106)	(953,747)
Balance at December 31, 2019	**$ -**	**487,045**	**41,972,338**	**10,980,670**	**930,860**	**1,143,232**	**55,514,145**
Carrying amounts:							
Balance at December 31, 2020	**$ 2,230,863**	**1,658,310**	**32,244,673**	**15,686,090**	**949,823**	**1,396,762**	**54,166,521**
Balance at January 1, 2019	**$ 660,316**	**1,170,930**	**27,593,617**	**12,369,320**	**757,290**	**867,730**	**43,419,203**
Balance at December 31, 2019	**$ 659,350**	**1,102,256**	**24,750,198**	**15,007,889**	**950,676**	**1,258,355**	**43,728,724**

As of December 31, 2020 and 2019, the property, plant and equipment of the Group had been pledged as collateral for long-term borrowings and guaranteed financing; please refer to note (8).

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(j) Right-of-use assets

The Group leases many assets including wharfs, buildings, containers, and other equipment. Information about leases for which the Group as a lessee is presented below:

	Wharfs	Buildings	Containers	Others	Vessels	Total
Cost:						
Balance as of January 1, 2020	$ 4,297,368	268,389	1,375,646	46,442	-	5,987,845
Additions	30,235	31,405	1,710,439	44,473	1,280,985	3,097,537
Decreases	(56,583)	(13,745)	(105,739)	(11,574)	-	(187,641)
Remeasurement	634,949	8,671	97,712	197	-	741,529
Effect of changes in foreign exchange rates	(2,679)	(10,926)	-	(1,622)	(31,993)	(47,220)
Balance as of December 31,2020	**$ 4,903,290**	**283,794**	**3,078,058**	**77,916**	**1,248,992**	**9,592,050**
Balance as of January 1, 2019	$ -	-	-	-	-	-
Effects of retrospective application	4,313,428	218,820	883,649	47,693	-	5,463,590
Balance as of January 1, 2019 after adjustments	4,313,428	218,820	883,649	47,693	-	5,463,590
Additions	60,931	129,480	467,594	4,491	-	662,496
Decreases	-	(15,735)	-	(649)	-	(16,384)
Remeasurement	(75,302)	(58,197)	24,403	(4,547)	-	(113,643)
Effect of changes in foreign exchange rates	(1,689)	(5,979)	-	(546)	-	(8,214)
Balance as of December 31,2019	**$ 4,297,368**	**268,389**	**1,375,646**	**46,442**	**-**	**5,987,845**
Accumulated depreciation and impairment losses:						
Balance as of January 1, 2020	$ 468,709	63,431	339,996	17,899	-	890,035
Depreciation	477,857	72,047	450,691	18,910	102,103	1,121,608
Decreases	(12,860)	(12,126)	(105,739)	(9,887)	-	(140,612)
Effect of changes in foreign exchange rates	(242)	(2,715)	-	(129)	(3,135)	(6,221)
Balance as of December 31,2020	**$ 933,464**	**120,637**	**684,948**	**26,793**	**98,968**	**1,864,810**
Balance as of January 1, 2019	$ -	-	-	-	-	-
Depreciation	468,800	69,205	339,996	18,302	-	896,303
Decreases	-	(4,476)	-	(70)	-	(4,546)
Effect of changes in foreign exchange rates	(91)	(1,298)	-	(333)	-	(1,722)
Balance as of December 31,2019	**$ 468,709**	**63,431**	**339,996**	**17,899**	**-**	**890,035**
Carrying amount:						
Balance as of December 31,2020	**$ 3,969,826**	**163,157**	**2,393,110**	**51,123**	**1,150,024**	**7,727,240**
Balance as of December 31,2019	**$ 3,828,659**	**204,958**	**1,035,650**	**28,543**	**-**	**5,097,810**

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(k) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right-of-use assets, as well as properties that are owned by the Company. The leases of investment properties contain an initial non-cancellable lease term of 3 to 10 years. The leases provide the lessees with options to extend at the end of the term.

For all investment property leases, the rental income is fixed under the contracts.

Information about investment property of the Group is presented below:

	Owned property		
	Land and improvements	Buildings	Total
Cost:			
Balance at January 1, 2020	$ 1,409,448	344,597	1,754,045
Purchases	1,558,714	513,136	2,071,850
Effect of changes in foreign exchange rates	(8,819)	(12,157)	(20,976)
Balance at December 31, 2020	**$ 2,959,343**	**845,576**	**3,804,919**
Balance at January 1, 2019	$ 143,416	176,166	319,582
Purchases	1,269,509	173,237	1,442,746
Effect of changes in foreign exchange rates	(3,477)	(4,806)	(8,283)
Balance at December 31, 2019	**$ 1,409,448**	**344,597**	**1,754,045**
Depreciation and impairment losses:			
Balance at January 1, 2020	$ -	13,821	13,821
Depreciation	-	21,219	21,219
Effect of changes in foreign exchange rates	-	(874)	(874)
Balance at December 31, 2020	**$ -**	**34,166**	**34,166**
Balance at January 1, 2019	$ -	4,823	4,823
Depreciation	-	9,284	9,284
Effect of changes in foreign exchange rate	-	(286)	(286)
Balance at December 31, 2019	**$ -**	**13,821**	**13,821**
Carrying amount:			
Balance at December 31, 2020	**$ 2,959,343**	**811,410**	**3,770,753**
Balance at January 1, 2019	**$ 143,416**	**171,343**	**314,759**
Balance at December 31, 2019	**$ 1,409,448**	**330,776**	**1,740,224**
Fair value:			
Balance at December 31, 2020			**$ 4,162,744**
Balance at December 31, 2019			**$ 1,790,983**

The investment property of the Group were not pledge as collateral.

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The fair value of investment properties in America at December 31, 2020 and 2019, is based on market value. The yield method under the income approach would have been used by calculating cash flow generated from rental operations if there was no active market for the investment properties. The inputs of levels of fair vale hierarchy in determining the fair value is classified to Level 3.

The fair value of investment properties (as measure or disclosed in the financial statements) in Taiwan at December 31, 2020 and 2019 was based on valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued. The yield method under the income approach would have been used by calculating cash flow generated from rental operations if there was no active market for the investment properties. The inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3. The ranges of yields applied to the net annual rentals used to determine the fair value of properties in the year of 2020, and 2019 were as follows:

Location	2020	2019
America	6%~6.5%	6.25%~7%
Taiwan	1.59%~2.11%	1.55%

The investment property is a commercial real estate which was bought for operation planning in Taiwan and America on 2020, 2019 and 2017. That property has been currently leasing out for rental income, and no contingent rents are charged. The rent revenue is $41,345 thousand and $26,761 thousand for the year 2020 and 2019, respectively.

As of December 31, 2020 and 2019, the investment property of the Group had not been pledged as collateral.

(l) Intangible assets

The costs of intangible assets, amortization, and impairment loss of the Group in 2020 and 2019 were as follows:

	Computer software	Trademarks	Total
Costs:			
Balance at January 1, 2020	$ 164,282	4,081	168,363
Additions	22,595	293	22,888
Reclassification	49,585	-	49,585
Disposals	(77,575)	(317)	(77,892)
Effect of movement in exchange rates	(357)	-	(357)
Balance at December 31, 2020	**$ 158,530**	**4,057**	**162,587**

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	Computer software	Trademarks	Total
Balance at January 1, 2019	$ 152,419	5,440	157,859
Additions	30,310	1,091	31,401
Reclassification	4,888	244	5,132
Acquisition through business combinations	107	-	107
Disposals	(23,342)	(2,694)	(26,036)
Effect of movement in exchange rates	(100)	-	(100)
Balance at December 31, 2019	**$ 164,282**	**4,081**	**168,363**
Amortization and impairment loss:			
Balance at January 1, 2020	$ 89,726	1,315	91,041
Amortization for the year	67,560	426	67,986
Disposals	(77,709)	(317)	(78,026)
Effect of movement in exchange rates	(271)	-	(271)
Balance at December 31, 2020	**$ 79,306**	**1,424**	**80,730**
Balance at January 1, 2019	$ 59,172	2,957	62,129
Amortization for the year	53,979	1,052	55,031
Disposals	(23,342)	(2,694)	(26,036)
Effect of movement in exchange rates	(83)	-	(83)
Balance at December 31, 2019	**$ 89,726**	**1,315**	**91,041**
Carrying amounts:			
Balance at December 31, 2020	**$ 79,224**	**2,633**	**81,857**
Balance at December 31, 2019	**$ 74,556**	**2,766**	**77,322**
Balance at January 1, 2019	**$ 93,247**	**2,483**	**95,730**

1. Recognition of amortization and impairment

The amortization of intangible assets and their impairment losses are included in the statement of comprehensive income:

	2020	2019
Operating costs	**$ 20,655**	**2,668**
Operating expense	**$ 47,331**	**52,363**

(m) Short-term borrowings

The borrowings were summarized as follows:

	2020.12.31	2019.12.31
Unsecured bank loans	**$ 50,000**	**70,000**
Unused short-term credit lines	**$ 3,840,988**	**4,554,445**

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1.Issuance and repayment of short-term borrowings

For the years ended December 31, 2020 and 2019, the proceeds from short-term borrowings amounted to $9,660,000 thousand and $9,050,000 thousand respectively and the repayments amounted to $9,680,000 thousand and $9,040,000 thousand respectively.

2.Collateral for bank loan

There were no assets pledged as collateral for the short-term borrowing of the Group.

(n) Long-term borrowings

The borrowings were summarized as follows:

	Expiration date	2020.12.31	2019.12.31
Unsecured bank loans－USD	2022/12/21-2024/02/11	$ 695,475	978,424
Unsecured bank loans－TWD	2021/06/18-2023/12/8	2,150,000	509,465
Secured bank loans－USD	2021/07/28-2026/12/19	10,845,062	11,172,508
Secured bank loans－TWD	2021/12/21-2040/10/8	1,949,667	340,583
Secured bank loans－JPY	2032/10/30	980,461	-
Commercial paper	2023/6/11-2023/12/28	2,810,000	2,730,000
Discount on commercial paper		(139)	(247)
Less: current portion		(3,645,416)	(3,356,533)
Total		**$ 15,785,110**	**12,374,200**
Unused long-term credit lines		**$ 15,762,000**	**7,399,550**
Range of interest rates		**0.26%~2.80%**	**0.38%~3.74%**

For information on the Group's interest risk, currency risk and liquidity risk, please refer to note 6(x).

1.Issuance and repayment of long-term borrowings

For the years ended December 31, 2020 and 2019, the proceeds from long-term borrowings amounted to $12,463,723 thousand and $9,222,250 thousand respectively, and the repayment amounted to $8,027,117 thousand and $12,667,734 thousand, respectively.

2.Collateral for long-term borrowings

For the collateral for long-term borrowings, please refer to note 8.

3.Financial ratio covenant

A subsidiary, Wan Hai Lines (Singapore) Pte Ltd., entered into syndicated credit agreements with financial institutions, under which, this subsidiary and the Group shall maintain certain financial ratios (i.e. equity ratio, security ratio, etc.) on balance sheet date. Otherwise, the loan will be payable immediately if the financial institution considers the loan shall be due.

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(o) Bonds payable

	2020.12.31			
	Currency	Interest rate collars	Expiration	Amount
Unsecured bond-2014 first domestic bond issue	TWD	1.95%	2021/08/14	$ 800,000
Unsecured bond-2016 first domestic bond issue	TWD	1.18%	2021/06/21	3,000,000
Unsecured bond-2017 first domestic bond issue	TWD	1.55%	2022/06/26	2,100,000
Unsecured bank-2019 first domestic bond issue	TWD	0.95%~1.05%	2022/06/18~2024/06/18	4,800,000
Unsecured bank-2019 second domestic bond issue	TWD	0.97%~1.07%	2024/10/07~2026/10/07	3,200,000
Unsecured bank-2020 first domestic bond issue	TWD	0.97%	2025/10/23	2,500,000
Total				**$ 16,400,000**
Current				$ 3,800,000
Non-current				12,600,000
Total				**$ 16,400,000**

	2019.12.31			
	Currency	Interest rate collars	Expiration	Amount
Unsecured bond-2014 first domestic bond issue	TWD	1.95%	2021/08/14	$ 800,000
Unsecured bond-2016 first domestic bond issue	TWD	1.18%	2021/06/21	3,000,000
Unsecured bond-2017 first domestic bond issue	TWD	1.55%	2022/06/26	2,100,000
Unsecured bank-2019 first domestic bond issue	TWD	0.95%~1.05%	2022/06/18~2024/06/18	4,800,000
Unsecured bank-2019 second domestic bond issue	TWD	0.97%~1.07%	2024/10/07~2026/10/07	3,200,000
Total				**$ 13,900,000**
Current				$ -
Non-current				13,900,000
Total				**$ 13,900,000**

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1. Unsecured bond-2014 first domestic bond issue

The Company issued an unsecured corporate bond in August 2014. It was the Company's first domestic bond issue in 2014 and was effective upon submission to the regulatory authority on June 17, 2014. The issuance terms were as follows:

1) Issue amount

TWD1,800,000 thousand. There are two series of bonds categorized by the terms, with series A amounting to TWD1,000,000 thousand and series B amounting to TWD800,000 thousand.

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

The issuance dates are August 14, 2014; the maturity periods for series A and B are five and seven years, respectively.

4) Issued price: at par value

5) Nominal interest rate

1) Series A: 1.65%

2) Series B: 1.95%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bondholders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with TDCC.

9) Trustee

The trustee is Hua Nan Commercial Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

10) Agency for payment of principal and interest

Hua Nan Commercial Bank Ltd., Cheng Tung Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: None.

12) Announcement

The related information can be acquired from the Market Observation Post System.

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WAN HAI LINES LTD. AND SUBSIDIARIES

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2. Unsecured bond-2016 first domestic bond issue

The Company issued an unsecured corporate bond in June 2016. It was the Company's first domestic bond issue in 2016 and was effective upon submission to the regulatory authority on June 14, 2016. The issuance terms were as follows:

1) Issue amount

TWD3,000,000 thousand.

2) Nominal amount

Par value TWD1,000 thousand per unit.

3) Issuance period

The issuance date is June 21, 2016; the maturity date is June 21, 2021; the maturity period is five years.

4) Issued price: at par value

5) Nominal interest rate: 1.18%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bond holders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with TDCC.

9) Trustee

The trustee is Hua Nan Commercial Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

10) Agency for payment of principal and interest

Hua Nan Commercial Bank Ltd., Cheng Tung Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: MasterLink Securities Corporation.

12) Announcement

The related information can be acquired from the Market Observation Post System.

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3. Unsecured bond-2017 first domestic bond issue

The Company issued an unsecured corporate bond in June 2017. It was the Company's first domestic bond issue in 2017 and was effective upon submission to the regulatory authority on June 15, 2017. The issuance terms were as follows:

1) Issue amount

TWD2,100,000 thousand.

2) Nominal amount

Par value TWD1,000 thousand per unit.

3) Issuance period

The issuance date is June 26, 2017; the maturity date is June 26, 2022; the maturity period is five years.

4) Issued price: at par value

5) Nominal interest rate: 1.55%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bond holders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with TDCC.

9) Trustee

The trustee is Hua Nan Commercial Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

10) Agency for payment of principal and interest

Hua Nan Commercial Bank Ltd., Cheng Tung Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: Yuanta Securities Corporation is the primary underwriter.

12) Announcement

The related information can be acquired from the Market Observation Post System.

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4. Unsecured bond-2019 first domestic bond issue

The Company issued an unsecured corporate bond in June 2019. It was the Company's first domestic bond issue in 2019 and was effective upon submission to the regulatory authority on June 6, 2019. The issuance terms were as follows:

1) Issue amount

TWD4,800,000 thousand. There are two series of bonds categorized by the terms, with series A amounting to TWD1,500,000 thousand and series B amounting to TWD3,300,000 thousand.

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

The issuance dates are June 18, 2019; the maturity periods for series A and B are three and five years, respectively.

4) Issued price: at par value

5) Nominal interest rate

1) Series A: 0.95%

2) Series B: 1.05%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bondholders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with TDCC.

9) Trustee

The trustee is Jih Sun International Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

10) Agency for payment of principal and interest

Jih Sun International Bank Ltd., Xinyi Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: Yuanta Securities Corporation is the primary under writer.

12) Announcement

The related information can be acquired from the Market Observation Post System.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Unsecured bond-2019 second domestic bond issue

The Company issued an unsecured corporate bond in October 2019. It was the Company' s second domestic bond issue in 2019 and was effective upon submission to the regulatory authority on September 27,2019. The issuance terms were as follows:

1) Issue amount

TWD3,200,000 thousand. There are two series of bonds categorized by the terms, with series A amounting to TWD1,200,000 thousand and series B amounting to TWD2,000,000 thousand.

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

The issuance dates are October 7, 2019; the maturity periods for series A and B are five and seven years, respectively.

4) Issued price: at par value

5) Nominal interest rate

1) Series A: 0.97%

2) Series B: 1.07%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bondholders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with TDCC.

9) Trustee

The trustee is Jih Sun International Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

10) Agency for payment of principal and interest

Jih Sun International Bank Ltd., Xinyi Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: Master Link Securities Corporation is the primary under writer.

12) Announcement

The related information can be acquired from the Market Observation Post System.

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6. Unsecured bank-2020 first domestic bond issue

The Company issued an unsecured corporate bond in June 2016. It was the Company's first domestic bond issue in 2020 and was effective upon submission to the regulatory authority on October 15, 2020. The issuance terms were as follows:

1) Issue amount

TWD2,500,000 thousand.

2) Nominal amount

Par value TWD1,000 thousand per unit.

3) Issuance period

The issuance date is October 23, 2020; the maturity date is October 23, 2025; the maturity period is five years.

4) Issued price: at par value

5) Nominal interest rate: 0.97%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bond holders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with TDCC.

9) Trustee

The trustee is Jih Sun International Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

10) Agency for payment of principal and interest

Jih Sun International Bank Ltd., Xinyi Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: MasterLink Securities Corporation is the primary underwriter.

12) Announcement

The related information can be acquired from the Market Observation Post System.

(p) Lease liabilities

The amounts of lease liabilities were as follows:

	2020.12.31	2019.12.31
Current	$ 2,021,429	916,441
Non-current	$ 5,710,316	4,212,545

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Please refer to note (6)(x) for the analyses of the due date.

For December 31, 2020 and 2019, the Group's lease liabilities recognized as current financial liabilities for hedging were $818,459 thousand and $534,197 thousand; non-current financial liabilities for hedging were $2,855,649 thousand and $2,026,200 thousand; current lease liabilities were $1,202,970 thousand and $382,244 thousand; non-current lease liabilities were $2,854,667 thousand and $2,186,345 thousand.

The amounts recognized in profit or loss were as follows:

	2020	2019
Interest on lease liabilities	$ 139,289	122,161
Variable lease payments not included in the measurement of lease liabilities	$ 11,808	43,190
Expenses relating to short-term leases	$ 4,119,185	4,201,861
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 665,028	914,551

The amounts recognized in statement of cash flow were as follows:

	2020	2019
Total cash outflow for leases	$ 5,934,111	6,109,008

1. Wharf, and container leases

   The Group leases wharfs and containers for its operating needs. The leases of wharfs typically run for a period of 4 to 20 years, and of containers for 5 years.

   Some payments for wharf leases depend on the variation of loading capacity, in addition, the Group has decided to apply recognition exemptions to some containers and not to recognize right-of-use assets and lease liabilities for short-term leases or leases of low-value assets.

2. Building leases

   The Group leases buildings for its office space. The leases of office space typically run for a period for 1 to 20 years. Some leases depend on the fluctuations of local consumer price index; others are not recognized as right-of-use assets and lease liabilities, because the Group has decided to apply recognition exemptions for short-term leases or leases of low-value asset; yet others leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

3. Vessel leases

   The Group leases vessels for its operating needs. The vessel leases are typically short-term leases that run a period of 1 to 27 years. The Group has decided to apply recognition exemptions for short-term leases, and not to recognize right-of-used assets and lease liabilities.

4. Other leases

   The Group leases other machinery or equipment for its operating needs typically run for a peroid 1 to 10 years . Some leases are typically short-term leases or leases of low-value asset that the Group has decided to apply recognition exemptions, and not to recognize right-of-use assets and lease liabilities.

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(q) Employee benefits

1. Defined benefit plans

		2020.12.31	2019.12.31
Present value of defined benefit obligation	$	1,399,646	1,353,400
Fair value of plan assets		(711,871)	(649,976)
Recognized liabilities for defined benefit obligations	**$**	**687,775**	**703,424**

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with interest rates offered by local banks.

The Group's pension reserve account balance amounted to $711,871 thousand at the end of the reporting period. The information used to calculate pension fund assets includes the asset allocation and yield of the fund. Please refer to the information published on the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Group were as follows:

		2020	2019
Defined benefit obligation at January 1	$	1,353,399	1,325,271
Current service costs and interest cost		61,522	64,417
Remeasurement on the net defined benefit liability			
—Actuarial loss (gain) arising from changes in financial assumptions		51,397	39,484
Benefit paid		(66,672)	(75,773)
Defined benefit obligation at December 31	**$**	**1,399,646**	**1,353,399**

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

		2020	2019
Fair value of plan assets at January 1	$	649,976	557,335
Interest income		5,001	6,002
Remeasurement on the net defined benefit liability			
—Return on plan assets (excluding current interest)		19,549	20,126
Contribution paid by employer		62,729	103,987
Benefit paid		(25,384)	(37,474)
Fair value of plan assets at December 31	**$**	**711,871**	**649,976**

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4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company was as follows:

		2020	2019
Current service costs	$	51,804	51,107
Net interest of net liabilities (assets) for defined benefit obligation		4,717	7,308
	$	**56,521**	**58,415**
Operating costs	$	52,309	52,090
Operating expenses		4,212	6,325
	$	**56,521**	**58,415**

5) Actuarial assumptions

The following are the Group's principal actuarial assumptions:

	2020	2019
Discount rate	0.52 %	0.74 %
Future salary increase rate	3.00 %	3.00 %

The Group will pay to the defined benefit plans which amounted to $64,102 thousand within 1 year after the report day of 2020.

The weighted-average lifetime of the defined plans is 3~17 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

		Influences of defined benefit obligation	
		Increased 0.50%	Decreased 0.50%
December 31, 2020			
Discount rate	$	(66,045)	71,352
Future salary increasing rate		62,449	(58,635)
December 31, 2019			
Discount rate		(67,258)	72,786
Future salary increasing rate		64,107	(60,089)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2020 and 2019.

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2. Defined contribution plans

The Group allocates 6% of each employee' s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $56,683 thousand and $54,904 thousand for the years ended December 31, 2020 and 2019, respectively.

3.The foreign Group' s pension costs under the local law were $49,253 thousand and $49,132 thousand for the years ended December 31, 2020 and 2019, respectively.

(r) Income taxes

1. Income tax expense

The amount of income tax were as follows:

		2020	2019
Current income tax expense:			
Current period	$	1,377,773	222,893
Adjustment for prior periods		(37,953)	12,095
		1,339,820	234,988
Deferred tax expense (benefit):			
Origination and reversal of temporary differences		1,552,687	732,499
Income tax expense from continuing operations	$	**2,892,507**	**967,487**

For the years ended December 31, 2020 and 2019, no income taxes were recognized in equity and other comprehensive income.

The amount of income tax recognized in other comprehensive income for 2020 and 2019 were as follows:

		2020	2019
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement from defined benefit plans	$	**(7,654)**	**(7,739)**
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	$	**(11,916)**	**(5,222)**

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The reconciliation of income tax and profit before tax for 2020 and 2019 was as follows:

	2020	2019
Profit excluding income tax	$ 14,249,995	4,555,193
Income tax using the Company's domestic tax rate	$ 2,849,999	911,039
Effect of tax rates in foreign jurisdiction	1,164,042	300,679
Change in tax rate	(6,490)	(2,299)
Non-deductible expense	533,360	559,216
Tax-exempt income	(1,928,066)	(854,738)
Tax incentive	(9,884)	(3,866)
Recognition of previously unrecognized tax losses	(178)	83
Current-year losses for which unrecognized deferred tax asset was recognized	889	6,318
Change in unrecognized temporary difference	1,815	35,434
Under (Over) provision in prior periods	296,947	15,981
Income tax credit	(9,963)	(296)
Others	36	(64)
Total	$ 2,892,507	967,487

2. Deferred tax assets and liabilities

1) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2020 and 2019 were as follows:

	Investment (loss) gain under the equity method	Deferred depreciation expense	Others	Total
Deferred Tax Liabilities:				
Balance at January 1, 2020	$ 1,850,930	863,886	20,299	2,735,115
Debit (Credited) Income statement	1,267,560	173,488	(17,802)	1,423,246
Foreign currency translation difference for foreign operations	-	(1,194)	159	(1,035)
Balance at December 31, 2020	$ 3,118,490	1,036,180	2,656	4,157,326
Balance at January 1, 2019	$ 1,344,375	659,151	7,045	2,010,571
Debit (Credited) Income statement	506,555	205,319	13,337	725,211
Foreign currency translation difference for foreign operations	-	(584)	(83)	(667)
Balance at December 31, 2019	$ 1,850,930	863,886	20,299	2,735,115

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		Defined Benefit Plans	Loss Carryforward	Others	Total
Deferred Tax Assets:					
Balance at January 1, 2020	$	78,782	264,361	193,815	536,958
(Debit) Credited Income statement		(12,111)	38,923	(156,253)	(129,441)
(Debit) Credited Other Comprehensive Income		7,654	-	11,916	19,570
Foreign currency translation difference for foreign operations		(62)	-	(456)	(518)
Balance at December 31, 2020	**$**	**74,263**	**303,284**	**49,022**	**426,569**
Balance at January 1, 2019	$	91,086	347,575	91,360	530,021
(Debit) Credited Income statement		(20,964)	(83,214)	96,890	(7,288)
(Debit) Credited Other Comprehensive Income		7,739	-	5,222	12,961
Foreign currency translation difference for foreign operations		921	-	343	1,264
Balance at December 31, 2019	**$**	**78,782**	**264,361**	**193,815**	**536,958**

3. Examination and Approval

The Company' s income tax returns through 2017 were examined and approved by the tax authority.

(s) Capital and other equity

As of December 31, 2020 and 2019, the Company' s authorized capital consisted of 2,500,000 thousand shares, amounting to $25,000,000 thousand, with par value of $10 (New Taiwan dollars) per share. All of the issued shares were ordinary shares consisted of 2,218,297 thousand shares and the funds had been received.

1. Capital surplus

The balance of capital surplus was as follows:

		2020.12.31	2019.12.31
Premium on ordinary shares	$	22,839	22,839
Paid-in capital in excess of par value through conversion of corporate bond		1,222,787	1,222,787
The actual differences between the equity and the book value of subsidiaries' disposal		10,094	10,094
Change in equity of subsidiaries accounted for under equity method		16,055	16,055
	$	**1,271,775**	**1,271,775**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

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2. Retained earnings

The industry of the Group is highly changeable and capital intensive. The Group is in the stable growing stage. Therefore, in consideration of the future capital needs of long-term financial plans, and to meet the cash flow needs of the shareholders, the Group's articles of incorporation require that after-tax earnings shall first be offset against any deficit, and 10% of the remaining balance, plus the balance of items exclusive of after-tax net profit included in unappropriated retained earnings, shall be set aside as legal reserve, and special reserves are to be provided according to the regulations. If there is a requirement for the expansion of transportation equipment and an improvement of the financial structure, the Group may set aside a special reserve.

If there are surpluses, plus, the undistributed cumulative earnings from the previous year, the board of directors shall appropriate 30% or more after taking into account factors such as the Group' s capital needs, capital budget, interests of shareholders, and the Group' s long-term financial planning. The board of directors proposed the distribution of earnings and submitted them to the shareholders' meeting for approval.

The distribution ration of stock dividends or cash dividends must be done in accordance with the current year's actual profit, capital position, and capital expansion program. The proportion of cash dividends may not be lower than 10% of the total dividends.

1) Legal reserve

When the Group incurs no loss, it may, pursuant to a resolution to be adopted by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash. Only the portion of the legal reserve which exceeds 25% of the paid-in capital may be distributed.

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the Financial Supervisory Commission on 6 April 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal to the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The earnings distribution for 2019 and 2018 was decided by the general meeting of shareholders held on June 23, 2019 and June 18, 2018, respectively. The relevant dividend distribution to shareholders was as follows:

	2019		2018	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders				
Cash	$ 0.80	**1,774,638**	0.60	**1,343,647**

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On June 23, 2020, the shareholders' meeting determined the earnings distribution for 2019.

On June 18, 2019, the shareholders' meeting determined the earnings distribution for 2018.

These earnings were appropriated as follows:

3. Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instrument	NCI
Balance at January 1, 2020	$ (1,352,809)	(200,376)	33,504	244,283
Net profit (loss)	-	-	-	40,507
Foreign currency translation differences	(2,112,586)	-	-	(4,445)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	275,824	-	-
Gains (losses) from changes in the fair value of the hedging instrument:				
-Exchange rate risk for anticipated transactions	-	-	113,698	-
Gains (losses) from changes in fair value of the hedging instrument that will be reclassified to profit or loss:				
-Exchange rate risk for anticipated transactions	-	-	3,142	-
Capital increase in subsidiaries non-controlling interest	-	-	-	1,907
Cash dividends from subsidiaries paid to non-controlling interest	-	-	-	(12,319)
Balance at December 31, 2020	**$ (3,465,395)**	**75,448**	**150,344**	**269,933**
Balance at January 1, 2019	$ (604,711)	(205,989)	-	232,953
Net profit (loss)	-	-	-	14,003
Foreign currency translation differences	(738,004)	-	-	4,406
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	5,613	-	-
Gains (losses) from changes in the fair value of the hedging instrument:				
-Exchange rate risk for anticipated transactions	-	-	27,540	-
Gains (losses) from changes in fair value of the hedging instrument that will be reclassified to profit or loss:				
-Exchange rate risk for anticipated transactions	-	-	5,964	-
The actual differences between the equity and the book value of subsidiaries' disposal or purchase	(10,094)	-	-	-
Capital increase in subsidiaries non-controlling interest	-	-	-	450
Cash dividends from subsidiaries paid to non-controlling interest	-	-	-	(7,529)
Balance at December 31, 2019	**$ (1,352,809)**	**(200,376)**	**33,504**	**244,283**

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(t) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the year 2020 and 2019 are as follows:

	2020	2019
Basic earnings per share		
Profit attributable to common shareholders	$ 11,316,981	3,573,703
Weighted-average number of common shares	2,218,297	2,218,297
Basic earnings per share (In Dollars of New Taiwan Dollars)	$ 5.10	1.61
Diluted earnings per share		
Profit attributable to common shareholders (adjusted for the effects of all dilutive potential common shares)	$ 11,316,981	3,573,703
Weighted-average number of common shares (Basic)	2,218,297	2,218,297
Effects of employee stock compensation	3,519	2,685
Weighted average number of common shares (adjusted for the effects of all dilutive potential common shares)	2,221,816	2,220,982
Diluted earnings per share (In Dollars of New Taiwan Dollars)	$ 5.09	1.61

(u) Revenue from contracts with customers

1. Disaggregation of revenue

	2020	2019
Primary geographical markets:		
Asia	$ 46,581,636	46,769,004
the Middle East, India, Red Sea	17,636,991	15,079,009
United States, South America	17,661,555	11,103,170
	$ 81,880,182	72,951,183
Main service line:		
Freight	$ 77,165,128	69,259,615
Rentals	3,040,436	2,268,423
Appropriated dock	811,996	803,538
Other	862,622	619,607
	$ 81,880,182	72,951,183

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2.Contract balances

		2020.12.31	2019.12.31	2019.1.1
Notes receivable	$	52,358	39,735	29,636
Accounts receivable		3,589,704	2,207,133	2,862,054
Less: allowance for doubtful receivables		(358)	(358)	(358)
Total	$	**3,641,704**	**2,246,510**	**2,891,332**
Contract assets	$	**1,530,849**	**733,689**	**751,084**
Contract liabilities (recognized as other current liabilities)	$	**241,658**	**223,257**	**557,368**

For details on accounts receivable and allowance for impairment, please refer to note 6(e).

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(v) Remuneration of employees, directors and supervisors

In accordance with the Articles of incorporation the Group should contribute no less than 1% of the profit as employee compensation and less than 1% as directors' and supervisors' remuneration when there is profit for the year. However, if the Group has accumulated deficits, the profit should be reserved to offset the deficit.

For the years ended December 31, 2020 and 2019, the Group estimated its employee remuneration amounting to $143,617 thousand and $45,316 thousand, respectively. Moreover, directors' remuneration is the same as employee remuneration. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Group's articles. These remunerations were expensed under operating costs or operating expenses during 2020 and 2019. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2020 and 2019.

(w) Non-operating income and expenses

1. Interest income

		2020	2019
Interest income from bank deposits	$	71,829	185,773
Other interest income		48	426
	$	**71,877**	**186,199**

2. Other revenue

The details of other revenue for the years ended December 31, 2020 and 2019 were as follows:

		2020	2019
Dividend revenue	$	**320,420**	**210,980**

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3. Other gains and losses

The details of other gains and losses for the years ended December 31, 2020 and 2019 were as follows:

		2020	2019
Foreign exchange gains	$	272,359	310,426
Impairment losses on property, plant and equipment		-	(19,016)
Gain (loss) on financial assets at fair value through profit or loss		783,642	365,273
Gain on disposal of property, plant and equipment		208,852	1,119,393
Other gains		135,140	55,659
	$	**1,399,993**	**1,831,735**

4. Finance costs

The details of finance costs for the years ended December 31, 2020 and 2019 were as follows:

		2020	2019
Interest expense:			
Bank loan	$	203,476	423,606
Bonds payable		167,465	127,899
Commercial paper		17,168	18,794
Lease liabilities		139,289	122,161
	$	**527,398**	**692,460**

(x) Financial instruments

1. Credit risks

1) Credit risks exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

Since the Group has considerable customers worldwide and does not concentrate its transactions significantly with any single customer or in similar areas, the Group has no concentration of credit risk. The Group mitigates the credit risks by continuously monitoring customers' credit risk and credit ratings, however, the Group's policy usually does not require the customers to provide collateral.

3) Credit risk of receivables

For credit risk exposure of note and trade receivables, please refer to note 6(e). Other financial assets at amortized cost includes other receivables, receivables from agents and time deposits etc.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g) of the consolidated financial statements for the year ended December 31, 2020. There are no significant expected losses on other receivables and the financial assets at amortized cost by assessment, so none of the impairment allowance can be recorded.

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2. Liquidity risks

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2020							
Non-derivative financial liabilities							
Short-term borrowings	$ 50,000	50,175	50,175	-	-	-	-
Secured bank loans	13,775,190	14,326,853	1,621,950	1,675,846	3,094,098	5,337,504	2,597,455
Unsecured bank loans	2,845,475	2,891,741	372,010	120,437	938,270	1,461,024	-
Commercial paper	2,809,861	2,829,574	3,466	3,576	7,132	2,815,401	-
Account payables (including related parties)	8,386,638	8,386,638	8,386,638	-	-	-	-
Other payables	2,994,247	2,994,247	2,994,247	-	-	-	-
Payables to agents	127,385	127,385	127,385	-	-	-	-
Bonds payable	16,400,000	16,979,410	3,116,850	872,890	3,738,740	7,229,530	2,021,400
Lease liabilities (partial recognized as financial liabilities for hedging)	7,731,745	8,306,741	999,176	1,045,877	1,537,635	2,697,933	2,026,120
Guarantee deposits received (recognized as other current liabilities and non-current guarantee deposits)	820,722	820,722	820,722	-	-	-	-
	$ 55,941,263	57,713,486	18,492,619	3,718,626	9,315,875	19,541,392	6,644,975
December 31, 2019							
Non-derivative financial liabilities							
Short-term borrowings	$ 70,000	70,250	70,250	-	-	-	-
Secured bank loans	11,513,091	12,154,805	1,533,258	1,589,146	3,394,879	5,519,652	117,870
Unsecured bank loans	1,487,889	1,547,963	142,120	380,555	503,781	521,507	-
Commercial paper	2,729,753	2,764,750	9,621	9,739	2,745,390	-	-
Account payables (including related parties)	8,124,379	8,124,379	8,124,379	-	-	-	-
Other payables	2,536,977	2,536,977	2,536,977	-	-	-	-
Payables to agents	12,563	12,563	12,563	-	-	-	-
Bonds payable	13,900,000	14,523,650	116,850	48,640	3,965,490	8,371,270	2,021,400
Lease liabilities (partial recognized as financial liabilities for hedging)	5,128,986	5,575,648	490,338	438,414	830,352	2,151,053	1,665,491
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	670,292	670,292	670,292	-	-	-	-
	$ 46,173,930	47,981,277	13,706,648	2,466,494	11,439,892	16,563,482	3,804,761

The Group is do not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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3. Currency risk

1) Currency risk exposure

The Group's significant exposure to foreign currency risks was as follows:

	2020.12.31			2019.12.31		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 587,861	28.10	16,518,892	316,562	29.99	9,463,680
CNY	1,004,463	4.30	4,319,842	805,005	4.30	3,465,507
JPY	5,885,431	0.27	1,603,613	12,445,782	0.28	3,434,702
INR	1,113,320	0.38	428,200	678,829	0.42	285,487
THB	157,478	0.94	147,701	100,477	1.01	100,982
MYR	16,015	6.99	111,948	24,758	7.32	181,315
Non-monetary items						
VND	542,430,000	0.0012	660,268	396,752,400	0.0013	513,446
Financial liabilities						
Monetary items						
USD	549,370	28.10	15,437,307	464,195	29.99	13,921,222
CNY	784,765	4.30	3,374,996	309,164	4.30	1,330,936
JPY	8,728,432	0.27	2,378,250	9,615,799	0.28	2,653,702
HKD	278,476	3.62	1,009,427	281,868	3.85	1,085,502
INR	903,349	0.38	347,442	579,657	0.42	243,779
THB	282,042	0.94	264,532	238,571	1.01	239,770

2) Sensitivity analysis

The Group' s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, payables to agents, financial assets at fair value through profit or loss, loans and borrowings; and trade and other payables that are denominated in foreign currency.

A strengthening (weakening) of 1% of the TWD against the USD, HKD and JPY etc. as at December 31, 2020 and 2019, would have increased (decreased) the net profit before tax by $36,078 thousand and $1,522 thousand, respectively; the cash flow hedge would have increased (decreased) the equity by $36,741 thousand and $25,604 thousand, respectively. This analysis assumes that all other variables remain constant, and is performed on the same basis for the years ended December 31, 2020 and 2019.

3) Foreign Exchange Gain or Loss on Monetary Items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2020 and 2019, foreign exchange gains (including realized and unrealized portions) amounted to $272,359 thousand and $310,426 thousand, respectively.

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4. Interest rate analysis

Please refer to the notes on liquidity risk management and the Group's interest rate exposure to its financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 1%, the Group’s net profit before tax would have increased or decreased by $163,502 thousand and $153,010 thousand, respectively, for the years ended December 31, 2020 and 2019 with all other variable factors remaining constant. This is mainly due to the Group’s borrowing at variable rates.

5. Other market price risk

For the years ended December 31, 2020 and 2019, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2020		2019	
Prices of securities at the reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
Increasing 1%	$ 40,378	38,759	32,264	23,744
Decreasing 1%	(40,378)	(38,759)	(32,264)	(23,744)

6. Fair value information

1) The Categories and Fair Values of Financial Instruments

The Group assesses its financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income on a recurring basis by using the fair value method.

The carrying amount and fair value of the Group’s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liability, disclosure of fair value information is not required:

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	December 31, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value though profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss－domestic listed stocks	$ 4,836,764	4,836,764	-	-	4,836,764
Non-derivative financial assets mandatorily measured at fair value through profit or loss－domestic emerging stocks	8,076	8,076	-	-	8,076
Sub-total	4,844,840	4,844,840	-	-	4,844,840
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	3,377,664	3,377,664	-	-	3,377,664
Foreign listed stocks	660,115	660,115	-	-	660,115
Unquoted equity instrument measured at fair value	450,120	-	-	450,120	450,120
Sub-total	4,487,899	4,037,779	-	450,120	4,487,899
Financial assets measured at amortized cost					
Cash and cash equivalents	15,765,903	-	-	-	-
Notes receivable	52,358	-	-	-	-
Accounts receivable	3,589,346	-	-	-	-
Contract assets	1,530,849	-	-	-	-
Other receivables	1,425,327	-	-	-	-
Receivables from agents	1,213,957	-	-	-	-
Guarantee deposits paid (recognized as other current assets and other non-current assets)	259,510	-	-	-	-
Sub-total	23,837,250	-	-	-	-
Total	**$ 33,169,989**	**8,882,619**	**-**	**450,120**	**9,332,739**
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 50,000	-	-	-	-
Accounts payable	8,386,638	-	-	-	-
Other payables	2,994,247	-	-	-	-
Lease liabilities (including financial liabilities for hedging)	7,731,745	-	-	-	-
Payables to agents	127,385	-	-	-	-
Bonds payable (including current portion)	16,400,000	-	-	-	-
Long-term borrowings (including current portion)	19,430,526	-	-	-	-
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	820,722	-	-	-	-
Total	**$ 55,941,263**	**-**	**-**	**-**	**-**

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	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value though profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss－domestic listed stocks	$ 2,958,241	2,958,241	-	-	2,958,241
Non-derivative financial assets mandatorily measured at fair value through profit or loss－domestic emerging stocks	9,812	9,812	-	-	9,812
Non-derivative financial assets mandatorily measured at fair value through profit or loss－bond investment	1,157,131	-	-	1,157,131	1,157,131
Sub-total	4,125,184	2,968,053	-	1,157,131	4,125,184
Financial assets measured at amortized cost					
Accounts receivable	2,712,827	2,712,827	-	-	2,712,827
Contract assets	513,571	513,571	-	-	513,571
Receivables from agents	469,985	-	-	469,985	469,985
Sub-total	3,696,383	3,226,398	-	469,985	3,696,383
Loan and receivable					
Cash and cash equivalents	15,479,460	-	-	-	-
Notes receivable	39,735	-	-	-	-
Accounts receivable	2,206,775	-	-	-	-
Contract assets	733,689	-	-	-	-
Other receivables	1,197,291	-	-	-	-
Receivable from agents	939,080	-	-	-	-
Guarantee deposits paid (recognized as other current assets and other non-current assets)	288,112	-	-	-	-
Sub-total	20,884,142	-	-	-	-
Total	**$ 28,705,709**	**6,194,451**	**-**	**1,627,116**	**7,821,567**
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 70,000	-	-	-	-
Accounts payable	8,124,379	-	-	-	-
Other payables	2,536,977	-	-	-	-
Lease liabilities (including financial liabilities for hedging)	5,128,986	-	-	-	-
Payable to agents	12,563	-	-	-	-
Bonds payable (including current portion)	13,900,000	-	-	-	-
Long-term borrowings (including current portion)	15,730,733	-	-	-	-
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	670,292	-	-	-	-
Total	**$ 46,173,930**	**-**	**-**	**-**	**-**

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2) Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

If quoted prices in active markets are available, the prices are established as fair values. Market prices published by major stock exchange and OTC market, where high volume of central government bonds are traded, are the foundation of fair value of debt instruments with quoted market price in an active market and listed equity instruments.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high-ask spreads is an indication of non-active market.

If the Groups' financial instruments have an active market, wherein their fair values are determined as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to the quoted market prices.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data, e.g. yield curves from OTC and average quoted rates of commercial paper from Reuters quote system at the reporting date.

If the Groups' financial instruments do not have an active market, wherein their fair values are determined as follows:

Unquoted equity instrument:

The Company estimates the fair values by using the comparable trading company approach on the assumption that the fair values are calculated on the basis of the investees' book value per share and equity multipliers derived from comparable trading companies' quoted prices. The discount effect resulting from the lack of market liquidity has been taken into account.

Unquoted equity instrument:

The Company estimates the fair values by using the comparable trading company approach on the assumption that the fair values are calculated on the basis of the investees' EBITDA and earnings multipliers derived from comparable trading companies' quoted prices. The discount effect resulting from the lack of market liquidity has been taken into account.

Unquoted debt instrument:

The Company estimates the fair values by using the comparable trading debt approach, and utilizes the statistic model to determine the relationship between the value of debt investment and its related conditions and variables.

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3) For the years ended December 31, 2020 and 2019, there were no transferring of fair value hierarchy.

4) Reconciliation of Level 3 fair values

	Fair value through profit or loss	Fair value through other comprehensive income	
	Non-derivative mandatorily measured at fair value through profit or loss	Unquoted equity instruments	Total
Opening balance, January 1, 2020	$ 1,157,131	469,985	1,627,116
Total gains and losses recognized:			
In profit or loss	(15,531)	-	(15,531)
In other comprehensive income	-	(19,865)	(19,865)
Disposal	(1,141,600)	-	(1,141,600)
Ending balance, December 31, 2020	**$ -**	**450,120**	**450,120**
Opening balance, January 1, 2019	$ 1,127,838	417,947	1,545,785
Total gains and losses recognized:			
In profit or loss	29,293	-	29,293
In other comprehensive income	-	52,038	52,038
	$ 1,157,131	**469,985**	**1,627,116**

For the years ended December 31, 2020 and 2019, the total gains and losses that were included in "other gains and losses" and "unrealized gains (losses) on financial assets at fair value through other comprehensive income" were as follows:

	2020	2019
Total gains and losses recognized:		
In profit or loss, and presented in "other gains and losses"	$ -	29,293
In other comprehensive income, and presented in "unrealized gains or losses from financial assets at fair value through other comprehensive income"	$ (19,865)	52,038

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group' s financial instruments that use Level 3 inputs to measure fair value include " financial assets measured at fair value through profit or loss – debt investments" and "financial assets measured at fair value through other comprehensive income – unlisted equity investments".

Most of the Group's fair value measurements in Level 3 consist of only one significant unobservable input (except for the unlisted equity instrument). Because the significant unobservable inputs of equity instruments are independent of each other, there are no correlation between these inputs.

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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss－Debt investment without active markets	Discounted cash flow method	·Liquidity－adjusted discount rate (2.8401% on December 31, 2019.)	The estimated fair value would increase (decrease) if the liquidity－adjusted discount rate were lower (higher).
Financial assets at fair value through other comprehensive income－Unlisted equity investments	Comparable trading company method	· Liquidity-adjusted discount rate (28% on December 31, 2020 and December 31, 2019, respectively) · Price-to-book ratio (0.73 and 0.81 on December 31, 2020 and December 31, 2019, respectively) · EBITDA multiplier (9.67 and 9.68 on December 31, 2020 and December 31, 2019, respectively)	The estimated fair value would increase (decrease) if: · the liquidity-adjusted discount rate were lower (higher) · the price-to-book ratio were higher (lower) · the EBITDA multiplier were higher (lower)

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurements in financial instruments fair values are reasonable, but if the Group uses different valuation models or variables, the measurements may vary.

For fair value measurements in Level 3, changing one or more of the variables would have the following effects:

	Input	Positive and negative changes	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2020						
Financial assets at fair value through other comprehensive income						
Unlisted equity investment	Discount rate	1%	$ -	-	6,252	(6,252)
Unlisted equity investment	Price-to-book ratio multiplier	1%	-	-	4,362	(4,362)
Unlisted equity investment	EBITDA multiplier	1%	-	-	123	(123)
			$ -	**-**	**10,737**	**(10,737)**

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	Input	Positive and negative changes	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2019						
Financial assets at fair value through profit or loss						
Bond investment without an active market	Discount rate	1%	$ 11,909	(11,909)	-	-
Financial assets at fair value through other comprehensive income						
Unlisted equity investment	Discount rate	1%	-	-	6,528	(6,528)
Unlisted equity investment	Price-to-book ratio multiplier	1%	-	-	4,567	(4,567)
Unlisted equity investment	EBITDA multiplier	1%	-	-	121	(121)
			$ 11,909	**(11,909)**	**11,216**	**(11,216)**

The favorable and unfavorable effects represent the changes in fair value, and the fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the correlations and variances among the inputs.

(y) Financial risk management

1. Overview

The Group has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

2. Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group' s activities. The Group, through their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to The Board of Directors.

3. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment.

1) Accounts receivable and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk. Since the Group has considerable customers worldwide and does not concentrate transactions significantly with any single customer or in similar areas, The Group has no concentration of credit risk. The Group mitigates the credit risks by monitoring customers' credit risk and credit ratings continuously, however, the Group's policy usually doesn't require the customers to provide collateral.

The Board of Directors has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment terms are offered. The Group's review includes external ratings, when available, and in some cases bank references.

Credit limits are established for each customer, which represent the maximum open amount without requiring approval from the General Manager's office; these limits are reviewed quarterly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a advance received basis.

2) Investment

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Group's policy is to provide guarantee to subsidiaries. The detailed information is stated in note 13.

4. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities. The Group also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Group has unused credit line for $19,602,988 thousand and $11,953,995 thousand, as of December 31, 2020 and 2019.

5. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the TWD and US Dollars (USD). The currencies used in these transactions are denominated in TWD, USD and EUR.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

2) Interest rate risk

The Group adopts a policy of ensuring that 54.43% of its exposure to changes in interest rates on borrowings is on a fixed-rate basis.

3) Other market price risk

The management of the Group monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved and managed by the Board of Directors.

(z) Capital management

The Group meets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to its shareholders and other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

The debt-to-equity ratio is as follow:

	2020.12.31	2019.12.31
Total liabilities	$ 64,425,276	51,255,787
Less: Cash and cash equivalents	(15,765,903)	(15,479,460)
Net debt	**$ 48,659,373**	**35,776,327**
Total equity	**$ 44,172,342**	**36,348,465**
Debt-to-equity ratio	**110.16 %**	**98.43 %**

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(aa) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the year ended December 31, 2020 were as follows:

1. Acquired right-of-use assets through leasing, please refer to notes (6)(j).

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	2020.1.1	Cash flows	Others	Foreign exchange movement	2020.12.31
Long-term borrowings	$ 15,730,733	4,436,714	-	(736,921)	19,430,526
Short-term borrowings	70,000	(20,000)	-	-	50,000
Bonds payable	13,900,000	2,500,000	-	-	16,400,000
Lease liabilities (partial recognized as financial liabilities for hedging)	5,128,986	(998,801)	3,601,560	-	7,731,745
Total liabilities from financing activities	**$ 34,829,719**	**5,917,913**	**3,601,560**	**(736,921)**	**43,612,271**

			Non-cash changes		
	2019.1.1	Cash flows	Others	Foreign exchange movement	2019.12.31
Long-term borrowings	$ 19,410,980	(3,445,632)	-	(234,615)	15,730,733
Short-term borrowings	60,000	10,000	-	-	70,000
Bonds payable	6,900,000	7,000,000	-	-	13,900,000
Lease liabilities (partial recognized as financial liabilities for hedging)	5,463,590	(827,245)	492,641	-	5,128,986
Total liabilities from financing activities	**$ 31,834,570**	**2,737,123**	**492,641**	**(234,615)**	**34,829,719**

(7) Related-Party Transactions

(a) Names and relationship with related parties

Name of related party	Relationship with the Company
Tan Cang-Cai Mep International Terminal Co., Ltd. (Tan Cang-Cai Mep)	An associate
HAI PHONG INTERNATIONAL CONTAINER TERMINAL COMPANY LTD. (HAI PHONG)	An associate
Wan Hai Lines (UAE) LLC. (WHL UAE)	An associate
QINGDAO PORT AND WIN INTERNATIONAL LOGISTICS CO., LTD.	Joint Venture
Asia Pacific Logistics International Co., Ltd. (APLI)	Related party in substance
New World Container services Corporation	Subsidiary of APLI
Universal Checker Co., Ltd.	Related party in substance
Express Container Terminal Corp. (ECTC)	Related party in substance
New Sincere Transportation Corp. (NSTC)	Related party in substance

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Name of related party	Relationship with the Company
New Safety Transportation Corp. (NSaTC)	Related party in substance
An Chun Tally Co., Ltd.	Related party in substance
Taipei Port Container Terminal Corp. (Taipei Port)	Corporate director of the Group
Taian Insurance Co., Ltd.	Related party in substance
Wan Chun International Corp. (WCIC)	Subsidiary of ECTC
Apezgo Digital Information Co., Ltd.	Subsidiary of APLI
AP PETROLEUM BUSINESS CO., LTD.	Subsidiary of APLI
Formosa Wonderworld Co., Ltd. (Formosa Wonderworld)	Related party in substance
Interasia Lines Taiwan, Ltd.	Related party in substance
Hyaline Shipping (HK) Co., Ltd. (Hyaline)	Same director with the Group
Wan Hai Lines (Japan) Ltd. (WHL Japan)	Same director with the Group
INTERASIA LINES SINGAPORE PTE LTD. (IAL (S))	Related party in substance
INTERASIA LINES (M) SDN. BHD. (IAL(M))	Related party in substance
AP INT'L TRAVEL SERVICE CO., LTD.	Subsidiary of APLI
SUNSHINE SHIHLIN PAPER HOTEL	Related party in substance
Alpha Total Solution Pte. Ltd.	Subsidiary of APLI
WAN HAI CHARITY FOUNDATION	Related party in substance
New Speed Transportation & Terminal Co., Ltd. (NS)	Related party in substance
PHUC XUAN MARITIME SERVICE CO.,LTD.	Joint Venture
Transtotal Agencia Maritima S.A	Related party in substance

(b) Significant transactions with related parties

1. Sales to related parties:

	2020	2019
Other related parties	$ 1,994,674	1,478,096
Joint venture	8,933	2,010
	$ 2,003,607	**1,480,106**

The transaction terms with related parties were not significantly different from those of sales to third parties. The average collection period for notes and accounts receivable pertaining to such sales transactions ranged from one to three months, while the average collection period for routine sales transactions was within one month.

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2. Consideration for services related to the entity:

		2020	2019
Associate	$	145,558	122,395
Joint venture		1,754	-
Other related parties		3,523,941	3,574,916
	$	**3,671,253**	**3,697,311**

The transaction terms with related parties were not significantly different from those of the third parties. The average payment period for notes and accounts payable pertaining to such purchase transactions ranged from one to two months, which was similar to that of other normal vendors.

3. Receivables from related parties

Receivables of the Group from related parties were as follows：

Item	Related party categories		2020.12.31	2019.12.31
Accounts receivable	Other related parties	$	146,139	35,405
Other receivables	Associate		183	-
Other receivables	Other related parties		64,610	40,615
Receivables from agents	Other related parties－WHL Japan		981,342	736,864
Receivables from agents	Associate		31,604	18,492
		$	**1,223,878**	**831,376**

4. Payables from related parties

Payable of the Group related parties were as follows:

Item	Related party categories		2020.12.31	2019.12.31
Accounts payable	Other related parties	$	267,272	364,583
Accounts payable	Joint venture		6,425	6,343
Other payables	Other related parties		6,530	11,614
Other current liabilities	Other related parties		5,273	22,952
		$	**285,500**	**405,492**

5. Other related-party transactions

For the years ended December 31, 2020 and 2019, the Group sold the property, plant, and equipment to the related party amounting to $224 thousand and $238 thousand, also gains on disposal was $151 thousand and $191 thousand, respectively.

For the year ended December 31, 2020, the Group received payments of claims from other related parties amounting to $1,336 thousand.

For the years ended December 31, 2020 and 2019, the Group received payment of human support service from other related parties amounting to $18,097 thousand and $19,960 thousand.

For the years ended December 31, 2020 and 2019, the Group purchased miscellaneous from other related parties amounting to $31,062 thousand and $16,276 thousand.

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6.Leasing

In January 2019, the Group rented office buildings from its related enterprises to be used as its offices. 10-18-year lease contracts were signed, in which the rental fees were determined based on nearby office rental rates. The total value of the contracts was $18,465 thousand. For the years ended December 31, 2020 and 2019, the Group recognized the amount of $456 thousand and $441 thousand as interest expense, respectively. As of December 31, 2020 and 2019, the balance of lease liabilities amounted to $11,647 thousand, thousand and $8,681 thousand, respectively.

In January 2019 and July 2020, the Group rented containers from its other related parties. 1.5~12 year lease contracts were signed. The total value of the contract was $62,622 thousand. For the years ended December 31, 2020 and 2019, the Group recognized the amount of $977 thousand and $1,190 thousand as interest expense, respectively. As of December 31, 2020 and 2019, the balance of lease liabilities amounted to $47,069 thousand and $49,728 thousand, respectively.

(c) Key management personnel remuneration

Key management personnel remuneration comprised:

	2020	2019
Shorts-term employee benefits	$ 192,756	79,525
Post-employment benefits	170	160
	$ 192,926	**79,685**

(8) Pledged Assets

The carrying values of pledged assets were as follows:

Assets	Objective	2020.12.31	2019.12.31
Time deposits (recognized in other current assets)	Registration of container storage and truck lease contract	$ 6,184	6,542
Time deposits (recognized in other non-current assets)	Refundable deposits of harbor bureau and lease contract for wharf	104,505	106,565
Guarantee deposit paid (recognized in other non-current assets)	Lease contract for wharf, building lease contract and lawsuit	148,821	175,005
Wharf equipment (recognized in Property, plant and equipment)	Long-term loans	-	76,834
Containers (recognized in Property, plant and equipment)	Long-term loans	9,109,185	10,651,838
Vessels (recognized in Property, plant and equipment)	Long-term loans	13,051,797	11,965,572
Buildings (recognized in Property, plant and equipment)	Long-term loans	2,516,131	303,443
		$ 24,936,623	**23,285,799**

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(9) Significant Contingencies and Commitments

(a) Contract for port rental

To increase the quality of service and to decrease the cost of operations, the Group entered into a contract to lease a wharf in Japan in March 2003 and renewed it in April 2008. The lease period is from March 2003 to March 2028. As of December 31, 2020, the lease deposit amounted to ￥255,775,000 (TWD 69,691 thousand) was recorded in guarantee deposits paid.

The Group co-operated with the Kaohsiung Harbor Bureau to renovate containers and wharf facilities in December 2007 and rented the No. 63 and 64 wharf repair centers and straddle carrier. From the date of beginning renovation to the date the Harbor Bureau examined the construction, the rental period lasted 13 years and 7 months, and the total contract amount was $68,609 thousand, which was reclassified as leased assets on December 31, 2010, to replace previous prepayment for equipment.

The Group rented the W29 to W32 stacking yards from Keelung Harbor Bureau in February 2006, and the rental period is for 30 years beginning from the date of completion of inspection.

(b) Vessel construction contract:

Considering the Group's current fleet deployment and long-term development plan, the Group decided to acquire eight feeder container ships of 3,036 TEUs from Japan Marine United Corporation, and twelve feeder container ships of 2,038 TEUs from CHINA SHIPBUILDING TRADING COMPANY, LTD. and GUANGZHOU WENCHONG SHIPYARD CO.,LTD, costing JPY 37,680,000 thousand and USD 315,936 thousand (together equal TWD 20,137,000 thousand), respectively. As of December 31, 2020, the Group has prepaid the amount of $4,072,175 thousand, which was recognized in other non-current assets. However, the container ships have transferred one of 2,028 TEUs ship and four of 3,036 TEUs ship to the Group as of the above date.

(c) Ship purchase contract

For operational purpose, the Group entered into agreements in December to purchase 7 second-hand container ships, with a total price of approximately USD 208,180 thousand (TWD 5,849,858 thousand). The Group has already paid the amount of $389,410 thousand in advance (recognized in other non-current assets).

(d) As of December 31, 2020, the total amount claimed to the Group is approximately $12,968 thousand, and the related cases are under negotiation or under trial.

(10) Losses Due to Major Disasters: None.

(11) Significant Subsequent Events

(a) On January 25, 2021, the Group decided to enter into two an agreement with the sellers, JAPAN MARINE UNITED CORPORATION and NIHON SHIPYARD CO., LTD., to purchase twelve container ships, each having a carrying capacity of 3,013 TEU, at a total transaction amount of US$565,200 thousand for operational purpose.

(b) For operational purpose, the Group entered into agreements with the sellers, MI-DAS LINE S.A., CMB NV of De Gerlachekaai 20,2000 Antwerp (Belgium), and MYNY Maltese Co Ltd, Valletta, Malta, in February and March 2021 to purchase 4 second-hand container ships, at a total transaction amount of US$85,500 thousand.

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(c) According to its long-term development, as well as its operational and fleet allocation considerations, the Group approved to purchase 9 container ships, with a total carrying capacity of approximately 13,000 TEUs, at a maximum total price of USD 1,035,000 thousand (approximately TWD 29,249,100 thousand), based on a resolution made during the board meeting held on March 10, 2021.

(12) Others

(a) Employee benefits, depreciation, and amortization expenses, categorized as operating cost or expense, were as follows:

By function	2020			2019		
By item	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	2,166,579	2,735,240	4,901,819	2,188,840	2,172,873	4,361,713
Labor and health insurance	26,134	176,032	202,166	26,795	224,309	251,104
Pension	67,917	94,540	162,457	67,855	94,596	162,451
Remuneration of directors	-	158,389	158,389	-	55,534	55,534
Others employee benefits	143,296	81,006	224,302	166,553	87,335	253,888
Depreciation	5,522,338	246,267	5,768,605	5,070,626	212,777	5,283,403
Amortization	20,655	47,331	67,986	2,668	52,363	55,031

(13) Other Disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the " Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2020:

1. Fund financing to other parties:

(In thousands of TWD)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other party during the period	Ending balance (Note 6)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 3)	Maximum limitation on fund financing (Note 3)
													Name	Value		
0	The Company	WHL Singapore	Other receivables related	Yes	7,703,250	7,025,000	4,636,500	1.23~2.23%	1	-	Note 4	-	Promissory note	7,025,000	15,390,539	17,560,964
1	WHL INTL.	WHL India	Other receivables related	Yes	146,362	77,275	77,275	4.5%	1	-	Note 3	-	Promissory note	77,275	146,793	146,793
2	WHL Singapore	Yi Chun	Other receivables related	Yes	92,418	84,300	32,101	1.63~3.36%	1	-	Note 4	-	Promissory note	84,300	12,312,431	12,312,431

Note 1: Short-term financing.

Note 2: Repayment of loans.

Note 3: Acquisition of assets.

Note 4: Operating activities.

Note 5: Financing amount shall not exceed 40 percent of the lending company's net worth and the following:

1. Individual funding loan limits of financing for single borrower who has business with the lending company cannot exceed the total transaction amount of the current year.

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2. Individual funding loan limits for short-term borrower cannot exceed the lower of 40 percent of the lending company's net worth or 50 percent of borrower's net worth.
3. An individual loaned amount between the foreign companies whose voting shares are wholly owned by the Company directly or indirectly, or the foreign companies whose voting shares are wholly owned by the Company directly or indirectly to the Company, shall not exceed 40 percent of the lending company's net worth.

Note 6: Eliminated in the consolidated financial statement.

2. Guarantees and endorsements for other parties:

(In thousands of TWD)

Number	Name of the company	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount) (Note 3)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (note2)	Parent company endorses/ guarantees to third parties on behalf of subsidiary	Subsidiary endorses/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
	The Company	WHL Singapore	2	35,121,927	22,657,179	17,045,151	8,031,939	-	38.83 %	87,804,818	Y	N	N
	The Company	TK	2	35,121,927	9,193	-	-	-	- %	87,804,818	Y	N	N

Note 1: Relationship with the Company

1. The companies with which it has business relations.
2. Subsidiaries in which the company directly or indirectly holds more than 50% of its total outstanding common shares.
3. The parent company which directly or indirectly holds more than 50% of its voting rights.
4. Subsidiaries in which the company directly or indirectly holds more than 90% of its voting rights.
5. Companies in same type of business and providing mutual endorsements/ guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
6. Shareholders making endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.
7. Companies in same type of business providing guarantees of pre-sale contracts according to the regulation.

Note 2: According to the Company's "Policy and Procedures for Guarantee and Endorsement":

1. External endorsements and guarantees made by the Company may not exceed 200% of the Company's net worth.
2. Endorsements and guarantees made to a single enterprise may not exceed 40% of the Company or its subsidiaries' net worth.
3. The total amount of endorsements and guarantees of the Company and its subsidiaries as a whole may not exceed 250% of the Company's net worth.
4. Endorsements and guarantees made by the Company and its subsidiaries to a single enterprise may not exceed 50% of the Company's net worth.
5. Endorsements and guarantees made by the Company to the subsidiaries, or subsidiaries to the Company, are not subject to the above mentioned restrictions. However, the aggregate amount of endorsements/guarantees that the Company or its subsidiaries make for a single company may not exceed 80% of the net worth of the company providing guarantees.

Note 3: Eliminated in the consolidated financial statements.

3. Securities held as of December 31, 2020 (excluding investment in subsidiaries, associates and joint ventures):

(In thousands of TWD)

Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Highest percentage of capital investment during the period	Notes
				Number of shares	Book value	Percentage of shares	Market value		
The Company	Domestic listed stocks: GREATWALL ENTERPRISE CO., LTD.	-	Financial assets at fair value through profit or loss-current	11,870,579	603,025	1.43 %	603,025	- %	
〃	Formosa Plastics Corporation	-	〃	376,288	36,274	0.01 %	36,274	- %	
〃	Formosa Chemicals & Fibre Corporation	-	〃	245,480	20,792	- %	20,792	- %	
〃	Tainan Spinning Co., Ltd.	-	〃	5,439,898	81,599	0.33 %	81,599	- %	

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Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Highest percentage of capital investment during the period	Notes
				Number of shares	Book value	Percentage of shares	Market value		
The Company	TAIYEN BIOTECH CO., LTD	-	Financial assets at fair value through profit or loss-current	1,108,000	36,232	0.55 %	36,232	- %	
〃	China Steel Corporation	-	〃	2,291,162	56,706	0.01 %	56,706	- %	
〃	Delta Electronics, Inc.	-	〃	3,930,000	1,033,590	0.15 %	1,033,590	- %	
〃	Hon Hai Precision Ind. Co., Ltd.	-	〃	93,440	8,597	- %	8,597	- %	
〃	Taiwan Semiconductor Manufacturing Co., Ltd	-	〃	384,000	203,520	- %	203,520	- %	
〃	Transcend Information, Inc.	-	〃	89,111	5,792	0.02 %	5,792	- %	
〃	Amtran Technology Co., Ltd.	-	〃	984,058	12,301	0.12 %	12,301	- %	
〃	Yang Ming Marine Transport Corp.	-	〃	957,526	28,008	0.04 %	28,008	- %	
〃	China Airlines Ltd.	-	〃	23,753,862	286,234	0.44 %	286,234	- %	
〃	Chinese Maritime Transport Ltd.	-	〃	435,050	15,357	0.22 %	15,357	- %	
〃	Mega Financial Holding Co., Ltd.	-	〃	17,634,646	525,512	0.13 %	525,512	- %	
〃	Taishin Financial Holding Co., Ltd.	-	〃	37,657,608	498,963	0.35 %	498,963	- %	
〃	First Financial Holding Co., Ltd.	-	〃	15,947,731	340,484	0.12 %	340,484	- %	
〃	The Eslite Spectrum Corporation	-	〃	1,078,000	85,593	2.27 %	85,593	- %	
〃	Kinsus Interconnect Technology Corp.	-	〃	334,627	27,071	0.07 %	27,071	- %	
〃	Shih Wei Navigation Co., Ltd.	-	〃	678,680	8,823	0.24 %	8,823	- %	
〃	Taiwan Cooperative Financial Holding Co., Ltd.	-	〃	30,924,560	629,315	0.23 %	629,315	- %	
〃	Taiwan Secom Co., Ltd.	-	〃	3,303,000	292,976	0.73 %	292,976	- %	
	Domestic Emerging stocks:								
〃	Tigerair Taiwan	-	Financial assets at fair value through profit or loss-current	262,635	8,076	0.09 %	8,076	- %	
	Domestic listed stocks:								
〃	Shihlin Paper Corporation	Related party in substance	Financial assets at fair value through other comprehensive income-non-current	6,374,088	377,984	2.45 %	377,984	- %	
〃	Chunghwa Telecom Co., Ltd.	-	〃	27,520,000	2,999,680	0.35 %	2,999,680	- %	

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Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Highest percentage of capital investment during the period	Notes
				Number of shares	Book value	Percentage of shares	Market value		
	Domestic unlisted stocks:								
The Company	Taipei Port Container Terminal Corp.	Related party in substance	Financial assets at fair value through other comprehensive income-non-current	79,315,476	436,162	15.25 %	436,162	- %	
〃	United Stevedoring Corporation	-	〃	781,250	13,958	15.63 %	13,958	- %	
	Foreign listed stocks:								
WHL Singapore	Da Nang Port Joint Stock Company	-	Financial assets at fair value through other comprehensive income-non-current	20,090,000	660,115	20.29 %	660,115	- %	

4. Accumulated buying/selling of the same marketable securities for which the dollar amount reaches $300 million or 20% or more of paid-in capital:

Name of Company	Category and name of security	Account name	Name of counter-party	Relationship with the Company	Beginning balance		Purchases		Sales				Ending balance	
					Shares/ Units	Amount	Shares/ Units	Amount	Shares/ Units	Price	Cost	Disposal gain (loss)	Shares/ Units	Amount
The Company	Chunghwa Telecom Co., Ltd.	Financial assets at fair value through other comprehensive income－non-current	-	-	22,992,000	2,529,120	4,528,000	470,560	-	-	-	-	27,520,000	2,999,680

Note 1: Includes valuation adjustments on financial assets.

5. Acquisition of real estate for which the dollar amount reaches $300 million or 20% or more of paid in capital:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Nome of Company	Name of property	Transaction/ Occurrence date	Transaction amount	Conditions of payment	Counter-party	Relationship	If the counter-party is a related party, disclose the precious transfer information				References for determining price	Purpose for obtaining and usage status	Notes
							Owner	Relationship with the Company	Transfer date	Amount			
The Company	Land and building	2020/5/6	2,228,880	Paid	CHONG HONG CONSTRUCTION CO., LTD	-	-	-	-	-	Market value and appraisal report	For the mediumterm and longterm development of its Taipei headquarter.	None
The Company	Land and building	2020/5/14	538,000	Paid	YI JINN INDUSTRIAL CO., LTD.	-	-	-	-	-	Market value and appraisal report	For longterm investment, mediumterm and longterm development.	None
The Company	Land and building	2020/9/28	1,538,000	Paid	CHONG HONG CONSTRUCTION CO., LTD	-	-	-	-	-	Market value and appraisal report	For the longterm developoment of the Company	None

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6. Disposition of real estate for which the dollar amount reaches $300 million or 20% or more of paid-in capital: None.

7. Buying/selling products for which the dollar amount reaches $100 million or 20% or more of paid-in capital:

Name of company	Name of Counter-party	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/notes receivable (payable) (Note 1)	
The Company	Interasia Lines Taiwan	Related party in substance	Loading and unloading revenue	(104,829)	0.17 %	30 days	-	-	15,106	0.25 %	
〃	WHL-Vietnam	Subsidiary	Commission fee	125,502	0.24 %	〃	-	-	(60,056)	0.68 %	Note 2
〃	Taipei Port	Corporate director of the company	Container fee, terminal handling charges	812,302	1.54 %	〃	-	-	(9)	- %	
〃	WHL-Singapore	Subsidiary	Rent income, commission revenue, shipping agent revenue	(3,077,578)	4.97 %	〃	-	-	-	- %	Note 2
〃	WHL-Singapore	Subsidiary	Vessel rental expense, Oil expense	5,866,584	11.13 %	〃	-	-	(1,146,798)	12.94 %	Note 2
〃	IAL Singapore	Related party in substance	Joint venture revenue, container rental revenue, shipping agent revenue, ship rental revenue	(1,503,873)	2.43 %	〃	-	-	119,395	2.00 %	
〃	IAL Singapore	Related party in substance	Joint venture revenue, Container rental cost	320,646	0.61 %	〃	-	-	-	- %	
〃	WHL Hongkong	Subsidiary	Commission fee	1,216,916	2.31 %	〃	-	-	(794,344)	8.96 %	Note 2
〃	WHL (Japan)	Same director with the company	Commission fee	242,582	0.46 %	〃	-	-	-	- %	
〃	Hyaline	Same director with the company	Commission fee	603,776	1.15 %	〃	-	-	-	- %	
〃	NSTC	Related party in substance	Tow charge	511,365	0.97 %	〃	-	-	(47,876)	0.54 %	
〃	APLI	Related party in substance	Container fee	319,107	0.61 %	〃	-	-	(9,292)	0.10 %	
〃	WCIC	Related party in substance	Turnkey fee	160,652	0.30 %	〃	-	-	(24,015)	0.27 %	

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Name of company	Name of Counter-party	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/notes receivable (payable) (Note 1)	
The Company	NSaTC	Related party in substance	Tow charge, Container fee	116,249	0.22 %	30 days	-	-	(6,545)	0.07 %	
〃	WHL-Malaysia	Subsidiary	Commission fee	118,958	0.23 %	〃	-	-	-	- %	Note 2
〃	New World Container services Corporation	Related party in substance	Container fee	125,444	0.24 %	〃	-	-	(13,095)	0.15 %	
〃	TK Logistics International Co., Ltd.	Subsidiary	Container fee, Labor fee, Terminal handling charge	130,749	0.25 %	〃	-	-	(15,875)	0.18 %	Note 2
〃	WHL-Thailand	Subsidiary	Commission fee	113,574	0.22 %	〃	-	-	(201,401)	2.27 %	Note 2
WHL-Singapore	The Company	Subsidiary	Rent expense, commission fee, shipping agent expense	3,077,578	14.42 %	30 days	-	-	-	- %	Note 2
〃	The Company	Subsidiary	Oil revenue, Vessel rental revenue	(5,866,584)	21.46 %	〃	-	-	1,146,798	48.11 %	Note 2
WHL Hongkong	The Company	Subsidiary	Commission income	(1,216,916)	85.16 %	〃	-	-	794,344	25.74 %	Note 2
WHL-Malaysia	The Company	Subsidiary	Commission income	(118,958)	100.00 %		-	-	-	- %	Note 2
WHL-Thailand	The Company	Subsidiary	Commission income	(113,574)	93.41 %		-	-	201,401	80.59 %	Note 2
TK Logistics International Co., Ltd.	The Company	Subsidiary	Container revenue, Service revenue	(130,749)	52.16 %		-	-	15,875	53.08 %	Note 2
WHL-Vietnam	The Company	Subsidiary	Commission income	(125,502)	100.00 %		-	-	60,056	41.13 %	Note 2

Note 1: Including notes receivable / payable, accounts payable－related parties and receivable / payable from / to agents, contract assets.

Note 2: Eliminated in the consolidated financial statements.

8. Accounts receivable from related parties for which the dollar amount reaches $100 million or 20% or more of paid-in capital:

Name of related party	Counter-party	Relationship	Balance of receivables from related party	Turnover rate	Past-due receivables from related party		Subsequently received amount of receivables from related party	Allowances for bad debts
					Amount	Action taken		
The Company (Note 2)	WHL India	Subsidiary	391,673	- %	-	-	387,815	-
The Company (Note 2)	IAL Singapore	Related party in substance	119,395	- %	-	-	119,395	-
The Company (Note 2)	WHL (Japan)	Same director with the Company	981,342	- %	-	-	866,633	-
The Company (Note 2)	Clipper	Subsidiary	1,127,566	- %	-	-	1,127,566	-

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Name of related party	Counter-party	Relationship	Balance of receivables from related party	Turnover rate	Past-due receivables from related party		Subsequently received amount of receivables from related party	Allowances for bad debts
					Amount	Action taken		
The Company (Note 2)	Shenzhen Uniwin International Logistics Ltd.	Subsidiary	272,421	- %	-	-	246,315	-
The Company (Note 3)	WHL-Singapore	Subsidiary	4,842,911	- %	-	-	205,473	-
WHL Thailand (Note 2)	The Company	Subsidiary	201,401	- %	-	-	158,631	-
WHL-HongKong (Note 2)	The Company	Subsidiary	794,344	- %	-	-	794,344	-
Bao Sheng Shipping Agency Co., Ltd.	The Company	Subsidiary	191,564	- %	-	-	189,839	-
WHL-Singapore (Note 2)	The Company	Subsidiary	1,146,798	- %	-	-	1,146,798	-

Note 1: Eliminated in the consolidated financial statements.

Note 2: Including accounts receivable, contract assets and receivable from agent.

Note 3: Other receivable.

9. Derivative transactions: None.

10. Business relationships and significant inter-company transactions:

Number (Note 1)	Name of the company	Name of the counter-party	Existing relationship with the counter-party (Note 2)	Transaction details during 2020			
				Account name	Amount	Terms of trading	Percentage of the total consolidated revenue or total assets (Note 3)
0	The Company	WHL-Hongkong	1	Shipping agent expense	1,216,916	No significant differences	1.49 %
0	The Company	WHL-Singapore	1	Vessel rental expense, Oil expense	5,866,584	No significant differences	7.16 %
0	The Company	WHL-Singapore	1	Rent income, commission revenue, shipping agent revenue	3,077,578	No significant differences	3.76 %
0	The Company	WHL-Singapore	1	Accounts payable	1,146,798	No significant differences	1.06 %
0	The Company	Clipper international shipping agency Ltd.	1	Agent current account	1,127,566	No significant differences	1.04 %

Note 1: numbers denote the following:

1. 0 represents the Company.
2. Subsidiaries are listed by names and numbered starting with 1.

Note 2: relationship with the listed companies:

1. The Company to subsidiary
2. Subsidiary to the Company
3. Subsidiary to subsidiary

Note 3: The disclosed amounts are above 1% of total assets for balance sheet accounts or 1% of total operating revenue for income statement accounts of the Group.

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(b) Information on investees

For the year ended December 31, 2020, the following is the information on investees (excluding investees in Mainland china):

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Peak	Net income	Investment	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value	Holding Percentage	(loss) of the investee	income (losses)	
The Company	Wan Hai Lines (Singapore) Pte. Ltd.	Singapore	Transportation and shipping agency service, vessel rental service, and international transportation and shipping agency services	21,983,099	21,983,099	979,399,234	100.00 %	35,745,788	100.00 %	6,553,945	7,088,033	Subsidiary (Note 2、3)
〃	k.k. WH Corporation	Japan	Terminal operation and management service, and vessel rental service	7,141	7,141	500	100.00 %	24,513	100.00 %	3,000	3,000	Subsidiary (Note 3)
〃	Wan Hai Lines (Germany) GmbH	Germany	Transportation and shipping agency services	-	1,018	-	- %	-	100.00 %	(382)	(382)	Subsidiary (Note 1、3、4)
〃	Tan Cang-Cai Mep International Terminal Co., Ltd.	Vietnam	Managing wharf and containers	259,917	259,917	-	21.33 %	436,375	21.33 %	568,974	121,362	Associate (Note 1)
〃	T.K. Logistics International Co., Ltd.	Taiwan	Managing container terminals and storage facilities	143,000	143,000	14,300,000	55.00 %	156,410	55.00 %	20,597	11,329	Subsidiary (Note 3)
〃	Bao Sheng Shipping Agency Co., Ltd.	Taiwan	Acting as agent for transportation affair and contracting ocean shipping and related services.	30,000	30,000	3,000,000	70.01 %	40,652	70.01 %	6,573	4,602	Subsidiary (Note 3)
〃	Hai Phong International Container Terminal Co., Ltd.	Vietnam	Managing wharf and containers	598,211	598,211	-	16.50 %	534,245	16.50 %	172,257	28,423	Associate (Note 1)
WHL-Singapore	Wan Hai Lines (Phils.), Inc.	Philippines	Transportation and shipping agency services	5,991	5,991	901,540	100.00 %	11,040	100.00 %	(1,855)	(1,855)	Indirect subsidiary (Note 3)
〃	Wan Hai Lines (H.K.) Limited	Hong Kong	Transportation and shipping agency services	695,246	695,246	160,000,000	100.00 %	3,579,522	100.00 %	620,765	620,765	Indirect subsidiary (Note 3)
〃	Wan Hai Lines (M) Sdn. Bhd.	Malaysia	Transportation and shipping agency services	4,613	4,613	500,000	100.00 %	74,268	100.00 %	(1,933)	(1,933)	Indirect subsidiary (Note 3)
〃	Yi Chun Shipping Agencies Sdn. Bhd.	Malaysia	ODD operations	1,845	1,845	200,000	100.00 %	17,515	100.00 %	3,209	3,209	Indirect subsidiary (Note 3)
〃	Wan Hai Lines (Korea) Ltd.	Korea	Transportation and shipping agency services	11,019	11,019	80,000	100.00 %	52,655	100.00 %	14,762	14,762	Indirect subsidiary (Note 3)
〃	Wan Hai International Pte. Ltd.	Singapore	Transportation and shipping agency services	239,979	239,979	10,312,460	100.00 %	523,370	100.00 %	76,167	76,167	Indirect subsidiary (Note 3)
〃	Wan Hai Lines (Thailand) Ltd.	Thailand	Transportation and shipping agency services	4,732	2,805	49,000	49.00 %	75,164	49.00 %	21,479	10,525	Indirect subsidiary (Note 3)
〃	Wan Hai (Vietnam) Ltd.	Vietnam	Transportation and shipping agency services	8,691	8,691	-	100.00 %	61,145	100.00 %	43,487	43,487	Indirect subsidiary (Note 1、3)
〃	HE CHUN LOGISTICS COMPANY LTD.	Vietnam	ODD operations	60,857	60,857	-	100.00 %	77,893	100.00 %	22,939	22,939	Indirect subsidiary (Note 1、3)
〃	Wan Hai Lines Peru S.A.C.	Peru	Transportation and shipping agency services	1,942	1,942	245,124	99.00 %	13,441	99.00 %	12,234	12,111	Indirect subsidiary (Note 3)
〃	WanHai Lines (Ecuador) S.A.	Ecuador	Transportation and shipping agency services	1,627	1,627	51,000	51.00 %	9,079	51.00 %	14,207	7,246	Indirect subsidiary (Note 3)
〃	PHUC XUAN MARITIME SERVICE CO.,LTD.	Vietnam	Container yard business	9,186	9,186	-	49.00 %	22,919	49.00 %	31,042	15,210	Associate (Note 1)

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Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Peak	Net income	Investment	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value	Holding Percentage	(loss) of the investee	income (losses)	
WHL-Singapore	Bravely International Pte. Ltd.	Singapore	Transportation and investment	625,026	413,778	28,262,221	100.00 %	133,395	100.00 %	(5,149)	(5,149)	Indirect subsidiary (Note 3)
〃	WAN HAI LINES (USA) LTD.	America	Transportation and shipping agency services	437,514	437,514	284,381	100.00 %	433,750	100.00 %	26,605	26,605	Indirect subsidiary (Note 3)
〃	Wan Hai Shipping Limited	Myanmar	Transportation and shipping agency services	1,075	1,075	35,000	70.00 %	931	70.00 %	(209)	(146)	Indirect subsidiary (Note 3)
WHL INTL.	Wan Hai Lines (UAE) LLC.	Dubai	Transportation and shipping agency services	1,365	1,365	147	49.00 %	31,583	49.00 %	63,651	31,189	Associate
〃	Infinite Marine Investment Co., Ltd.	Cayman	Investment	173,463	173,463	5,550,000	100.00 %	5,674	100.00 %	7,597	7,597	Indirect subsidiary (Note 3)
〃	Wan Hai Lines (India) PVT Ltd.	India	Transportation and shipping agency services	69	69	10,000	100.00 %	158,743	100.00 %	45,275	45,275	Indirect subsidiary (Note 3)
〃	Wan Hai Lines Peru S.A.C.	Peru	Transportation and shipping agency services	20	20	2,476	1.00 %	136	1.00 %	12,234	123	Indirect subsidiary (Note 3)
WHL Hongkong	Dawin Logistics (International) Limited	Hong Kong	Managing container, storage and logistics services	570,480	570,480	144,640,000	100.00 %	992,194	100.00 %	87,004	87,004	Indirect subsidiary (Note 3)
Bravely International Pte. Ltd.	Bravely (Myanmar) Transport and Logistics Company Limited	Myanmar	Management container, storage and logistic service	127,584	127,584	4,000,000	80.00 %	90,773	80.00 %	(3,590)	(2,872)	Indirect subsidiary (Note 3)
WAN HAI LINES (USA) LTD.	Wan Hai Lines (Arizona) LLC.	America	House rental and management	359,760	359,760	-	100.00 %	358,025	100.00 %	9,129	9,129	Indirect subsidiary (Note 1、3)
Wan Hai Lines (India) PVT Ltd.	WH Logistics Private Limited	India	Managing container, storage and logistics services	395	-	100,000	50.00 %	312	50.00 %	(150)	(75)	Associate

Note 1: Limited companies with no common shares issued.

Note 2: The difference is due to the unrealized gain /loss.

Note 3: Eliminated in the consolidated financial statements.

Note 4: The liquidation process was completed in March, 2020.

(c) Information on investment in Mainland China

1. Information on investment in Mainland China:

Name of the investee in Mainland China	Major operations	Issued capital	Method of investment	Beginning remittance balance - Cumulative investment (amount) from Taiwan	Current remittance/recoverable investment (amount)		Ending remittance balance - Cumulative investment (amount) from Taiwan	Net income (loss) of the investee	Direct /indirect shareholding (%) by the Company	Peak Holding Percentage	Current investment gains and losses (Note 2)	Carrying Amount	Accumulated Inward Remittance of Earnings
					Remittance amount	Recoverable amount							
Guangzhou Wan Hai Information Technology Ltd.	Information software service	7,922	(1)	-	-	-	-	(2,187)	100.00 %	100.00 %	(2,187)	21,354	-
Shenzhen Uniwin International Logistics Ltd.	Freight transportation and acting as agent for transport affairs	644,016	(1)	-	-	-	-	67,538	100.00 %	100.00 %	67,538	840,976	-
Clipper International Shipping Agency Ltd.	International shipping agency services	4,070	(1)	-	-	-	-	21,880	49.00 %	49.00 %	10,721	10,448	-
Blue Ocean Logistics (Shanghai) Ltd.	Containers, storage and international transportation services	32,596	(1)	-	-	-	-	7,498	100.00 %	100.00 %	7,498	74,517	-
Shenzhen Yong Chun International Shipping Management Co., Ltd.	International shipping management	29,068	(1)	-	-	-	-	9,735	90.00 %	90.00 %	8,701	32,647	-

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Name of the investee in Mainland China	Major operations	Issued capital	Method of investment	Beginning remittance balance - Cumulative investment (amount) from Taiwan	Current remittance/recoverable investment (amount)		Ending remittance balance - Cumulative investment (amount) from Taiwan	Net income (loss) of the investee	Direct /indirect shareholding (%) by the Company	Peak Holding Percentage	Current investment gains and losses (Note 2)	Carrying Amount	Accumulated Inward Remittance of Earnings
					Remittance amount	Recoverable amount							
Wan Hang Tours Co., Ltd.	Retailing and Catering management	287,330	(1)	-	-	-	-	(5,651)	50.00 %	50.00 %	(2,826)	116,241	-
Qingdao port & Win International Logistics Co., Ltd.	Container yard station	50,188	(1)	-	-	-	-	20,323	50.00 %	50.00 %	10,162	37,269	-

Note 1: Indirectly invested in Mainland China through investees.
Note 2: The investment income (loss) recognized in current period was audited and certified by the CPA of the Company.

2. Limitation on investment in Mainland China:

Aggregate investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by Investment Commission of Ministry of Economic Affairs	Limitation on investment in Mainland China by Investment Commission of Ministry of Economic Affairs
-	1,131,368	26,341,445

Note: The Company's investments in Mainland China were mostly from the investees' self-owned capital in indirect subsidiaries.

3. Significant transactions:

As of December 31, 2020, the significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
Yi Chun (Liberia) Shipping Co., Ltd.	285,234,291	12.85 %
TCE	170,902,859	7.70 %
CCE	170,902,859	7.70 %
Asia Pacific Logistics International Co., Ltd.	166,854,398	7.52 %

(14) Segment Information

(a) General Information

The segment's operating results are reviewed regularly by the entity's chief operating decision maker to make decisions pertaining to the allocation of the resources of the segment and to assess its performance for which the discrete financial information is available. Only one reportable segment of the Group was identified, and it's mainly associated with the shipping operations.

(b) The Group has only one segment associated with shipping operations. Please refer to the Consolidated Balance Sheets and Consolidated Statements of comprehensive Income for its segment profit or loss, segment assets and segment liabilities.

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(c) Entity－wide Information:

Geographical Areas:

The segments information of the Group that is identified based on geographical areas was as follow. Operating segments were identified based on the way in which revenues were classified according to customer's location, and non-current assets were classified according to the location of asset.

By region		2020	2019
Revenue from external customers:			
Asia	$	46,581,636	46,769,004
the Middle East, India, Red sea		17,636,991	15,079,009
America, South America		17,661,555	11,103,170
Total	**$**	**81,880,182**	**72,951,183**

By region		2020.12.31	2019.12.31
Non-current assets:			
Asia	$	70,462,916	53,878,603
India		144,260	209,125
America		307,135	325,362
Total	**$**	**70,914,311**	**54,413,090**

Non-current assets include property, plant and equipment, investment property, intangible assets, right-of-use assets and other assets, not including financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract (non-current).

(d) Information about Major Customers:

The Group does not have more than 10% corporate income from single customer.

6.5 Financial Statements for Fiscal Year 2020

6.5.1 Independent Auditor's Report

Independent Auditors' Report

To the Board of Directors of Wan Hai Lines Ltd.:

Opinion

We have audited the financial statements of Wan Hai Lines Ltd.("the Company"), which comprise the statement of financial position as of December 31, 2020 and 2019, and the statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the year ended December 31, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

   Please refer to Note(4)(o) " Revenue" , Note (5)(a) " Uncertainty associated with the assumptions and estimations for revenue recognition" and Note(6)(u) "Revenue disclosures" of the financial statements.

   How the matter was addressed in our audit

   The freight revenue is recognized in proportion to the stage of completion of the voyage measured by reference to the proportion of the actual shipping days incurred in balance sheet date. The voyage days is estimated depending on historical experience which involved high uncertainty. Consequently, this is one of the key areas our audit focused on.

Our principal audit procedures included:

Understanding how the management estimates the voyage days of each route including its method and source; sampling the source data from the system and obtaining the method on how the system compute the voyage days to evaluate the reasonableness of the estimated voyage days of each route from the management.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Rou-Lan, Kuo and Chung-Yi Chiang.

KPMG

Taipei, Taiwan (Republic of China)
March 22, 2021

Notes to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial statements of financial position, financial performance and its cash flows in accordance with the 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

BALANCE SHEETS

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Assets	2020.12.31 Amount	%	2019.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note (6)(a))	$ 8,553,009	5	10,326,321	7
1110	Current financial assets at fair value through profit or loss (note (6)(b))	4,844,840	3	4,125,184	3
1150	Notes receivable, net (notes (6)(e) and 6(u))	49,698	-	39,456	-
1170	Accounts receivable, net (notes (6)(e), (6)(u) and (7))	1,316,196	1	674,229	-
1140	Current contract assets (note (6)(u))	1,530,849	1	733,689	-
1200	Other receivables, net (note (7))	5,542,057	3	815,080	1
1330	Inventories, net (note (6)(f))	1,160,891	1	1,406,894	1
1475	Receivables from agents (note (7))	3,073,816	2	2,144,272	1
1479	Other current assets, others (note (8) and (9))	438,754	-	443,825	-
		26,510,110	16	20,708,950	13
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	3,827,784	2	3,182,812	2
1550	Investments accounted for using equity method, net (note (6)(g))	36,937,983	22	31,711,924	19
1600	Property, plant and equipment (notes (6)(i), (8) and (9))	20,976,137	13	17,953,542	11
1755	Right-of-use assets (note (6)(j))	74,302,608	45	85,001,414	53
1760	Investment property, net (notes (6)(k) and (8))	3,472,681	2	1,419,389	1
1780	Intangible assets (note (6)(l))	80,514	-	76,285	-
1900	Other non-current assets (notes (8) and (9))	809,177	-	944,367	1
		140,406,884	84	140,289,733	87
	Total assets	$ 166,916,994	100	160,998,683	100

	Liabilities and Equity	2020.12.31 Amount	%	2019.12.31 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note (6)(m))	$ -	-	-	-
2126	Current financial liabilities for hedging (notes (6)(d) and (p))	818,459	-	534,197	-
2170	Accounts payable (note (7))	7,605,831	5	6,447,879	4
2200	Other payables (note (7))	1,439,458	1	1,341,339	1
2230	Current tax liabilities (note (6)(r))	1,087,909	1	-	-
2280	Current lease liabilities (notes (6)(p) and (7))	6,972,488	4	7,527,026	4
2320	Current portion of long-term loans (notes (6)(n), (6)(o) and (8))	6,547,118	4	2,563,977	2
2350	Payables to agents (note(7))	1,259,893	1	1,079,343	1
2300	Other current liabilities (notes (u) and (7))	178,708	-	201,874	-
		25,909,864	16	19,695,635	12
	Non-Current liabilities:				
2511	Non-current financial liabilities for hedging (notes (6)(d) and (p))	2,855,649	2	2,026,200	1
2530	Bonds payable (note (6)(o))	12,600,000	8	13,900,000	9
2540	Long-term borrowings (notes (6)(n) and (8))	12,256,982	7	10,495,861	7
2570	Deferred tax liabilities (note (6)(r))	4,130,138	2	2,709,262	2
2580	Non-current lease liabilities (notes (6)(p) and (7))	64,825,024	39	75,619,329	47
2640	Accrued pension liabilities-non current (note(6)(q))	416,815	-	442,660	-
2645	Guarantee deposits received	20,113	-	5,554	-
		97,104,721	58	105,198,866	66
	Total liabilities	123,014,585	74	124,894,501	78
	Equity (notes (6)(s) and (t)):				
3100	Common stock	22,182,975	13	22,182,975	14
3200	Capital surplus	1,271,775	1	1,271,775	1
	Retained earnings:				
3310	Legal reserve	7,225,691	4	6,869,483	4
3320	Special reserve	1,519,682	1	810,700	-
3350	Retained earnings-unappropriated	14,941,889	9	6,488,930	4
		23,687,262	14	14,169,113	8
	Other equity interest:				
3411	Exchange differences on translation of foreign financial statements	(3,465,395)	(2)	(1,352,809)	(1)
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	75,448	-	(200,376)	-
3450	Gains (losses) on hedging instruments (note(6)(d))	150,344	-	33,504	-
		(3,239,603)	(2)	(1,519,681)	(1)
	Total equity	43,902,409	26	36,104,182	22
	Total liabilities and equity	$ 166,916,994	100	160,998,683	100

Seeing accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2020		2019	
		Amount	%	Amount	%
4000	**Operating revenue (notes (6)(u) and (7))**	$ 61,915,516	100	59,102,119	100
5000	**Operating costs (notes (6)(f) and (7))**	52,728,111	85	55,724,042	94
	Gross profit	9,187,405	15	3,378,077	6
6000	**Operating expenses**	2,653,366	4	2,230,329	4
	Income from operations	6,534,039	11	1,147,748	2
	Non-operating income and expenses (notes (6)(g) and (6)(x)):				
7100	Interest income	73,000	-	107,727	-
7010	Other income	284,984	-	200,327	-
7020	Other gains and losses	1,527,174	2	1,877,565	3
7050	Finance costs	(1,601,126)	(2)	(1,771,749)	(3)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	7,256,367	12	2,879,313	5
	Total non-operating income and expenses	7,540,399	12	3,293,183	5
7900	**Profit before tax**	14,074,438	23	4,440,931	7
7950	**Less: Income tax expenses**	2,757,457	5	867,228	1
	Net Profit	11,316,981	18	3,573,703	6
8300	**Other comprehensive income (loss):**				
8310	**Items that may not be reclassified subsequently to profit and loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	(38,268)	-	(38,697)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	98,056	-	10,060	-
8331	Gains (losses) on the remeasurements of defined benefit plans, subsidiaries, associates and joint ventures accounted for using equity method	6,420	-	19,339	-
8336	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income, subsidiaries, associates and joint ventures accounted for using equity method	177,768	-	(4,447)	-
8349	Less: Income tax related to components of other comprehensive income that may not be reclassified subsequently	7,654	-	7,739	-
	Total items that may not be reclassified subsequently to profit and loss	251,630	-	(6,006)	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation	(2,124,502)	(3)	(743,226)	(1)
8368	Gains (losses) on hedging instrument	116,840	-	33,504	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	11,916	-	5,222	-
	Total items that may be reclassified subsequently to profit and loss	(1,995,746)	(3)	(704,500)	(1)
8300	**Other comprehensive income (net of tax)**	(1,744,116)	(3)	(710,506)	(1)
	Total comprehensive income	**$ 9,572,865**	**15**	**2,863,197**	**5**
	Basic earnings per share (New Taiwan Dollars) (note (6)(t))	**$ 5.10**		**1.61**	
	Diluted earnings per share (New Taiwan Dollars) (note (6)(t))	**$ 5.09**		**1.61**	

Seeing accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

WAN HAI LINES LTD.

STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Stock		Retained Earnings			Other Equity Items			
	Common Stock	Capital Surplus	Legal reserve	Special reserve	Retained Earnings - Unappropriated	Foreign Currency Translation Differences Arising from Foreign Operations, Net of Tax	Unrealized Gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total
Balance at January 1, 2019	$ 22,182,975	1,261,681	6,757,693	1,127,482	4,065,321	(604,711)	(205,989)	-	34,584,452
Net profit	-	-	-	-	3,573,703	-	-	-	3,573,703
Other comprehensive income	-	-	-	-	(11,619)	(738,004)	5,613	33,504	(710,506)
Total comprehensive income (loss)	-	-	-	-	3,562,084	(738,004)	5,613	33,504	2,863,197
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	111,790	-	(111,790)	-	-	-	-
Cash dividends	-	-	-	-	(1,343,467)	-	-	-	(1,343,467)
Reversal of special reserve	-	-	-	(316,782)	316,782	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	10,094	-	-	-	(10,094)	-	-	-
Balance at 2019.12.31	22,182,975	1,271,775	6,869,483	810,700	6,488,930	(1,352,809)	(200,376)	33,504	36,104,182
Net profit	-	-	-	-	11,316,981	-	-	-	11,316,981
Other comprehensive income	-	-	-	-	(24,194)	(2,112,586)	275,824	116,840	(1,744,116)
Total comprehensive income (loss)	-	-	-	-	11,292,787	(2,112,586)	275,824	116,840	9,572,865
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	356,208	-	(356,208)	-	-	-	-
Special reserve appropriated	-	-	-	708,982	(708,982)	-	-	-	-
Cash dividends	-	-	-	-	(1,774,638)	-	-	-	(1,774,638)
Balance at December 31, 2020	**$ 22,182,975**	**1,271,775**	**7,225,691**	**1,519,682**	**14,941,889**	**(3,465,395)**	**75,448**	**150,344**	**43,902,409**

Seeing accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before income tax	$ 14,074,438	4,440,931
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	8,134,102	7,971,701
Amortization expense	67,247	54,093
Net (gain) loss on financial assets at fair value through profit or loss	(783,642)	(365,273)
Interest expense	1,601,126	1,771,749
Interest revenue	(73,000)	(107,727)
Dividend income	(284,984)	(200,327)
Investment income under the equity method	(7,256,367)	(2,879,313)
Gain on disposal of property, plant and equipment	(139,379)	(1,014,281)
Gain on unrealized foreign exchange	(403,295)	(157,077)
Gain on lease modification	(196,596)	(4,593)
Others	5,093	5,671
Total adjustments to reconcile profit (loss)	670,305	5,074,623
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in contract assets	(797,160)	17,395
Notes receivable	(10,242)	(12,838)
Accounts receivable (including related parties)	(641,967)	529,265
Other receivables	(112,564)	136,877
Inventories	246,003	(416,799)
Receivables from agents	(929,544)	(8,154)
Other current assets	5,071	290,413
Financial assets at fair value through profit or loss, mandatorily measured at fair value	8,039	(313,980)
Total changes in operating assets, net	(2,232,364)	222,179
Changes in operating liabilities, net:		
Accounts payable (including related parties)	1,157,952	517,373
Other payables	414,224	123,733
Payables to agents	180,550	370,514
Other current liabilities	(22,705)	(426,514)
Accrued pension liabilities	(64,113)	(113,016)
Total changes in operating liabilities, net	1,665,908	472,090
Total changes in operating assets and liabilities	(566,456)	694,269
Total adjustments	103,849	5,768,892
Cash inflow generated from operations	14,178,287	10,209,823
Income taxes paid	(116,407)	(107,188)
Net cash provided by operating activities	14,061,880	10,102,635
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(546,916)	(136,742)
Acquisition of property, plant and equipment	(5,022,920)	(5,170,405)
Proceeds from disposal of property, plant and equipment	194,288	1,215,291
Decrease in other receivables due from related parties	(4,636,500)	-
Acquisition of intangible assets	(21,757)	(31,007)
Acquisition of investment property	(2,068,722)	(1,423,384)
Other non-current assets	(230,904)	(267,829)
Interest received	77,968	114,819
Dividends received	371,999	272,445
Net cash used in investing activities	(11,883,464)	(5,426,812)
Cash flows from financing activities:		
Proceeds from issuing bonds	2,500,000	8,000,000
Repayments of bonds	-	(1,000,000)
Proceeds from long-term loans	9,650,640	8,913,800
Repayment of long-term loans	(7,250,083)	(9,416,039)
Guarantee deposit	14,098	4,627
Cash dividends paid	(1,774,638)	(1,343,467)
Lease repayments- principal portions	(5,468,600)	(5,604,094)
Interest paid	(1,623,145)	(1,738,491)
Net cash used in financing activities	(3,951,728)	(2,183,664)
Net increase (decrease) in cash and cash equivalents	(1,773,312)	2,492,159
Cash and cash equivalents at beginning of period	10,326,321	7,834,162
Cash and cash equivalents at end of period	**$ 8,553,009**	**10,326,321**

Seeing accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company History

Wan Hai Lines Ltd. (the Company) was incorporated as a company limited by shares on February 24, 1965, under the approval of the Ministry of Economic Affairs, ROC. The address of the Company's registered office is 10F, No. 136 Songjiang Rd., Taipei City. The Company is primarily involved in the business of international marine transportation, shipping agencies, container storage service, and the sale and rental of vessels and containers.

(2) Approval Date and Procedures of the Financial Statements

The Board of Directors approved and issued the financial statements on March 22, 2021.

(3) New Standards, Amendments and Interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The details of impact on the Company's adoption of the new amendments beginning January 1, 2020 are as follows:

(i) Amendments to IFRS 16 "COVID-19-Related Rent Concessions"

As a practical expedient, a lessee may elect not to assess whether a rent concession that meets certain conditions is a lease modification, rather any changes in lease liability are recognized in profit or loss. The amendments have been endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") in July 2020, earlier application from January 1, 2020 is permitted. Related accounting policy is explained in Note (4)L.

The Company has elected to apply the practical expedient for all rent concessions that meet the criteria beginning January 1, 2020, with early adoption. No adjustment was made upon the initial application of the amendments. The amounts recognized in profit or loss for the year ended December 31, 2020 was $2,842 thousand.

(ii) Other amendments

The following new amendments, effective January 1, 2020, do not have a significant impact on the Group's consolidated financial statements:

- Amendments to IFRS 3 "Definition of a Business"
- Amendments to IFRS 9, IAS39 and IFRS7 "Interest Rate Benchmark Reform"
- Amendments to IAS 1 and IAS 8 "Definition of Material"

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2021, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform－Phase 2"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

(4) Summary of Significant Accounting Policies

The accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language financial statements, the Chinese version shall prevail.

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(b) Basis of preparation

1. Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) Hedging financial instruments are measured at fair value;

4) The net defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, with a limit based on a defined benefit asset.

2. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollars (TWD), which is the Company's functional currency. All financial information presented in TWD has been rounded to the nearest thousand.

(c) Foreign currency

1.Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) qualifying cash flow hedges to the extent that the hedges are effective.

2.Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent.

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent.

An entity shall classify a liability as current when:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

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(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The saving deposits which satisfied the definition above and held for the purpose of meeting short-term cash commitments, rather than for investment or other purposes, are reported as cash equivalents.

Bank overdrafts that are repayable on demand and from an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

1.Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

· the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management' s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

·how the performance of the portfolio is evaluated and reported to the Company's management;

·the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

·how managers of the business are compensated—e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

·the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

·contingent events that would change the amount or timing of cash flows;

·terms that may adjust the contractual coupon rate, including variable rate features;

·prepayment and extension features; and

·terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

6) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivable, receivables from agents, guarantee deposit paid and other financial assets) and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

·debt securities that are determined to have low credit risk at the reporting date; and

·other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available (without undue cost or effort). This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a time deposit to have low credit risk when its trading counterparties' credit risk ratings are equivalent to the globally understood definition of 'investment grade '.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. The difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

·significant financial difficulty of the borrower or issuer;

·a breach of contract such as a default or being more than 90 days past due;

·the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

·it is probable that the borrower will enter bankruptcy or other financial reorganization; or

·the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income in stead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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7) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

2. Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.Hedge accounting

The Company designates certain hedging instruments (which include non-derivatives in respect of foreign currency risk) as cash flow hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

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At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

1) Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under ‘ other equity — gains (losses) on hedging instruments’, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. Furthermore, if the Company expects that some or all of the loss accumulated in other equity will not be recovered in the future, that amount is immediately reclassified to profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. The discontinuation is accounted for prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item’ s cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

(g) Inventories

Fuels purchased by the Company are recorded under inventory account. Inventories are measured at the lower of cost or net realizable value. The cost of inventories consists of all costs of purchase and other costs incurred in bringing the inventories to a salable and useable location and condition. Inventory cost is calculated using the first-in first-out principle.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

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The financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Subsidiaries

The subsidiaries which the Company is holding for controlling are measured under equity method in the financial statement. Under equity method, the net income, other comprehensive income and equity in the financial statement are equivalent to the net income, other comprehensive income and equity which are contributed to the owners of parent in the financial statement.

The changes in ownership of the subsidiaries are recognized as equity transaction.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant, and equipment

1.Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

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2.Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3.Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)Buildings	13～56 years
2)Vessels	1～25 years
3)Major component of vessels: docking repair assets	2.5 years
4)Containers	1～10 years
5)Privileyed wharf equipment	1～15 years
6)Other equipment	1～15 years

Depreciation methods, useful lives and residual values, are reviewed at each reporting date, and adjusted if appropriate.

(l) Leases

(i) Identifying a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

2) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3) the customer has the right to direct the use of the asset throughout the period of use only if either:

- the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or

- the relevant decisions about how and for what purpose the asset is used are predetermined and:
  - the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
  - the customer designed the asset in a way that predetermines how and for what purpose it will be?used throughout the period of use.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(ii) As a leasee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or

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- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Company will allocate the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of vessels, buildings, containers and other equipments that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Company elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- the rent concessions occurring as a direct consequence of the COVID-19 pandemic;
- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2021; and
- there is no substantive change in other terms and conditions of the lease.

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In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(iii) As a leasor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

(m) Intangible assets

1.Recognition and measurement

Other intangible assets, including software and trademarks, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

2.Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3.Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1)Softwares	2～5 years
2)Trademarks	3～10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if apprpriate.

(n) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually for impairment.

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For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Revenue

1.Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Service revenue

The Company provides vessel transportation services and recognizes revenue using percentage-of-completion of voyage method. If the Company has recognized revenue, but not have the right to collect bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional. When the payment has excessed the services rendered, then the entitlement to consideration is recognized as a contract liability.

2) Rental revenue

The Company provides rental of vessels, slottage rental expense and containers and recognizes revenue using straight-line method over the lease term.

3) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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2.Contract costs

1) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

A.the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;

B.the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

C.the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(p) Government grants

The Company recognizes an unconditional government grant as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(q) Employee benefits

1.Defined contribution plans

Obligations for contributions to the defined contribution plans are expensed as related service is provided.

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2.Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling if any (excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

1. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
2. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

1. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
   1) the same taxable entity; or
   2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(s) Earnings per share

The Company discloses the Company’s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(t) Operating segments

The operating segment information is disclosed in the Company's consolidated financial statements; therefore, the Company does not disclose segment information in these financial statements.

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(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the future period.

(a) Revenue recognition

The Company's cargo freight revenue is recognized using the percentage-of-completion of voyage method. The method is based on historical trend, and the high uncertainty of voyage days will lead to adjustments of the estimated value.

(6) Explanation to Significant Accounts

(a) Cash and cash equivalents

		2020.12.31	2019.12.31
Cash	$	54,325	48,445
Savings accounts		8,016,024	3,108,775
Time deposits		482,660	7,169,101
Cash and cash equivalents in statement of cash flows	**$**	**8,553,009**	**10,326,321**

Please refer to Note 6(x) for the interest rate analysis of financial assets and liabilities.

(b) Financial assets and liabilities at fair value through profit or loss

		2020.12.31	2019.12.31
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Stocks listed on domestic markets	$	4,836,764	2,958,241
Emerging stocks on domestic markets		8,076	9,812
Debt securities		-	1,157,131
Total	**$**	**4,844,840**	**4,125,184**

1.For the net gain or loss on fair value on financial instruments at FVTPL, please refer to Note 6(w).

2.As of December 31, 2020 and 2019, the Company's financial assets were not pledged as collateral.

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

		2020.12.31	2019.12.31
Equity investments at fair value through other comprehensive income			
Stocks listed on domestic markets	$	3,377,664	2,712,827
Stocks unlisted on domestic markets		450,120	469,985
Total	$	**3,827,784**	**3,182,812**

1. Equity investments at fair value through other comprehensive income

   The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term for strategic purposes.

   For the years ended December 31, 2020 and 2019, no strategic investments were disposed, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

   For the years ended December 31, 2020 and 2019, the dividends of $117,358 thousand and $98,478 thousand related to equity investments at fair value through other comprehensive income, were recognized.

2. For credit risk and market risk, please refer to Note 6(y).

3. As of December 31, 2020 and 2019, the financial assets of the Company had not been pledged as collateral.

(d) Financial instruments used for hedging

The amounts at the reporting date relating to the lease liabilities designated as hedging instruments were as follows:

		2020.12.31	2019.12.31
Cash flow hedge:			
Financial liabilities used for hedging:			
Current lease liabilities	$	818,459	534,197
Non-current lease liabilities		2,855,649	2,026,200
Total	$	**3,674,108**	**2,560,397**

The Company's strategy is to use lease liabilities to hedge its estimated foreign currency exposure in respect of highly probable future cash revenues. The amounts at the reporting date relating to the items designated as hedging instruments were as follows:

Items to be hedged	Financial assets or liabilities designated to be hedging instruments	Fair value 2020.12.31	Fair value 2019.12.31	Time period(s) during which the future cash flows generated	Time period(s) during which the related gains or losses are expected to be recognized in the income statement
Freight revenue (USD)	Lease liabilities	$ 2,312,368	989,769	2020～2025	2020～2025
WHL terminal revenue (JPY)	Lease liabilities	1,361,740	1,570,628	2020～2028	2020～2028

Items		2020	2019
Amounts recognized as other comprehensive income	$	**116,840**	**33,504**

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For the year ended December 31, 2020, no ineffective portion of cash flow hedge that should be recognized in profit or loss, for reconciliation of each component of equity, and an analysis of other comprehensive income, please refer to note (6)(s).

(e) Notes receivable and accounts receivable

	2020.12.31	2019.12.31
Notes receivable	$ 49,698	39,456
Accounts receivable	1,316,554	674,587
Less: Allowance for doubtful receivables	(358)	(358)
	$ 1,365,894	**713,685**

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on December 31, 2020 and 2019. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provision as of December 31, 2020 and 2019 was determined as follows:

	2020.12.31		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 1,292,092	0%~0.0006%	358
Overdue 0~30 days	65,805	0%~0.0007%	-
Overdue 31~120 days	8,327	0%~0.002%	-
Overdue 121~365 days	28	0%~0.003%	-
Overdue more than 365 days	-	0%~100%	-
	$ 1,366,252		**358**

	2019.12.31		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 702,171	0%~0.0006%	352
Overdue 0~30 days	10,898	0%~0.0007%	-
Overdue 31~120 days	742	0%~0.002%	-
Overdue 121~365 days	226	0%~0.003%	-
Overdue more than 365 days	6	0%~100%	6
	$ 714,043		**358**

The movement in the allowence for notes and accounts receivables were as follows :

	2020	2019
Ending balance (equals to beginning balance)	**$ 358**	**358**

Please refer to (6)(x) for the credit risks and the currency risks of the notes receivables, accounts receivables, other receivables and receivables from agents of the Company.

As of December 31, 2020 and 2019, the notes and trade receivable of the Company had not been pledged as collateral.

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(f) Inventories

	2020.12.31	2019.12.31
Marine diesel oil	$ 119,331	145,084
Marine residual fuel oil	1,048,866	1,255,817
Fresh lubricating oil	5,841	6,153
Subtotal	1,174,038	1,407,054
Less: Allowance for inventory valuation and obsolescence losses	(13,147)	(160)
Total	**$ 1,160,891**	**1,406,894**

For the years ended December 31, 2020, the write-downs of inventories to net realizable value amounting to $12,987 thousand. The write-downs were included in operating costs.

For the year ended December 31, 2019, the reversal of write-downs amounted to $123,931 thousand because the previous reason that casued the net receivable value of inventries lower than its cost has disappeared. The reversals are recongnized in cost of goods sold.

As of December 31, 2020 and 2019 the Company's inventories were not pledged as collateral.

(g) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	2020.12.31	2019.12.31
Subsidiaries	$ 35,967,363	30,752,642
Associates	970,620	959,282
	$ 36,937,983	**31,711,924**

1. Subsidiaries

Please refer to the consolidated financial statments for the years ended December 31, 2020.

2. Associates

For the first half of 2017, the Company acquired 16.5% of the shares of Hai Phong International Container Terminal Company Ltd. (HICT) for USD6,459 thousand in cash. The Company gets one of HICT's directors, and participated its finance and operating policy decision. Therefore, the Company has significant influence on it, and accounts for it using equity method.

The financial information of individually non-significant equity method associates included in the financial statements were as follows:

	2020.12.31	2019.12.31
The carrying amount of individually non-significant associates' equity	**$ 970,620**	**959,282**

	2020	2019
Attributable to the Company:		
Profit (loss) from continuing operations	$ 149,785	110,380
Total comprehensive income	**$ 149,785**	**110,380**

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3.Collateral

The Company did not provide any investment accounted for using equity method as collaterals for its loans.

(h)Changes in a parent's ownership interest in a subsidiary

1.Disposal of part of equity ownership of subsidiaries without losing control

The Company adjusted its organization structure in October 2019,and disposed 100% of Wan Hai Lines (America) Ltd.'s equity ownership to its subsidiary, Wan Hai Lines (Singapore) Pte. Ltd., with a price of $436,704 thousand. The aforementioned transaction is considered an equity transaction because it does not affect the Company's ultimate control over Wan Lai Lines (America) Ltd., and the difference between its disposal price and the book value of Wan Hai Lines (America) Ltd is recognized as capital surplus.

(i) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2020 and 2019, were as follows:

	Land	Buildings	Vessels	Containers	Other equipment	Privileged wharf equipment	Total
Cost:							
Balance at January 1, 2020	$ 620,477	123,736	3,814,756	25,988,525	746,315	2,031,044	33,324,853
Additions	1,573,962	642,428	88,646	2,276,647	50,957	96,301	4,728,941
Reclassification	-	-	-	-	26,159	180,020	206,179
Disposals	-	-	-	(610,945)	(19,111)	-	(630,056)
Balance at December 31, 2020	**$ 2,194,439**	**766,164**	**3,903,402**	**27,654,227**	**804,320**	**2,307,365**	**37,629,917**
Balance at January 1, 2019	$ 620,477	123,736	4,311,107	24,245,824	607,402	1,524,200	31,432,746
Additions	-	-	197,577	4,280,528	110,710	160,614	4,749,429
Reclassification	-	-	-	-	56,706	346,230	402,936
Disposals	-	-	(693,928)	(2,537,827)	(28,503)	-	(3,260,258)
Balance at December 31, 2019	**$ 620,477**	**123,736**	**3,814,756**	**25,988,525**	**746,315**	**2,031,044**	**33,324,853**
Depreciation and impairment loss:							
Balance at January 1, 2020	$ -	72,067	3,029,103	10,980,636	373,240	916,265	15,371,311
Depreciation	-	5,875	104,643	1,559,186	78,476	125,085	1,873,265
Disposals	-	-	-	(571,685)	(19,111)	-	(590,796)
Balance at December 31, 2020	**$ -**	**77,942**	**3,133,746**	**11,968,137**	**432,605**	**1,041,350**	**16,653,780**
Balance at January 1, 2019	$ -	69,341	3,639,587	11,876,504	336,379	827,847	16,749,658
Depreciation	-	2,726	81,778	1,388,091	65,365	88,418	1,626,378
Disposals	-	-	(692,262)	(2,283,959)	(28,504)	-	(3,004,725)
Balance at December 31, 2019	**$ -**	**72,067**	**3,029,103**	**10,980,636**	**373,240**	**916,265**	**15,371,311**
Carrying amounts:							
Balance at December 31, 2020	**$ 2,194,439**	**688,222**	**769,656**	**15,686,090**	**371,715**	**1,266,015**	**20,976,137**
Balance at January 1, 2019	**$ 620,477**	**54,395**	**671,520**	**12,369,320**	**271,023**	**696,353**	**14,683,088**
Balance at December 31, 2019	**$ 620,477**	**51,669**	**785,653**	**15,007,889**	**373,075**	**1,114,779**	**17,953,542**

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As of December 31, 2020 and 2019, the property, plant and equipment of the Company had been pledged as collateral for long-term borrowings and guaranteed financing; please refer to note (8).

(j) Right-of-use assets

The Company leases many assets including wharfs, vessels, containers, and other equipment. Information about leases for which the Company as a lessee is presented below:

	Wharfs	Vessels	Containers	Others	Total
Cost:					
Balance as of January 1, 2020	$ 3,595,337	86,246,985	1,375,646	14,972	91,232,940
Additions	1,276	14,294,058	1,710,439	11,706	16,017,479
Decreases	-	(12,635,174)	(105,739)	(1,171)	(12,742,084)
Remeasurement	634,949	(10,288,723)	97,712	-	(9,556,062)
Balance as of December 31, 2020	**$ 4,231,562**	**77,617,146**	**3,078,058**	**25,507**	**84,952,273**
Balance as of January 1, 2019	$ -	-	-	-	-
Effects of retrospective application	3,670,639	67,570,666	883,649	14,972	72,139,926
Balance as of January 1, 2019 after adjustments	3,670,639	67,570,666	883,649	14,972	72,139,926
Additions	-	3,924,841	467,594	-	4,392,435
Decreases	-	(848,010)	-	-	(848,010)
Remeasurement	(75,302)	15,599,488	24,403	-	15,548,589
Balance as of December 31, 2019	**$ 3,595,337**	**86,246,985**	**1,375,646**	**14,972**	**91,232,940**
Accumulated depreciation and impairment losses:					
Balance as of January 1, 2020	$ 432,346	5,454,565	339,996	4,619	6,231,526
Depreciation for the year	437,957	5,350,361	450,691	6,398	6,245,407
Decreases	-	(1,721,039)	(105,739)	(490)	(1,827,268)
Balance as of December 31, 2020	**$ 870,303**	**9,083,887**	**684,948**	**10,527**	**10,649,665**
Balance as of January 1, 2019	$ -	-	-	-	-
Depreciation for the year	432,346	5,564,367	339,996	4,619	6,341,328
Decreases	-	(109,802)	-	-	(109,802)
Balance as of December 31, 2019	**$ 432,346**	**5,454,565**	**339,996**	**4,619**	**6,231,526**
Carrying amount:					
Balance as of December 31, 2020	**$ 3,361,259**	**68,533,259**	**2,393,110**	**14,980**	**74,302,608**
Balance as of December 31, 2019	**$ 3,162,991**	**80,792,420**	**1,035,650**	**10,353**	**85,001,414**

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(k) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right-of-use assets, as well as properties that are owned by the Company. The leases of investment properties contain an initial non-cancellable lease term of 3 years, with the lessees having the options to extend at the end of the term.

For all investment property leases, the rental income is fixed under the contracts. Information about investment property of the Company is presented below:

	Owned property		
	Land and improvements	Buildings	Total
Cost:			
Balance at January 1, 2020	$ 1,269,509	153,875	1,423,384
Purchases	1,558,714	510,008	2,068,722
Balance at December 31, 2020	**$ 2,828,223**	**663,883**	**3,492,106**
Balance at January 1, 2019	$ -	-	-
Purchases	1,269,509	153,875	1,423,384
Balance at December 31, 2019	**$ 1,269,509**	**153,875**	**1,423,384**
Depreciation and impairment losses:			
Balance at January 1, 2020	$ -	3,995	3,995
Depreciation for the year	-	15,430	15,430
Balance at December 31, 2020	**$ -**	**19,425**	**19,425**
Balance at January 1, 2019	$ -	-	-
Depreciation for the year	-	3,995	3,995
Balance at December 31, 2019	**$ -**	**3,995**	**3,995**
Carrying amount:			
Balance at December 31, 2020	**$ 2,828,223**	**644,458**	**3,472,681**
Balance at January 1, 2019	**$ -**	**-**	**-**
Balance at December 31, 2019	**$ 1,269,509**	**149,880**	**1,419,389**
Fair value:			
Balance at December 31, 2020			**$ 3,820,400**
Balance at December 31, 2019			**$ 1,448,500**

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The fair value of investment properties (as measure or disclosed in the financial statements) in Taiwan at December 31, 2020 and 2019 was based on valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued. The yield method under the income approach would have been used by calculating cash flow generated from rental operations if there was no active market for the investment properties. The inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3. The ranges of yields applied to the net annual rentals used to determine the fair value of properties in the year of 2020, and 2019 were as follows:

Location	2020	2019
Taiwan	1.59%-2.11%	1.55%

The investment property is a commercial real estate which was bought for operation planning on December 31, 2020 and 2019. That property has been currently leasing out for rental income, and no contingent rents are charged. The rent revenue is $16,629 thousand and $3,910 thousand for the year 2020 and 2019, respectively.

As of December 31, 2020 and 2019 the investment property of the Company had not been pledged as collateral.

(l) Intangible assets

The costs and amortization of the intangible assets of the Company for the years ended December 31, 2020 and 2019 were as follows:

		Computer software	Trademarks	Total
Costs:				
Balance at January 1, 2020	$	155,510	4,081	159,591
Additions		21,464	293	21,757
Reclassification		49,719	-	49,719
Disposals		(77,575)	(317)	(77,892)
Balance at December 31, 2020	**$**	**149,118**	**4,057**	**153,175**
Balance at January 1, 2019	$	144,048	5,440	149,488
Additions		29,916	1,091	31,007
Reclassification		4,888	243	5,131
Disposals		(23,342)	(2,693)	(26,035)
Balance at December 31, 2019	**$**	**155,510**	**4,081**	**159,591**
Amortization and impairment loss:				
Balance at January 1, 2020	$	81,991	1,315	83,306
Amortization for the year		66,821	426	67,247
Disposals		(77,575)	(317)	(77,892)
Balance at December 31, 2020	**$**	**71,237**	**1,424**	**72,661**

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	Computer software	Trademarks	Total
Balance at January 1, 2019	$ 52,291	2,957	55,248
Amortization for the year	53,042	1,051	54,093
Disposals	(23,342)	(2,693)	(26,035)
Balance at December 31, 2019	**$ 81,991**	**1,315**	**83,306**
Carrying amounts:			
Balance at December 31, 2020	**$ 77,881**	**2,633**	**80,514**
Balance at December 31, 2019	**$ 73,519**	**2,766**	**76,285**
Balance at January 1, 2019	**$ 91,757**	**2,483**	**94,240**

1. Recognition of amortization and impairment

The amortization of intangible assets and their impairment losses are included in the statement of comprehensive income:

	2020	2019
Operating costs	**$ 20,655**	**2,668**
Operating expense	**$ 46,592**	**51,425**

(m) Short-term borrowings

	2020.12.31	2019.12.31
Unsecured bank loans	**$ -**	**-**
Unused short-term credit lines	**$ 3,732,456**	**4,416,160**

1.Issuance and repayment of short-term borrowings

For the years ended December 31, 2020 and 2019, the proceeds from short-term borrowings amounted to $9,420,000 thousand and $8,720,000 thousand respectively and the repayments amounted to $9,420,000 thousand and $8,720,000 thousand respectively.

2.Collateral for bank loan

There were no assets pledged as collateral for the short-term borrowing of the Company.

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(n) Long-term borrowings

The borrowings were summarized as follows:

	Expiration date	2020.12.31	2019.12.31
Unsecured bank loans - USD	2022/12/21-2024/02/11	$ 695,475	978,424
Unsecured bank loans - TWD	2021/06/18-2023/12/08	2,150,000	500,000
Secured bank loans - USD	2021/07/28-2025/06/29	7,399,097	8,518,328
Secured bank loans - TWD	2021/12/21-2040/10/08	1,949,667	333,333
Commercial paper	2023/06/11-2023/12/28	2,810,000	2,730,000
Less: Discount on commercial paper		(139)	(247)
Less: Current portion		(2,747,118)	(2,563,977)
Total		**$ 12,256,982**	**10,495,861**
Unused long-term credit lines		**$ 15,762,000**	**7,399,550**
Range of interest rates		**0.26%~2.80%**	**0.38%~3.74%**

For information on the Company's interest risk, currency risk and liquidity risk, please refer to note 6(x).

1.Issuance and repayment of long-term borrowings

For the years ended December 31, 2020 and 2019, the proceeds from long-term borrowings amounted to $9,650,640 thousand and $8,913,800 thousand respectively, and the repayment amounted to $7,250,083 thousand and $9,416,039 thousand, respectively.

2.Collateral for long-term borrowings

For the collateral for long-term borrowings, please refer to note 8.

(o) Bonds payable

	2020.12.31			
	Currency	Interest rate collars	Expiration	Amount
Unsecured bond-2014 first domestic bond issue	TWD	1.95%	2021/08/14	$ 800,000
Unsecured bond-2016 first domestic bond issue	TWD	1.18%	2021/06/21	3,000,000
Unsecured bond-2017 first domestic bond issue	TWD	1.55%	2022/06/26	2,100,000
Unsecured bank-2019 first domestic bond issue	TWD	0.95%~1.05%	2022/06/18~2024/06/18	4,800,000
Unsecured bank-2019 second domestic bond issue	TWD	0.97%~1.07%	2024/10/07~2026/10/07	3,200,000
Unsecured bank-2020 first domestic bond issue	TWD	0.97%	2025/10/23	2,500,000
Total				**$ 16,400,000**
Current				$ 3,800,000
Non-current				12,600,000
Total				**$ 16,400,000**

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	2019.12.31			
	Currency	Interest rate collars	Expiration	Amount
Unsecured bond-2014 first domestic bond issue	TWD	1.95%	2021/08/14	$ 800,000
Unsecured bond-2016 first domestic bond issue	TWD	1.18%	2021/06/21	3,000,000
Unsecured bond-2017 first domestic bond issue	TWD	1.55%	2022/06/26	2,100,000
Unsecured bank-2019 first domestic bond issue	TWD	0.95%~1.05%	2022/06/18~2024/06/18	4,800,000
Unsecured bank-2019 second domestic bond issue	TWD	0.97%~1.07%	2024/10/07~2026/10/07	3,200,000
Total				**$ 13,900,000**
Current				$ -
Non-current				13,900,000
Total				**$ 13,900,000**

1. Unsecured bond-2014 first domestic bond issue

The Company issued an unsecured corporate bond in August 2014. It was the Company's first domestic bond issue in 2014 and was effective upon submission to the regulatory authority on June 17, 2014. The issuance terms were as follows:

1) Issue amount

TWD 1,800,000 thousand. There are two series of bonds categorized by the terms, with series A amounting to TWD 1,000,000 thousand and series B amounting to TWD 800,000 thousand.

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

The issuance dates are August 14, 2014; the maturity periods for series A and B are five and seven years, respectively.

4) Issued price: at par value

5) Nominal interest rate

1) Series A: 1.65%

2) Series B: 1.95%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bondholders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

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8) Bond form: No physical bonds were released; the bonds were registered with TDCC.

9) Trustee

The trustee is Hua Nan Commercial Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

10) Agency for payment of principal and interest

Hua Nan Commercial Bank Ltd., Cheng Tung Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: None.

12) Announcement

The related information can be acquired from the Market Observation Post System.

2. Unsecured bond-2016 first domestic bond issue

The Company issued an unsecured corporate bond in June 2016. It was the Company's first domestic bond issue in 2016 and was effective upon submission to the regulatory authority on June 14, 2016. The issuance terms were as follows:

1) Issue amount

TWD 3,000,000 thousand.

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

The issuance date is June 21, 2016; the maturity date is June 21, 2021; the maturity period is five years.

4) Issued price: at par value

5) Nominal interest rate: 1.18%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bond holders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with TDCC.

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9) Trustee

The trustee is Hua Nan Commercial Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

10) Agency for payment of principal and interest

Hua Nan Commercial Bank Ltd., Cheng Tung Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: MasterLink Securities Corporation.

12) Announcement

The related information can be acquired from the Market Observation Post System.

3. Unsecured bond-2017 first domestic bond issue

The Company issued an unsecured corporate bond in June 2017. It was the Company's first domestic bond issue in 2017 and was effective upon submission to the regulatory authority on June 15, 2017. The issuance terms were as follows:

1) Issue amount

TWD 2,100,000 thousand.

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

The issuance date is June 26, 2017; the maturity date is June 26, 2022; the maturity period is five years.

4) Issued price: at par value

5) Nominal interest rate: 1.55%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bond holders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with TDCC.

9) Trustee

The trustee is Hua Nan Commercial Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

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10) Agency for payment of principal and interest

Hua Nan Commercial Bank Ltd., Cheng Tung Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: Yuanta Securities Corporation is the primary underwriter.

12) Announcement

The related information can be acquired from the Market Observation Post System.

4. Unsecured bond-2019 first domestic bond issue

The Company issued an unsecured corporate bond in June 2019. It was the Company's first domestic bond issue in 2019 and was effective upon submission to the regulatory authority on June 6, 2019. The issuance terms were as follows:

1) Issue amount

TWD 4,800,000 thousand. There are two series of bonds categorized by the terms, with series A amounting to TWD 1,500,000 thousand and series B amounting to TWD 3,300,000 thousand.

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

The issuance dates are June 18, 2019; the maturity periods for series A and B are three and five years, respectively.

4) Issued price: at par value

5) Nominal interest rate

1) Series A: 0.95%

2) Series B: 1.05%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bondholders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with TDCC.

9) Trustee

The trustee is Jih Sun International Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

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10) Agency for payment of principal and interest

Jih Sun International Bank Ltd., Xinyi Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: Yuanta Securities Corporation is the primary under writer.

12) Announcement

The related information can be acquired from the Market Observation Post System.

5. Unsecured bond-2019 second domestic bond issue

The Company issued an unsecured corporate bond in October 2019. It was the Company's second domestic bond issue in 2019 and was effective upon submission to the regulatory authority on September 27, 2019. The issuance terms were as follows:

1) Issue amount

TWD 3,200,000 thousand. There are two series of bonds categorized by the terms, with series A amounting to TWD 1,200,000 thousand and series B amounting to TWD 2,000,000 thousand.

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

The issuance dates are October 17, 2019; the maturity periods for series A and B are five and seven years, respectively.

4) Issued price: at par value

5) Nominal interest rate

1) Series A: 0.97%

2) Series B: 1.07%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bondholders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with TDCC.

9) Trustee

The trustee is Jih Sun International Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

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10) Agency for payment of principal and interest

Jih Sun International Bank Ltd., Xinyi Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: Master Link Securities Corporation is the primary under writer.

12) Announcement

The related information can be acquired from the Market Observation Post System.

6. Unsecured bond-2020 first domestic bond issue

The Company issued an unsecured corporate bond in June 2016. It was the Company's first domestic bond issue in 2020 and was effective upon submission to the regulatory authority on October 15, 2020. The issuance terms were as follows:

1) Issue amount

TWD 2,500,000 thousand.

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

The issuance date is October 23, 2020; the maturity date is October 23, 2025; the maturity period is five years.

4) Issued price: at par value

5) Nominal interest rate: 0.97%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bond holders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with TDCC.

9) Trustee

The trustee is Jih Sun International Bank, LTD. which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

10) Agency for payment of principal and interest

Jih Sun International Bank Xinyi Branch, LTD. is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

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NOTES TO THE FINANCIAL STATEMENTS

11) Underwriter: MasterLink Securities Corporation is the primary underwriter.

12) Announcement

The related information can be acquired from the Market Observation Post System.

(p) Lease liabilities

The amounts of lease liabilities were as follows:

	2020.12.31	2019.12.31
Current	$ 7,790,947	8,061,223
Non-current	$ 67,680,673	77,645,529

Please refer to note (6)(x) for the analyses of the due date.

For the year ended December 31, 2020 and 2019, the Company's lease liabilities recognized as current financial liabilities for hedging were $818,459 thousand and $534,197, non-current financial liabilities for hedging were $2,855,649 and $2,026,200 thousand, current lease liabilities were $6,972,488 thousand and $7,527,026 thousand, and non-current lease liabilities were $64,825,024 thousand and $75,619,329 thousand.

The amounts recognized in profit or loss were as follows:

	2020	2019
Interest on lease liabilities	$ 1,266,359	1,349,706
Variable lease payments not included in the measurement of lease liabilities	$ 11,102	41,306
Expenses relating to short-term leases	$ 2,180,505	2,267,292
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 663,862	913,402
Covid-19-related rent concessions	$ 2,842	-

The amounts recognized in statement of cash flow were as follows:

	2020	2019
Total cash outflow for leases	$ 9,590,428	10,175,800

1. Wharf, and container leases

As of December 31, 2020, the Company leases wharfs and containers for its operating needs. The leases of wharfs typically run for a period of 4 to 20 years, and of containers for 5 years.

Some payments for wharf leases depend on the variation of loading capacity, in addition, the Company has decided to apply recognition exemptions to some containers and not to recognize right-of-use assets and lease liabilities for short-term leases or leases of low-value assets.

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2. Building leases

As of December 31, 2020, the Company leases buildings for its office space. The leases of office space are typically short-term leases that run within a year. The Company has decided to apply the recognition exemptions for its short-term leases, and not to recognize its right-of-use assets and lease liabilities.

3. Vessel leases

As of December 31, 2020, the Company leases vessels for its operating needs. The vessel leases run for a period of 1 to 27 years. The Company has decided to apply recognition exemptions for short-term leases, and not to recognize right-of-use assets and lease liabilities.

4. Other leases

As of December 31, 2020, the Company leases other machinery or equipment for its operating needs typically run for a peroid 1 to 10 years . Some leases are typically short-term leases or leases of low-value asset that the Company has decided to apply recognition exemptions, and not to recognize right-of-use assets and lease liabilities.

(q) Employee benefits

1. Defined benefit plans

	2020.12.31	2019.12.31
Present value of defined benefit obligation	$ 1,128,686	1,092,636
Fair value of plan assets	(711,871)	(649,976)
Recognized liabilities for defined benefit obligations	**$ 416,815**	**442,660**

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with interest rates offered by local banks.

The Company's pension reserve account balance amounted to $711,871 thousand at the end of the reporting period. The information used to calculate pension fund assets includes the asset allocation and yield of the fund. Please refer to the information published on the website of the Bureau of Labor Funds, Ministry of Labor.

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2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Company were as follows:

		2020	2019
Defined benefit obligation at January 1	$	1,092,636	1,074,314
Current service costs and interest cost		17,583	21,164
Remeasurement on the net defined benefit liability			
—Actuarial loss (gain) arising from changes in financial assumptions		57,817	58,823
Benefit paid		(39,350)	(61,665)
Defined benefit obligation at December 31	**$**	**1,128,686**	**1,092,636**

3) Movements of defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Company were as follows:

		2020	2019
Fair value of plan assets at January 1	$	649,976	557,335
Interest income		5,001	6,002
Remeasurement on the net defined benefit liability			
—Return on plan assets (excluding current interest)		19,549	20,126
Contribution paid by employer		62,729	103,987
Benefit paid		(25,384)	(37,474)
Fair value of plan assets at December 31	**$**	**711,871**	**649,976**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company was as follows:

		2020	2019
Current service costs	$	9,537	10,157
Net interest of net liabilities (assets) for defined benefit obligation		3,045	5,005
	$	**12,582**	**15,162**
Operating costs	$	8,370	8,837
Operating expenses		4,212	6,325
	$	**12,582**	**15,162**

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5) Actuarial assumptions

The following are the Company's principal actuarial assumptions:

	2020	2019
Discount rate	0.52 %	0.74 %
Future salary increase rate	3.00 %	3.00 %

The Company will pay to the defined benefit plans which amounted to $64,102 thousand within 1 year after the report day of 2020.

The weighted-average lifetime of the defined plans is 3~17 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligation	
	Increased 0.50%	Decreased 0.50%
December 31, 2020		
Discount rate	$ (53,881)	57,878
Future salary increasing rate	50,466	(47,667)
December 31, 2019		
Discount rate	$ (55,546)	59,862
Future salary increasing rate	52,660	(49,577)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2020 and 2019.

2. Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $52,615 thousand and $50,832 thousand for the years ended December 31, 2020 and 2019, respectively.

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(r) Income taxes

1. Income tax expense

The amount of income tax were as follows:

		2020	2019
Current income tax expense:			
Current period	$	1,244,938	132,083
Adjustment for prior periods		(38,123)	10,650
		1,206,815	142,733
Deferred tax expense (benefit):			
Origination and reversal of temporary differences		1,550,642	724,495
Income tax expense from continuing operations	**$**	**2,757,457**	**867,228**

For the years ended December 31, 2020 and 2019, no income taxes were recognized in equity and other comprehensive income.

The amount of income tax recognized in other comprehensive income for 2020 and 2019 were as follows:

		2020	2019
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement from defined benefit plans	**$**	**(7,654)**	**(7,739)**
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**$**	**(11,916)**	**(5,222)**

The reconciliation of income tax and profit before tax for 2020 and 2019 was as follows:

		2020	2019
Profit excluding income tax	**$**	**14,074,438**	**4,440,931**
Income tax using the Company's domestic tax rate	$	2,814,888	888,186
Non deductible expense		40,750	81,455
Tax exempt income		(374,783)	(112,767)
Under (Over) provision in prior periods		295,809	10,650
Income tax credit		(9,963)	(296)
Tax incentives		(9,244)	-
Total	**$**	**2,757,457**	**867,228**

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2. Deferred tax assets and liabilities

1) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2020 and 2019 were as follows:

	Investment (loss) gain under the equity method	Deferred depreciation expense	Others	Total
Deferred Tax Liabilities:				
Balance at January 1, 2020	$ 1,850,930	840,276	18,056	2,709,262
Debit (Credited) Income statement	1,267,560	161,832	(8,516)	1,420,876
Balance at December 31, 2020	**$ 3,118,490**	**1,002,108**	**9,540**	**4,130,138**
Balance at January 1, 2019	$ 1,344,375	644,288	6,730	1,995,393
Debit (Credit) Income statement	506,555	195,988	11,326	713,869
Balance at December 31, 2019	**$ 1,850,930**	**840,276**	**18,056**	**2,709,262**

	Defined Benefit Plans	Loss Carryforward	Others	Total
Deferred Tax Assets:				
Balance at January 1, 2020	$ 71,003	264,361	185,051	520,415
(Debit) Credited Income statement	(12,823)	38,923	(155,866)	(129,766)
(Debit) Credited Other Comprehensive Income	7,654	-	11,916	19,570
Balance at December 31, 2020	**$ 65,834**	**303,284**	**41,101**	**410,219**
Balance at January 1, 2019	$ 85,867	347,575	84,638	518,080
(Debit) Credited Income statement	(22,603)	(83,214)	95,191	(10,626)
(Debit) Credited Other Comprehensive Income	7,739	-	5,222	12,961
Balance at December 31, 2019	**$ 71,003**	**264,361**	**185,051**	**520,415**

3. Examination and Approval

The Company' s income tax returns through 2017 were examined and approved by the tax authority.

(s) Capital and other equity

As of December 31, 2020 and 2019, the Company' s authorized capital consisted of 2,500,000 thousand shares, amounting to $25,000,000 thousand, with par value of $10 (TWD dollars) per share. All of the issued shares were ordinary shares consisted of 2,218,297 thousand shares and the funds had been received.

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1. Capital surplus

The balance of capital surplus was as follows:

	2020.12.31	2019.12.31
Premium on ordinary shares	$ 22,839	22,839
Paid-in capital in excess of par value through conversion of corporate bond	1,222,787	1,222,787
The actual differences between the equity and the book value of subsidiaries' disposal	10,094	10,094
Change in equity of subsidiaries accounted for under equity method	16,055	16,055
	$ 1,271,775	**1,271,775**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

2. Retained earnings

The industry of the Company is highly changeable and capital intensive. The Company is in the stable growing stage. Therefore, in consideration of the future capital needs of long-term financial plans, and to meet the cash flow needs of the shareholders, the Company' s articles of incorporation require that after-tax earnings shall first be offset against any deficit, and 10% of the remaining balance shall be set aside as legal reserve, and special reserves are to be provided according to the regulations. If there is a requirement for the expansion of transportation equipment and an improvement of the financial structure, the Company may set aside a special reserve.

If there are surpluses, plus, the undistributed cumulative earnings from the previous year, the board of directors shall appropriate 30% or more after taking into account factors such as the Company's capital needs, capital budget, interests of shareholders, and the Company's long-term financial planning. The board of directors proposed the distribution of earnings and submitted them to the shareholders' meeting for approval.

The distribution ration of stock dividends or cash dividends must be done in accordance with the current year's actual profit, capital position, and capital expansion program. The proportion of cash dividends may not be lower than 10% of the total dividends.

1) Legal reserve

When the Company incurs no loss, it may, pursuant to a resolution to be adopted by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash. Only the portion of the legal reserve which exceeds 25% of the paid-in capital may be distributed.

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2) Special reserve

In accordance with Ruling No. 1010012865 issued by the Financial Supervisory Commission on 6 April 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal to the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The earnings distribution for 2019 and 2018 was decided by the general meeting of shareholders held on June 23, 2020 and June 18, 2019, respectively.

The relevant dividend distribution to shareholders was as follows:

	2019		2018	
	Dividend per share ($)	Total amount	Dividend per share ($)	Total amount
Dividends distributed to ordinary shareholders				
Cash	$ 0.80	**1,774,638**	0.60	**1,343,467**

3. Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instrument
Balance at January 1, 2020	$ (1,352,809)	(200,376)	33,504
Foreign currency translation differences	(2,112,586)	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	275,824	-
Gains (losses) from changes in the fair value of the hedging instrument:			
-Exchange rate risk for anticipated transactions	-	-	113,698
Gains (losses) from changes in fair value of the hedging instrument that will be reclassified to profit or loss:			
-Exchange rate risk for anticipated transactions	-	-	3,142
Balance at December 31, 2020	**$ (3,465,395)**	**75,448**	**150,344**

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	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instrument
Balance at January 1, 2019	$ (604,711)	(205,989)	-
Foreign currency translation differences	(738,004)	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	5,613	-
Gains (losses) from changes in the fair value of the hedging instrument:			
-Exchange rate risk for anticipated transactions	-	-	27,540
Gains (losses) from changes in fair value of the hedging instrument that will be reclassified to profit or loss:			
-Exchange rate risk for anticipated transactions	-	-	5,964
The actual differenct between the equity and book value of subsidiary's purchase or disposal	(10,094)	-	-
Balance at December 31, 2019	$ (1,352,809)	(200,376)	33,504

(t) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the year 2020 and 2019 are as follows:

	2020	2019
Basic earnings per share		
Profit attributable to common shareholders	$ 11,316,981	3,573,703
Weighted-average number of common shares	2,218,297	2,218,297
Basic earnings per share (Unit: New Taiwan Dollar)	$ 5.10	1.61
Diluted earnings per share		
Profit attributable to common shareholders (Dilutive)	$ 11,316,981	3,573,703
Weighted-average number of common shares (Basic)	2,218,297	2,218,297
Effects of employee stock compensation	3,519	2,685
Weighted average number of common shares (adjusted for the effects of all dilutive potential common shares)	2,221,816	2,220,982
Diluted earnings per share (Unit: New Taiwan Dollar)	$ 5.09	1.61

(u) Revenue from contracts with customers

1. Disaggregation of revenue

	2020	2019
Primary geographical markets:		
Asia	$ 56,600,987	54,053,728
the Middle East, India, Red Sea	5,314,529	5,048,391
	$ 61,915,516	59,102,119

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		2020	2019
Main service line:			
Freight	$	56,344,281	53,761,468
Rentals		4,818,378	4,574,656
WHL terminal		606,775	608,590
Others		146,082	157,405
	$	**61,915,516**	**59,102,119**

2.Contract balances

		2020.12.31	2019.12.31	2019.1.1
Notes receivable	$	49,698	39,456	26,618
Accounts receivable		1,316,554	674,587	1,203,852
Less: allowance for doubtful receivables		(358)	(358)	(358)
Total	$	**1,365,894**	**713,685**	**1,230,112**
Contract assets	$	**1,530,849**	**733,689**	**751,084**
Contract liabilities (recognized as other current liabilities)	$	**120,993**	**136,948**	**504,011**

For details on accounts receivable and allowance for impairment, please refer to note 6(e).

The major change in the balance of contract assets and contract liabilities is the difference between the time frame for the performance obligation to be satisfied and the payment to be received.

(v) Remuneration of employees, directors and supervisors

According to the Company's Articles, once the Company has annual profit, it should appropriate no less than 1% of the profit to its employees and no higher than 1% to its directors and supervisor as remuneration. However, if the Company has accumulated deficits, the profit should be reversed to offset the deficit.

For the years ended December 31, 2020 and 2019, the estimated of the remunerations to employees were $143,617 thousand and $45,316 thousand, respectively, and directors' remuneration is the same as those of employee remuneration. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage stated under the Company's Article. These remunerations were expensed under operating cost for each period. There were no differences between the actual amounts and the estimates of remunerations. Related information is available on the website of the Market Observation Post System.

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(w) Non-operating income and expenses

1. Interest income

The details of interest income for the years ended December 31, 2020 and 2019 were as follows:

		2020	2019
Interest from bank deposits	$	30,188	96,559
Other interest income		42,812	11,168
	$	**73,000**	**107,727**

2. Other revenue

The details of other revenue for the years ended December 31, 2020 and 2019 were as follows:

		2020	2019
Dividens income	**$**	**284,984**	**200,327**

3. Other gains and losses

The details of other gains and losses for the years ended December 31, 2020 and 2019 were as follows:

		2020	2019
Foreign exchange gains	$	273,924	314,632
Gains on financial assets at fair value through profit or loss		783,642	365,273
Gains on disposal of property, plant and equipment		139,379	1,014,281
Gain on lease modification		196,596	4,593
Other gains		133,633	178,786
	$	**1,527,174**	**1,877,565**

4. Finance costs

The details of finance costs for the years ended December 31, 2020 and 2019 were as follows:

		2020	2019
Interest expense:			
Bank loan	$	150,134	275,350
Bonds payable		167,465	127,899
Commercial paper		17,168	18,794
Lease liabilities		1,266,359	1,349,706
	$	**1,601,126**	**1,771,749**

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(x) Financial instruments

1. Credit risks

1) Credit risks exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

Since the Company has considerable customers worldwide and does not concentrate its transactions significantly with any single customer or in similar areas, the Company has no concentration of credit risk. The Company mitigates the credit risks by continuously monitoring customers' credit risk and credit ratings, however, the Company's policy usually does not require the customers to provide collateral.

3) Credit risk of receivables

For credit risk exposure of note and trade receivables, please refer to note 6(e). Other financial assets at amortized cost includes other receivables, receivables from agents and time deposits etc.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f). There are no significant expected losses on other receivables and the financial assets at amortized cost by assessment, so none of the impairment allowance can be recorded.

2. Liquidity risks

The following are the contractual maturities of financial liabilities of the Company, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2020							
Non-derivative financial liabilities							
Secured bank loans	$ 9,348,764	9,686,953	1,194,223	1,153,826	1,988,305	3,755,254	1,595,345
Unsecured bank loans	2,845,475	2,891,741	372,010	120,437	938,270	1,461,024	-
Commercial paper	2,809,861	2,829,574	3,465	3,576	7,132	2,815,401	-
Account payables (including related parties)	7,605,831	7,605,831	7,605,831	-	-	-	-
Other payables	1,439,458	1,439,458	1,439,458	-	-	-	-
Payables to agents	1,259,893	1,259,893	1,259,893	-	-	-	-
Bonds payable	16,400,000	16,979,410	3,116,850	872,890	3,738,740	7,229,530	2,021,400
Leases liabilities (partial recognized as financial liabilities for hedging)	75,471,620	85,634,218	3,980,116	3,889,425	7,392,615	20,847,906	49,524,156
Guarantee deposits received	21,655	21,655	21,655	-	-	-	-
	$ 117,202,557	128,348,733	18,993,501	6,040,154	14,065,062	36,109,115	53,140,901

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	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2019							
Non-derivative financial liabilities							
Secured bank loans	$ 8,851,661	9,347,990	1,102,707	1,171,275	2,561,443	4,512,565	-
Unsecured bank loans	1,478,424	1,538,432	132,589	380,555	503,781	521,507	-
Commercial paper	2,729,753	2,764,750	9,621	9,739	2,745,390	-	-
Account payables (including related parties)	6,447,879	6,447,879	6,447,879	-	-	-	-
Other payables	1,341,339	1,341,339	1,341,339	-	-	-	-
Payables to agents	1,079,343	1,079,343	1,079,343	-	-	-	-
Bonds payable	13,900,000	14,523,650	116,850	48,640	3,965,490	8,349,870	2,042,800
Leases liabilities (partial recognized as financial liabilities for hedging)	85,706,752	97,808,464	4,101,119	4,042,057	7,799,706	21,979,257	59,886,325
Guarantee deposits received	7,557	7,557	7,557	-	-	-	-
	$ 121,542,708	134,859,404	14,339,004	5,652,266	17,575,810	35,363,199	61,929,125

The Company is not expecting that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

3. Currency risk

1) Currency risk exposure

The Company's significant exposure to foreign currency risks was as follows:

	2020.12.31			2019.12.31		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 459,639	28.10	12,915,859	267,641	29.99	8,026,564
CNY	521,412	4.30	2,242,411	374,204	4.30	1,610,929
JPY	5,830,364	0.27	1,588,609	12,445,782	0.28	3,434,702
INR	1,113,320	0.38	428,200	678,829	0.42	285,487
THB	157,478	0.94	147,701	100,477	1.01	100,982
MYR	16,015	6.99	111,948	24,758	7.32	181,315
Financial liabilities						
Monetary items						
USD	548,180	28.10	15,403,844	464,114	29.99	13,918,783
JPY	8,414,432	0.27	2,292,694	9,615,799	0.28	2,653,702
HKD	278,476	3.62	1,009,427	281,868	3.85	1,085,502
CNY	161,717	4.30	695,488	184,241	4.30	793,146
INR	903,349	0.38	347,442	579,657	0.42	243,779
THB	282,042	0.94	264,532	238,571	1.01	239,770

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2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, payables to agents, financial assets at fair value through profit or loss, loans and borrowings; and trade and other payables that are denominated in foreign currency.

A strengthening (weakening) of 1% of the TWD against the USD, HKD and JPY etc. as at December 31, 2020 and 2019, would have increased (decreased) the net profit before tax by $6,699 thousand and $29,706 thousand, respectively. For 2020 and 2019, the cash flow hedge would have increased (decreased) the equity by $36,741 thousand and $25,604 thousand, respectively. This analysis assumes that all other variables remain constant, and is performed on the same basis for the years ended December 31, 2020 and 2019.

3) Foreign Exchange Gain or Loss on Monetary Items

The information of the translation to functional currency of foreign exchange gain (loss) on monetary items, including realized and unrealized, and the translation between the functional currency of the foreign operation and the Company (the presentation currency) were as follows:

	2020		2019	
	Exchange gain or loss	Average rate	Exchange gain or loss	Average rate
TWD	$ 273,924	-	314,632	-

4. Interest rate analysis

Please refer to the notes on liquidity risk management and the Company's interest rate exposure to its financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 1%, the Company's net profit before tax would have increased or decreased by $128,542 thousand and $125,601 thousand, respectively, for the years ended December 31, 2020 and 2019 with all other variable factors remaining constant. This is mainly due to the Company's borrowing at variable rates.

5. Other market price risk

For the years ended December 31, 2020 and 2019, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2020		2019	
Prices of securities at the reporting date	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	$ 33,777	38,759	27,128	23,744
Decreasing 1%	(33,777)	(38,759)	(27,128)	(23,744)

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6. Fair value information

1) The Categories and Fair Values of Financial Instruments

The Company assesses its financial instruments at fair value through profit or loss and financial assets (financial assets available-for-sale) at fair value through other comprehensive income on a recurring basis by using the fair value method.

The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	December 31, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value though profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss－domestic listed stocks	$ 4,836,764	4,836,764	-	-	4,836,764
Non-derivative financial assets mandatorily measured at fair value through profit or loss－domestic emerging stocks	8,076	8,076	-	-	8,076
Sub-total	4,844,840	4,844,840	-	-	4,844,840
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	3,377,664	3,377,664	-	-	3,377,664
Unquoted equity instrument measured at fair value	450,120	-	-	450,120	450,120
Sub-total	3,827,784	3,377,664	-	450,120	3,827,784
Financial assets measured at amortized cost					
Cash and cash equivalents	8,553,009	-	-	-	-
Notes receivable	49,698	-	-	-	-
Accounts receivable	1,316,196	-	-	-	-
Contract assets	1,530,849	-	-	-	-
Other receivable	5,542,057	-	-	-	-
Receivables from agents	3,073,816	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	163,656	-	-	-	-
Sub-total	20,229,281	-	-	-	-
Total	**$ 28,901,905**	**8,222,504**	**-**	**450,120**	**8,672,624**

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	December 31, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Accounts payable	$ 7,605,831	-	-	-	-
Other payables	1,439,458	-	-	-	-
Lease liabilities (including financial liabilities for hedging)	75,471,620	-	-	-	-
Payables to agents	1,259,893	-	-	-	-
Bonds payable (including current portion)	16,400,000	-	-	-	-
Long-term borrowings (including current portion)	15,004,100	-	-	-	-
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	21,655	-	-	-	-
Total	$ 117,202,557	-	-	-	-

	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value though profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss－domestic listed stocks	$ 2,958,241	2,958,241	-	-	2,958,241
Non-derivative financial assets mandatorily measured at fair value through profit or loss－domestic emerging stocks	9,812	9,812	-	-	9,812
Non-derivative financial assets mandatorily measured at fair value through profit or loss－bond investment	1,157,131	-	-	1,157,131	1,157,131
Sub-total	4,125,184	2,968,053	-	1,157,131	4,125,184
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	2,712,827	2,712,827	-	-	2,712,827
Unquoted equity instrument measured at fair value	469,985	-	-	469,985	469,985
Sub-total	3,182,812	2,712,827	-	469,985	3,182,812

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	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 10,326,321	-	-	-	-
Notes receivable	39,456	-	-	-	-
Accounts receivable	674,229	-	-	-	-
Contract assets	733,689	-	-	-	-
Other receivable	815,080	-	-	-	-
Receivables from agents	2,144,272	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	167,467	-	-	-	-
Sub-total	14,900,514	-	-	-	-
Total	**$ 22,208,510**	**5,680,880**	**-**	**1,627,116**	**7,307,996**
Financial liabilities measured at amortized cost					
Accounts payable	$ 6,447,879	-	-	-	-
Other payables	1,341,339	-	-	-	-
Lease liabilities (including financial liabilities for hedging)	85,706,752	-	-	-	-
Payables to agents	1,079,343	-	-	-	-
Bonds payable (including current portion)	13,900,000	-	-	-	-
Long-term borrowings (including current portion)	13,059,838	-	-	-	-
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	7,557	-	-	-	-
Total	**$ 121,542,708**	**-**	**-**	**-**	**-**

2) Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

If quoted prices in active markets are available, the prices are established as fair values. Market prices published by major stock exchange and OTC market, where high volume of central government bonds are traded, are the foundation of fair value of debt instruments with quoted market price in an active market and listed equity instruments.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high-ask spreads is an indication of non-active market.

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If the Companys' financial instruments have an active market, wherein their fair values are determined as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to the quoted market prices.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data, e.g. yield curves from OTC and average quoted rates of commercial paper from Reuters quote system at the reporting date.

If the Companys' financial instruments do not have an active market, wherein their fair values are determined as follows:

Unquoted equity instrument:

The Company estimates the fair values by using the comparable trading company approach on the assumption that the fair values are calculated on the basis of the investees' book value per share and equity multipliers derived from comparable trading companies' quoted prices. The discount effect resulting from the lack of market liquidity has been taken into account.

Unquoted equity instrument:

The Company estimates the fair values by using the comparable trading company approach on the assumption that the fair values are calculated on the basis of the investees' EBITDA and earnings multipliers derived from comparable trading companies' quoted prices. The discount effect resulting from the lack of market liquidity has been taken into account.

Unquoted debt instrument:

The Company estimates the fair values by using the comparable trading debt approach, and utilizes the statistic model to determine the relationship between the value of debt investment and its related conditions and variables.

3) For the years ended December 31, 2020 and 2019, there were no transferring of fair value hierarchy.

4) Reconciliation of Level 3 fair values

	Fair value through profit or loss	Fair value through other comprehensive income	
	Non-derivative mandatorily measured at fair value through profit or loss	Unquoted equity instruments	Total
Opening balance, January 1, 2020	$ 1,157,131	469,985	1,627,116
Total gains and losses recognized:			
In profit or loss	(15,531)	-	(15,531)
In other comprehensive income	-	(19,865)	(19,865)
Dispposal	(1,141,600)	-	(1,141,600)
Ending balance, December 31, 2020	**$ -**	**450,120**	**450,120**

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	Fair value through profit or loss	Fair value through other comprehensive income	
	Non-derivative mandatorily measured at fair value through profit or loss	Unquoted equity instruments	Total
Opening balance, January 1, 2019	$ 1,127,838	417,947	1,545,785
Total gains and losses recognized:			
In profit or loss	29,293	-	29,293
In other comprehensive income	-	52,038	52,038
	$ 1,157,131	**469,985**	**1,627,116**

For the years ended December 31, 2020 and 2019, the total gains and losses that were included in "other gains and losses" and "unrealized gains (losses) on financial assets at fair value through other comprehensive income" were as follows:

	2020	2019
Total gains and losses recognized:		
In profit or loss, and presented in "other gains and losses"	-	29,293
In other comprehensive income, and presented in "unrealized gains or losses from financial assets at fair value through other comprehensive income"	(19,865)	52,038

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – debt investments" and "financial assets measured at fair value through other comprehensive income – unlisted equity investments".

Most of the Company's fair value measurements in Level 3 consist of only one significant unobservable input (except for the unlisted equity instrument). Because the significant unobservable inputs of equity instruments are independent of each other, there are no correlation between these inputs.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss－Debt investment without active markets	Discounted cash flow method	·Liquidity adjusted discount rate (2.8401% on December 31, 2019)	The estimated fair value would increase (decrease) if the liquidity adjusted discount rate were lower (higher).

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Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income －Unlisted equity investments	Comparable trading company method	· Liquidity-adjusted discount rate (28% on December 31, 2020 and 2019, respectively) · Price-to-book ratio (0.73 and 0.81 on December 31, 2020 and 2019, respectively) · EBITDA multiplier (9.67 and 9.68 on December 31, 2020 and 2019, respectively)	The estimated fair value would increase (decrease) if: · the liquidity-adjusted discount rate were lower (higher) · the price-to-book ratio were higher (lower) · the EBITDA multiplier were higher (lower)

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's measurements in financial instruments fair values are reasonable, but if the Company uses different valuation models or variables, the measurements may vary.

For fair value measurements in Level 3, changing one or more of the variables would have the following effects:

	Input	Positive and negative changes	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2020						
Financial assets at fair value through other comprehensive income						
Unlisted equity investment	Discount rate	1%	$ -	-	6,252	(6,252)
Unlisted equity investment	Price-to-book ratio multiplier	1%	-	-	4,362	(4,362)
Unlisted equity investment	EBITDA multiplier	1%	-	-	123	(123)
			$ -	-	10,737	(10,737)

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	Input	Positive and negative changes	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2019						
Financial assets at fair value through profit or loss						
Bond investment without an active market	Discount rate	1%	$ 11,909	(11,909)	-	-
Financial assets at fair value through other comprehensive income						
Unlisted equity investment	Discount rate	1%	-	-	6,528	(6,528)
Unlisted equity investment	Price-to-book ratio multiplier	1%	-	-	4,567	(4,567)
Unlisted equity investment	EBITDA multiplier	1%	-	-	121	(121)
			$ 11,909	**(11,909)**	**11,216**	**(11,216)**

The favorable and unfavorable effects represent the changes in fair value, and the fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the correlations and variances among the inputs.

(y) Financial risk management

1. Overview

The Company has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

2. Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring Group's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to The Board of Directors.

3. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment.

1) Accounts receivable and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk. Since the Company has considerable customers worldwide and does not concentrate transactions significantly with any single customer or in similar areas, The Company has no concentration of credit risk. The Company mitigates the credit risks by monitoring customers' credit risk and credit ratings continuously, however, the Company's policy usually doesn't require the customers to provide collateral.

The Board of Directors has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Board of Directors; these limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

2) Investment

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Company's policy is to provide guarantee to subsidiaries. The detailed information is stated in note 13.

4. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities. The Company also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Company has unused credit line for $19,494,456 thousand and $11,815,710 thousand, as of December 31, 2020 and 2019.

5. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily TWD and US Dollars (USD). The currencies used in these transactions are denominated in TWD and USD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

2) Interest rate risk

The Company adopts a policy of ensuring that 59.07% of its exposure to changes in interest rates on borrowings is on a fixed-rate basis.

3) Other market price risk

The management of the Company monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved and managed by the Board of Directors.

(z) Capital management

The Company meets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to its shareholders and other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

The debt-to-equity ratio is as follow:

	2020.12.31	2019.12.31
Total liabilities	$ 123,014,585	124,894,501
Less: Cash and cash equivalents	(8,553,009)	(10,326,321)
Net debt	**$ 114,461,576**	**114,568,180**
Total equity	**$ 43,902,409**	**36,104,182**
Debt-to-equity ratio	**260.72 %**	**317.33 %**

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(aa) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow in the year ended December 31, 2020 were as follows:

1. Acquired right-of-use assets through leasing, please refer to notes (6)(j).

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	2020.1.1	Cash flows	Others	Foreign exchange movement	2020.12.31
Long-term borrowings	$ 13,059,838	2,400,665	-	(456,403)	15,004,100
Bonds payable	13,900,000	2,500,000	-	-	16,400,000
Lease liabilities (partial recognized as financial liabilities for hedging)	85,706,752	(5,468,600)	(4,766,532)	-	75,471,620
Total liabilities from financing activities	**$ 112,666,590**	**(567,935)**	**(4,766,532)**	**(456,403)**	**106,875,720**

			Non-cash changes		
	2019.1.1	Cash flows	Others	Foreign exchange movement	2019.12.31
Long-term borrowings	$ 13,746,878	(502,387)	-	(184,653)	13,059,838
Bonds payable	6,900,000	7,000,000	-	-	13,900,000
Lease liabilities (partial recognized as financial liabilities for hedging)	72,139,926	(5,604,094)	19,170,920	-	85,706,752
Total liabilities from financing activities	**$ 92,786,804**	**893,519**	**19,170,920**	**(184,653)**	**112,666,590**

(7) Related-Party Transactions

(a) Names and relationship with related parties

Name of related party	Relationship with the Company
Wan Hai Lines (Singapore) Pte. Ltd. (WHL Singapore)	Subsidiary
Wan Hai Lines (America) Ltd. (WHL America)	Subsidiary (Note 1)
TK LOGISTICS INTERNATIONAL CO., LTD (TK)	Subsidiary
k.k. WH Corporation(WH Corporation)	Subsidiary
Wan Hai Lines (Germany) GmbH (WHL Germany)	Subsidiary (Note 2)

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Name of related party	Relationship with the Company
BAO SHENG SHIPPING AGENCY CO., LTD. (BS)	Subsidiary
Wan Hai Lines (M) Sdn. Bhd. (WHL Malaysia)	Indirect subsidiary
Wan Hai Lines (Hong Kong) Limited (WHL Hongkong)	Indirect subsidiary
Wan Hai Lines (Phils.), Inc. (WHL Phils.)	Indirect subsidiary
Wan Hai Lines (Korea) Ltd. (WHL Korea)	Indirect subsidiary
Wan Hai International Pte. Ltd. (WHL INTL.)	Indirect subsidiary
Yi Chun Shipping Agencies Sdn. Bhd.(Yi Chun)	Indirect subsidiary
Wan Hai (Vietnam) Ltd. (WHL Vietnam)	Indirect subsidiary
Wan Hai Lines (Thailand) Limited (WHL Thailand)	Indirect subsidiary
Wan Hai Lines (Ecuador) S.A. (WHL Ecuador)	Indirect subsidiary
Wan Hai Lines (India) PVT Ltd. (WHL India)	Indirect subsidiary
Bravely International Pte. Ltd. (BI)	Indirect subsidiary
Infinite Marine Investment Co., Ltd.	Indirect subsidiary
Bravely (Myanmar) Transport and Logistics Company Limited.(Bravely (Myannar))	Indirect subsidiary
Guangzhou Wan Hai Informaton Technology Ltd. (GZIT)	Indirect subsidiary
Dawin Logistics (International) Ltd.(Dawin)	Indirect subsidiary
Shenzhen Uniwin International Logistics Ltd. (Uniwin)	Indirect subsidiary
Blue Ocean Logistics (Shanghai) Ltd (Blue)	Indirect subsidiary
Clipper International Shipping Agency Ltd. (Clipper)	Indirect subsidiary
Shenzhen Yong Chun International Shipping Managerment Co., Ltd.(SZYC)	Indirect subsidiary
Wan Hai Lines (Arizona) LLC. (WHL Arizona)	Indirect subsidiary
Wan Hai Lines (USA) LTD. (WHL USA)	Indirect subsidiary

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Name of related party	Relationship with the Company
HE CHUN LOGISTICS COMPANY LIMITED (HE CHUN)	Indirect subsidiary
Wan Hai Shipping Limited (WHL Shipping)	Indirect subsidiary
WAN Hai Lines Peru S.A.C. (WHL Peru)	Indirect subsidiary (Note 3)
Tan Cang-Cai Mep International Terminal Co.,Ltd (Tan Cang-Cai Mep)	An associate
HAI PHONG INTERNATIONAL CONTAINER TERMINAL COMPANY LIMITED (HAI PHONG)	An associate
Wan Hai Lines (UAE) LLC. (WHL UAE)	An associate
Phuc Xuan Maritime Service Company Limited (Phux Xuan)	Joint venture
ASIA PACIFIC LOGISTICS INTERNATIONAL CO.,LTD. (APLI)	Related party in substance
New World Container Services Corporation	Subsidiary of APLI
Universal Checker Co., Ltd.	Related party in substance
Express Container Terminal Corp. (ECTC)	Related party in substance
New Sincere Transportation Corp. (NSTC)	Related party in substance
New Safety Transportation Corp. (NSaTC)	Related party in substance
An Chun Tally Co., Ltd.	Related party in substance
Taipei Port Container Terminal Corp. (Taipei Port)	Corporate director of the company
Taian Insurance Co., Ltd.	Related party in substance
Wan Chun International Corp. (WCIC)	Subsidiary of ECTC
Apezgo Digital Information Co., Ltd.	Subsidiary of APLI
AP PETROLEUM BUSINESS CO., LTD	Subsidiary of APLI
Formosa Wonderworld Co., Ltd. (Formosa Wonderworld)	Related party in substance
Interasia Lines Taiwan, Ltd.	Related party in substance
Hyaline Shipping (HK) Co., Ltd. (Hyaline)	Same director with the Company
Wan Hai Lines (Japan) Ltd. (WHL Japan)	Same director with the Company
Interasia Lines Singapore Pte. Ltd. (IAL (S))	Related party in substance

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Name of related party	Relationship with the Company
Wan Hai Charity Foundation	Related party in substance
AP INT'L TRAVEL SERVICE CO., LTD.	Subsidiary of APLI
New Speed Transportation & Terminal Co., Ltd. (NS)	Related party in substance

Note 1: WHL America was originally a subsidiary of the company. The organizational structure of the Company was adjusted to the Company's sub-subsidiary and merged with WHL USA in October 2019. WHL USA is the surviving company, while WHL America is the dissolved entity. WHL America completed its liquidation process in October 2019.

Note 2: WHL Germany was originally a subsidiary of the company and the liqiduidation process was completed in March 2020.

Note 3: WHL Peru was originally a joint venture of the Company's subsidiaries, WHL Singapore and WHL INTL. On July 1, 2019, it acquired control of the company through the acquisition of 49% of WHL Peru's shares. The relationship was changed to the company's grandson.

(b) Significant transactions with related parties

1. Sales to related parties:

		2020	2019
Subsidiaries	$	3,089,513	3,228,411
Joint venture		8,933	2,010
Other related parties		1,612,419	1,156,445
	$	**4,710,865**	**4,386,866**

The transaction terms with related parties were not significantly different from those of sales to third parties. The average collection period for notes and accounts receivable pertaining to such sales transactions ranged from one to three months, while the average collection period for routine sales transactions was within one month.

2. Consideration for services related to the entity:

		2020	2019
Subsidiary			
WHL Singapore	$	5,866,584	6,002,973
Other subsidiary		2,122,711	1,944,654
Associates		145,558	122,395
Other related parties		3,412,768	3,457,743
Joint venture		1,021	-
	$	**11,548,642**	**11,527,765**

The transaction terms with related parties were not significantly different from those of the third parties. The average payment period for notes and accounts payable pertaining to such purchase transactions ranged from one to two months, which was similar to that of other normal vendors.

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3. Receivables from related parties

Receivables of the Company from related parties were as follows：

Item	Related party categories	2020.12.31	2019.12.31
Accounts receivable	Other related parties	$ 134,501	29,656
	Subsidiary:		
other receivable	WHL Singapore (Note)	4,842,911	14,788
other receivable	WHL Corporation	12	157,610
other receivable	Others	82,559	66,588
other receivable	Associates	183	-
other receivable	Other related parties	64,309	40,381
	Subsidiary:		
Receivable from agents	Clipper	1,127,566	699,944
Receivable from agents	WHL India	391,673	249,127
Receivable from agents	Others	387,676	294,380
Receivable from agents	Associates	31,604	18,492
	Other related parties		
Receivable from agents	WHL Japan	981,342	736,864
		$ 8,044,336	**2,307,830**

Note: Including fund financing portion.

4. Payables from related parties

Payable of the Company related parties were as follows：

Item	Related party categories	2020.12.31	2019.12.31
	Subsidiary:		
Accounts payable	WHL Singapore	$ 1,146,798	129,704
Accounts payable	Others	212,222	179,289
Accounts payable	Other related parties	122,227	103,648
Other payables	Subsidiary	178	4
Other payables	Other related parties	6,375	11,531
	Subsidiary:		
Payable to agents	WHL Hong Kong	794,344	808,094
Payable to agents	WHL Thailand	201,401	190,231
Payable to agents	Others	136,763	68,455
	Subsidiary:		
Other current liabilities	WHL Thailand	43,471	7,419
Other current liabilities	Other related parties	5,273	22,952
		$ 2,669,052	**1,521,327**

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5. Property transactions

1) Acquisition of property, plant and equipment

The acquisition price of property, plant and equipment-vessels from related parties are summarized as follows:

	2020	2019
Subsidiary	$ -	139,388

In August 2019, the Company purchased a vessel from its subsidiary with the purchasing price of USD 4,500 thousand (TWD 139,387 thousand) depending on the valuation report. The gain on disposal of property was 59,541 thousand, which was not entirely realized. As of December 31, 2020 and 2019, the unrealized gain of $27,910 thousand and $50,238 thousand was recognized as the deduction of long-term equity investment under equity method.

In June 2016, the Company purchased a vessel from its subsidiary. The purchasing price was USD 16,500 thousand (TWD 530,145 thousand) depending on the valuation report, and loss on disposal of property was $95,983 thousand, but not entirely realized. As of December 31, 2020 and 2019, the unrealized loss was $70,976 thousand and $76,432 thousand depending on the useful life of the vessel as the addition of long-term equity investment under equity method.

2) The sales of property, plant and equipment to related parties are summeraized as follows:

	2020		2019	
Related parties categories	Disposal price	Gain from disposal	Disposal price	Gain from disposal
Subsidiary	$ -	-	31	31
Other related parties	224	151	238	191
	$ 224	151	269	222

6.Other related-party transactions

For the year ended December 31, 2020, the Company received the payment from other related parties amounting to $1,336 thousand.

For the year ended December 31, 2020, the Company sold fuel stock to its subsidiary, WHL Singapore, amounting to $191,110 thousand.

For the years ended December 31, 2020 and 2019, the Company received the payments of human support service from other related parties amounting to $18,097 thousand and $19,960 thousand, respectively.

For the years ended December 31, 2020 and 2019, the Company purchased miscellaneous from other related parties amounting to $31,062 thousand and $16,276 thousand, respectively.

7. Loans to Related Parties

The Company Financing to other related parties was as follows:

	2020.12.31	2019.12.31
Subsidiary		
WHL Singapore	$ 4,636,500	-

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The interest charged by the Company to related parties is based on the average interest rate charged by financial institutions on the Company's borrowings. The loans to related parties are unsecured. There are no provisions for doubtful debt required after the management's assessment.

8. Guarantees

Endorsement guarantees offered to related parties were as follows:

	2020.12.31	2019.12.31
Subsidiary	$ 17,045,151	22,666,372

9.Leasing

In January 2019, the Company rented containers from its related parties. A 1.5 to 12 year lease contract was signed. The total value of the contract was $62,622 thousand. For the year ended December 31, 2020 and 2019, the Company recognized the amount of $977 thousand and $1,190 thousand, respectively as interest expense, with the balance of lease liabilities amounting to $47,069 thousand and $49,728 thousand, respectively.

In January 2019, the Company rented vessels from its subsidiary-WHL Singapore. A 1-to-20 year lease contract was signed, in which the rental fee was determined based on the market condition. The total value of the contract was $78,669,526 thousand. For the year ended December 31, 2020, the Company recognized the amount of $1,152,626 thousand and $1,252,142 thousand, respectively as interest expense, with the balance of lease liabilities amounting to $69,191,763 thousand and $81,468,561 thousand, respectively.

(c) Key management personnel remuneration

Key management personnel remuneration comprised:

	2020	2019
Short-term employee benefits	$ 177,664	67,617
Post-employment benefits	34	18
	$ 177,698	67,635

(8) Pledged Assets

The carrying values of pledged assets were as follows:

Assets	Objective	2020.12.31	2019.12.31
Time deposits (classified under other non-current assets)	Lease contract for wharf	$ 84,455	86,515
Guarantee deposits paid (classified under other non-current assets)	Lease contract for wharf, building lease contract and lawsuit	79,201	80,952
Containers (classified under property, plant and equipment)	Long-term loans	9,109,185	10,651,838
Land and Buildings (classified under property, plant and equipment)	Long-term loans	2,516,131	303,443
		$ 11,788,972	11,122,748

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(9) Significant Contingencies and Commitments

(a) Contract for port rental

To increase the quality of service and to decrease the cost of operations, the Company entered into a contract to lease a wharf in Japan in March 2003 and renewed it in April 2008. The lease period is from March 2003 to March 2028. As of December 31, 2020, the lease deposit amounted to ￥255,775,000 (TWD 69,691 thousand) was recorded in guarantee deposits paid.

The Company co-operated with the Kaohsiung Harbor Bureau to renovate containers and wharf facilities in December 2007 and rented the No. 63 and 64 wharf repair centers and straddle carrier. From the date of beginning renovation to the date the Harbor Bureau examined the construction, the rental period lasted 13 years and 7 months, and the total contract amount was $68,609 thousand, which was reclassified as leased assets on December 31, 2010, to replace previous prepayment for equipment.

(b) As of December 31, 2020, the total amount claimed to the Company is approximately $11,384 thousand, and the related cases are under negotiation or under trial.

(10) Losses Due to Major Disasters: None.

(11) Significant Subsequent Events

According to its long-term development, as well as its operational and fleet allocation considerations, the Company approved to purchase 9 container ships, with a total carrying capacity of approximately 13,000 TEUs, at a maximum total price of USD 1,035,000 thousand (approximately TWD 29,249,100 thousand), based on a resolution made during the board meeting held on March 10, 2021.

(12) Others

(a) Employee benefits, depreciation, and amortization expenses, categorized as operating cost or expense, were as follows:

By function	For the years ended December 31, 2020			For the years ended December 31, 2019		
By item	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	448,665	1,497,987	1,946,652	440,390	998,749	1,439,139
Labor and health insurance	22,483	76,229	98,712	22,936	74,302	97,238
Pension	22,146	43,051	65,197	22,645	43,349	65,994
Remuneration of directors	-	158,389	158,389	-	55,534	55,534
Others employee benefits	23,194	54,871	78,065	30,313	57,125	87,438
Depreciation	8,086,919	47,183	8,134,102	7,946,468	25,233	7,971,701
Amortization	20,655	46,592	67,247	2,668	51,425	54,093

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The Company's number of employees and additional information on employee benefits in December 31, 2020 and 2019 are as follows:

	2020	2019
Number of employees	1,098	1,107
Number of directors who were not employees	4	4
The average employee benefit	$ 2,001	1,532
The average salaries and wages	$ 1,779	1,305
The average of employee salary cost adjustment as follows	36.32 %	17.57 %
Remuneration received by supervisors	$ -	-

The Company's salary and remuneration policy (including directors, managers and employees) are as follows:

1.Employee remuneration:

1) The wages of the employees of the Company are paid based on the grade table set according to the academic experience, professional skills, years of experience, and the degree of responsibilities. Initial emolument is superior to local labor laws and regulations, not because of gender, race, religion, political affiliation, marital status, trade union membership organizations vary. In order to make employees' income proportional, the annual performance bonuses are based on operating conditions and individual performance, achievement of the goal of being competitive, retaining talents, and encouragement to employees.

2) If the Company makes a profit during the year, it shall allocate no less than 1% as employee remuneration following Article 11, Item 1.

2. Remuneration to directors (excluding independent director) and managers:

1) In order to implement the corporate governance and improve the transparency and institutionalization of the remuneration to directors and managers of the Company, the "Remuneration Committee" has been established on September 23, 2011 to set the Remuneration Committee Organization Regulations in accordance with the provisions of the Securities and Exchange Act. The Compensation Committee members are appointed by the Board of Directors, of whom more than half are independent directors of the Company. Its function assists in the formulation and reviews the policies, systems, standards, and structures for performance evaluation and compensation that regarding directors and managers; And regularly assess and determine the remuneration of directors and managers; Makes recommendations with the duty of care and submit them to the board for discussion and resolution.

2) Remuneration policy for directors (excluding independent director) and managers:

A. The performance evaluation and remuneration to directors and managers should be based on the usual standards of the industry, taking into consideration the reasonableness of the individual performance, operating results of the Company, as well as future risks.

B. Directors and managers should not engage in behaviors that exceed the risk appetite of the Company in pursuit of compensation.

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C. Regarding the short-term performance of directors and senior managers, the payment of variable remunerations should be determined by considering the characteristics of the industry and the nature of the Company's business.

3) Salary and remuneration referred to the policy including cash remuneration, stock options, dividends, retirement benefits or severance payments, budget allowances, and other substantive incentives. Its scope should be consistent with that of the annual report of the public offering company and remuneration to directors and managers.

3. Remuneration policy for independent directors:

1) According to the Article 11, Item 2 of the Company, independent directors do not participate in the distribution of earnings, and their remuneration is determined by the board of directors.

2) The remuneration to independent directors of the Company also includes the audit committee and Remuneration Committee aside from considering the execution of business and board affairs of independent directors. Based on the market, and taking into account the standards of the industry, the Remuneration Committee puts forward a proposal to be implemented after the board of directors' approval.

(13) Other Disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2020:

1. Fund financing to other parties:

(In thousands of TWD)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other party during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 5)	Maximum limitation on fund financing (Note 5)
													Name	Value		
0	The Company	WHL Singapore	Other receivables related	Yes	7,703,250	7,025,000	4,636,500	1.23~2.23%	1	-	Note 4	-	Promissory note	7,025,000	15,390,539	17,560,964
1	WHL INTL.	WHL India	Other receivables related	Yes	146,362	77,275	77,275	4.5%	1	-	Note 3	-	Promissory note	77,275	146,793	146,793
2	WHL Singapore	Yi Chun	Other receivables related	Yes	92,418	84,300	32,101	1.63~3.36%	1	-	Note 4	-	Promissory note	84,300	12,312,431	12,312,431

Note 1: Short-term financing.

Note 2: Repayment of loans.

Note 3: Acquisition of assets.

Note 4: Operating activities.

Note 5: Financing amount shall not exceed 40 percent of the lending company's net worth and the following:

1. Individual funding loan limits of financing for single borrower who has business with the lending company cannot exceed the total transaction amount of the current year.
2. Individual funding loan limits for short-term borrower cannot exceed the lower of 40 percent of the lending company's net worth or 50 percent of borrower's net worth.
3. An individual loaned amount between the foreign companies whose voting shares are wholly owned by the Company directly or indirectly, or the foreign companies whose voting shares are wholly owned by the Company directly or indirectly to the Company, shall not exceed 40 percent of the lending company's net worth.

Note 6: Eliminated in the consolidated financial statement.

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2. Guarantees and endorsements for other parties:

(In thousands of TWD)

Number	Name of the company	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount) (Note 3)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (note2)	Parent company endorses/ guarantees to third parties on behalf of subsidiary	Subsidiary endorses/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
	The Company	WHL Singapore	2	35,121,927	22,657,179	17,045,151	8,031,939	-	38.83 %	87,804,818	Y	N	N
	The Company	TK	2	35,121,927	9,193	-	-	-	- %	87,804,818	Y	N	N

Note 1: Relationship with the Company

1. The companies with which it has business relations.
2. Subsidiaries in which the company directly or indirectly holds more than 50% of its total outstanding common shares.
3. The parent company which directly or indirectly holds more than 50% of its voting rights.
4. Subsidiaries in which the company directly or indirectly holds more than 90% of its voting rights.
5. Companies in same type of business and providing mutual endorsements/ guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
6. Shareholders making endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.
7. Companies in same type of business providing guarantees of pre-sale contracts according to the regulation.

Note 2: According to the Company's "Policy and Procedures for Guarantee and Endorsement":

1. External endorsements and guarantees made by the Company may not exceed 200% of the Company's net worth.
2. Endorsements and guarantees made to a single enterprise may not exceed 40% of the Company or its subsidiaries' net worth.
3. The total amount of endorsements and guarantees of the Company and its subsidiaries as a whole may not exceed 250% of the Company's net worth.
4. Endorsements and guarantees made by the Company and its subsidiaries to a single enterprise may not exceed 50% of the Company's net worth.
5. Endorsements and guarantees made by the Company to the subsidiaries, or subsidiaries to the Company, are not subject to the above mentioned restrictions. However, the aggregate amount of endorsements/guarantees that the Company or its subsidiaries make for a single company may not exceed 80% of the net worth of the company providing guarantees.

Note 3: Eliminated in the consolidated financial statements.

3. Securities held as of December 31, 2020 (excluding investment in subsidiaries, associates and joint ventures):

(In thousands of TWD)

Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Notes
				Number of shares	Book value	Percentage of shares	Market value	
	Domestic listed stocks:							
The Company	GREATWALL ENTERPRISE CO., LTD.	-	Financial assets at fair value through profit or loss-current	11,870,579	603,025	1.43 %	603,025	
〃	Formosa Plastics Corporation	-	〃	376,288	36,274	0.01 %	36,274	
〃	Formosa Chemicals & Fibre Corporation	-	〃	245,480	20,792	- %	20,792	
〃	Tainan Spinning Co., Ltd.	-	〃	5,439,898	81,599	0.33 %	81,599	
〃	TAIYEN BIOTECH CO., LTD	-	〃	1,108,000	36,232	0.55 %	36,232	
〃	China Steel Corporation	-	〃	2,291,162	56,706	0.01 %	56,706	
〃	Delta Electronics, Inc.	-	〃	3,930,000	1,033,590	0.15 %	1,033,590	
〃	Hon Hai Precision Ind. Co., Ltd.	-	〃	93,440	8,597	- %	8,597	

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Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Notes
				Number of shares	Book value	Percentage of shares	Market value	
The Company	Taiwan Semiconductor Manufacturing Co., Ltd	-	Financial assets at fair value through profit or loss-current	384,000	203,520	- %	203,520	
〃	Transcend Information, Inc.	-	〃	89,111	5,792	0.02 %	5,792	
〃	Amtran Technology Co., Ltd.	-	〃	984,058	12,301	0.12 %	12,301	
〃	Yang Ming Marine Transport Corp.	-	〃	957,526	28,008	0.04 %	28,008	
〃	China Airlines Ltd.	-	〃	23,753,862	286,234	0.44 %	286,234	
〃	Chinese Maritime Transport Ltd.	-	〃	435,050	15,357	0.22 %	15,357	
〃	Mega Financial Holding Co., Ltd.	-	〃	17,634,646	525,512	0.13 %	525,512	
〃	Taishin Financial Holding Co., Ltd.	-	〃	37,657,608	498,963	0.35 %	498,963	
〃	First Financial Holding Co., Ltd.	-	〃	15,947,731	340,484	0.12 %	340,484	
〃	The Eslite Spectrum Corporation	-	〃	1,078,000	85,593	2.27 %	85,593	
〃	Kinsus Interconnect Technology Corp.	-	〃	334,627	27,071	0.07 %	27,071	
〃	Shih Wei Navigation Co., Ltd.	-	〃	678,680	8,823	0.24 %	8,823	
〃	Taiwan Cooperative Financial Holding Co., Ltd.	-	〃	30,924,560	629,315	0.23 %	629,315	
〃	Taiwan Secom Co., Ltd.	-	〃	3,303,000	292,976	0.73 %	292,976	
	Domestic Emerging stocks:							
〃	Tigerair Taiwan	-	〃	262,635	8,076	0.09 %	8,076	
	Domestic listed stocks:							
〃	Shihlin Paper Corporation	Related party in substance	Financial assets at fair value through other comprehensive income-non-current	6,374,088	377,984	2.45 %	377,984	
〃	Chunghwa Telecom Co., Ltd.	-	〃	27,520,000	2,999,680	0.35 %	2,999,680	
	Domestic unlisted stocks:							
〃	Taipei Port Container Terminal Corp.	Related party in substance	Financial assets at fair value through other comprehensive income-non-current	79,315,476	436,162	15.25 %	436,162	
〃	United Stevedoring Corporation	-	〃	781,250	13,958	15.63 %	13,958	
	Foreign listed stocks:							
WHL Singapore	Da Nang Port Joint Stock Company	-	Financial assets at fair value through other comprehensive income-non-current	20,090,000	660,115	20.29 %	660,115	

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4. Accumulated buying/selling of the same marketable securities for which the dollar amount reaches $300 million or 20% or more of paid-in capital:

Name of Company	Category and name of security	Account name	Name of counter-party	Relationship with the Company	Beginning balance		Purchases		Sales				Ending balance	
					Shares/ Units	Amount	Shares/ Units	Amount	Shares/ Units	Price	Cost	Disposal gain (loss)	Shares/ Units	Amount
The Company	Chunghwa Telecom Co., Ltd.	Financial assets at fair value through other comprehensive income－non-current	-	-	22,992,000	2,529,120	4,528,000	470,560	-	-	-	-	27,520,000	2,999,680

Note: Includes valuation adjustments on financial assets.

5. Acquisition of real estate for which the dollar amount reaches $300 million or 20% or more of paid in capital:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Nome of Company	Name of property	Transaction/ Occurrence date	Transaction amount	Conditions of payment	Counter-party	Relationship	If the counter-party is a related party, disclose the precious transfer information				References for determining price	Purpose for obtaining and usage status	Notes
							Owner	Relationship with the Company	Transfer date	Amount			
The Company	Land and building	2020/5/6	2,228,880	Paid	CHONG HONG CONSTRUCTION CO., LTD	-	-	-	-	-	Market value and appraisal report	For the mediumterm and longterm development of its Taipei headquarter.	None
The Company	Land and building	2020/5/14	538,000	Paid	YI JINN INDUSTRIAL CO., LTD.	-	-	-	-	-	Market value and appraisal report	For longterm investment, mediumterm and longterm development.	None
The Company	Land and building	2020/9/28	1,538,000	Paid	CHONG HONG CONSTRUCTION CO., LTD	-	-	-	-	-	Market value and appraisal report	For the longterm developoment of the Company	None

6. Disposition of real estate for which the dollar amount reaches $300 million or 20% or more of paid-in capital: None.

7. Buying/selling products for which the dollar amount reaches $100 million or 20% or more of paid-in capital:

Name of company	Name of Counter-party	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/notes receivable (payable) (Note 1)	
The Company	Interasia Lines Taiwan	Related party in substance	Loading and unloading revenue	(104,829)	0.17 %	30 days	-	-	15,106	0.25 %	
〃	WHL-Vietnam	Subsidiary	Commission fee	125,502	0.24 %	〃	-	-	(60,056)	0.68 %	Note 2
〃	Taipei Port	Corporate director of the company	Container fee, terminal handling charges	812,302	1.54 %	〃	-	-	(9)	- %	

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Name of company	Name of Counter-party	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/notes receivable (payable) (Note 1)	
The Company	WHL-Singapore	Subsidiary	Rent income, commission revenue, shipping agent revenue	(3,077,578)	4.97 %	30 days	-	-	-	- %	Note 2
〃	WHL-Singapore	Subsidiary	Vessel rental expense, Oil expense	5,866,584	11.13 %	〃	-	-	(1,146,798)	12.94 %	Note 2
〃	IAL Singapore	Related party in substance	Joint venture revenue, container rental revenue, shipping agent revenue, ship rental revenue	(1,503,873)	2.43 %	〃	-	-	119,395	2.00 %	
〃	IAL Singapore	Related party in substance	Joint venture cost, Container rental cost	320,646	0.61 %	〃	-	-	-	- %	
〃	WHL Hongkong	Subsidiary	Commission fee	1,216,916	2.31 %	〃	-	-	(794,344)	8.96 %	Note 2
〃	WHL (Japan)	Same director with the company	Commission fee	242,582	0.46 %	〃	-	-	-	- %	
〃	Hyaline	Same director with the company	Commission fee	603,776	1.15 %	〃	-	-	-	- %	
〃	NSTC	Related party in substance	Tow charge	511,365	0.97 %	〃	-	-	(47,876)	0.54 %	
〃	APLI	Related party in substance	Container fee	319,107	0.61 %	〃	-	-	(9,292)	0.10 %	
〃	WCIC	Related party in substance	Turnkey fee	160,652	0.30 %	〃	-	-	(24,015)	0.27 %	
〃	NSaTC	Related party in substance	Tow charge, Container fee	116,249	0.22 %	〃	-	-	(6,545)	0.07 %	
〃	WHL-Malaysia	Subsidiary	Commission fee	118,958	0.23 %	〃	-	-	-	- %	Note 2
〃	New World Container services Corporation	Related party in substance	Container fee	125,444	0.24 %	〃	-	-	(13,095)	0.15 %	
〃	TK Logistics International Co., Ltd.	Subsidiary	Container fee, Labor fee, Terminal handling charge	130,749	0.25 %	〃	-	-	(15,875)	0.18 %	Note 2
〃	WHL-Thailand	Subsidiary	Commission fee	113,574	0.22 %	〃	-	-	(201,401)	2.27 %	Note 2

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Name of company	Name of Counter-party	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/notes receivable (payable) (Note 1)	
WHL-Singapore	The Company	Subsidiary	Rent expense, commission fee, shipping agent expense	3,077,578	14.42 %	30 days	-	-	-	- %	Note 2
〃	The Company	Subsidiary	Oil revenue, Vessel rental revenue	(5,866,584)	21.46 %	〃	-	-	1,146,798	48.11 %	Note 2
WHL Hongkong	The Company	Subsidiary	Commission income	(1,216,916)	85.16 %	〃	-	-	794,344	25.74 %	Note 2
WHL-Malaysia	The Company	Subsidiary	Commission income	(118,958)	100.00 %		-	-	-	- %	Note 2
WHL-Thailand	The Company	Subsidiary	Commission income	(113,574)	93.41 %		-	-	201,401	80.59 %	Note 2
TK Logistics International Co., Ltd.	The Company	Subsidiary	Container revenue, Service revenue	(130,749)	52.16 %		-	-	15,875	53.08 %	Note 2
WHL-Vietnam	The Company	Subsidiary	Commission income	(125,502)	100.00 %		-	-	60,056	41.13 %	Note 2

Note 1: Including notes receivable / payable, accounts payable－related parties and receivable / payable from / to agents, contract assets.

Note 2: Eliminated in the consolidated financial statements.

8. Accounts receivable from related parties for which the dollar amount reaches $100 million or 20% or more of paid-in capital:

Name of related party	Counter-party	Relationship	Balance of receivables from related party	Turnover rate	Past-due receivables from related party		Subsequently received amount of receivables from related party	Allowances for bad debts
					Amount	Action taken		
The Company (Note 2)	WHL India	Subsidiary	391,673	- %	-	-	387,815	-
The Company (Note 2)	IAL Singapore	Related party in substance	119,395	- %	-	-	119,395	-
The Company (Note 2)	WHL (Japan)	Same director with the Company	981,342	- %	-	-	866,633	-
The Company (Note 2)	Clipper	Subsidiary	1,127,566	- %	-	-	1,127,566	-
The Company (Note 2)	Shenzhen Uniwin International Logistics Ltd.	Subsidiary	272,421	- %	-	-	246,315	-
The Company (Note 3)	WHL-Singapore	Subsidiary	4,842,911	- %	-	-	205,473	-
WHL Thailand (Note 2)	The Company	Subsidiary	201,401	- %	-	-	158,631	-
WHL-HongKong (Note 2)	The Company	Subsidiary	794,344	- %	-	-	794,344	-
Bao Sheng Shipping Agency Co., Ltd. (Note 2)	The Company	Subsidiary	191,564	- %	-	-	189,839	-
WHL-Singapore (Note 2)	The Company	Subsidiary	1,146,798	- %	-	-	1,146,798	-

Note 1: Eliminated in the consolidated financial statements.
Note 2: Including accounts receivables, contract assets and receivable from agent.
Note 3: Other receivable.

9. Derivative transactions: None.

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(b) Information on investees

For the year ended December 31, 2020, the following is the information on investees (excluding investees in Mainland china):

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Net income (loss) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
The Company	Wan Hai Lines (Singapore) Pte. Ltd.	Singapore	Transportation and shipping agency service, vessel rental service, and international transportation and shipping agency services	21,983,099	21,983,099	979,399,234	100.00 %	35,745,788	6,553,945	7,088,033	Subsidiary (Note 2、3)
〃	k.k. WH Corporation	Japan	Terminal operation and management service, and vessel rental service	7,141	7,141	500	100.00 %	24,513	3,000	3,000	Subsidiary (Note 3)
〃	Wan Hai Lines (Germany) GmbH	Germany	Transportation and shipping agency services	-	1,018	-	- %	-	(382)	(382)	Subsidiary (Note 1、3、4)
〃	Tan Cang-Cai Mep International Terminal Co., Ltd.	Vietnam	Managing wharf and containers	259,917	259,917	-	21.33 %	436,375	568,974	121,362	Associate (Note 1)
〃	T.K. Logistics International Co., Ltd.	Taiwan	Managing container terminals and storage facilities	143,000	143,000	14,300,000	55.00 %	156,410	20,597	11,329	Subsidiary (Note 3)
〃	Bao Sheng Shipping Agency Co., Ltd.	Taiwan	Acting as agent for transportation affair and contracting ocean shipping and related services.	30,000	30,000	3,000,000	70.01 %	40,652	6,573	4,602	Subsidiary (Note 3)
〃	Hai Phong International Container Terminal Co., Ltd.	Vietnam	Managing wharf and containers	598,211	598,211	-	16.50 %	534,245	172,257	28,423	Associate (Note 1)
WHL-Singapore	Wan Hai Lines (Phils.), Inc.	Philippines	Transportation and shipping agency services	5,991	5,991	901,540	100.00 %	11,040	(1,855)	(1,855)	Indirect subsidiary (Note 3)
〃	Wan Hai Lines (H.K.) Limited	Hong Kong	Transportation and shipping agency services	695,246	695,246	160,000,000	100.00 %	3,579,522	620,765	620,765	Indirect subsidiary (Note 3)
〃	Wan Hai Lines (M) Sdn. Bhd.	Malaysia	Transportation and shipping agency services	4,613	4,613	500,000	100.00 %	74,268	(1,933)	(1,933)	Indirect subsidiary (Note 3)
〃	Yi Chun Shipping Agencies Sdn. Bhd.	Malaysia	ODD operations	1,845	1,845	200,000	100.00 %	17,515	3,209	3,209	Indirect subsidiary (Note 3)
〃	Wan Hai Lines (Korea) Ltd.	Korea	Transportation and shipping agency services	11,019	11,019	80,000	100.00 %	52,655	14,762	14,762	Indirect subsidiary (Note 3)
〃	Wan Hai International Pte. Ltd.	Singapore	Transportation and shipping agency services	239,979	239,979	10,312,460	100.00 %	523,370	76,167	76,167	Indirect subsidiary (Note 3)
〃	Wan Hai Lines (Thailand) Ltd.	Thailand	Transportation and shipping agency services	4,732	2,805	49,000	49.00 %	75,164	21,479	10,525	Indirect subsidiary (Note 3)
〃	Wan Hai (Vietnam) Ltd.	Vietnam	Transportation and shipping agency services	8,691	8,691	-	100.00 %	61,145	43,487	43,487	Indirect subsidiary (Note 1、3)
〃	HE CHUN LOGISTICS COMPANY LTD.	Vietnam	ODD operations	60,857	60,857	-	100.00 %	77,893	22,939	22,939	Indirect subsidiary (Note 1、3)
〃	Wan Hai Lines Peru S.A.C.	Peru	Transportation and shipping agency services	1,942	1,942	245,124	99.00 %	13,441	12,234	12,111	Indirect subsidiary (Note 3)
〃	WanHai Lines (Ecuador) S.A.	Ecuador	Transportation and shipping agency services	1,627	1,627	51,000	51.00 %	9,079	14,207	7,246	Indirect subsidiary (Note 3)

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Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Net income (loss) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
WHL-Singapore	PHUC XUAN MARITIME SERVICE CO.,LTD.	Vietnam	Container yard business	9,186	9,186	-	49.00 %	22,919	31,042	15,210	Associate (Note 1)
〃	Bravely International Pte. Ltd.	Singapore	Transportation and investment	625,026	413,778	28,262,221	100.00 %	133,395	(5,149)	(5,149)	Indirect subsidiary (Note 3)
〃	WAN HAI LINES (USA) LTD.	America	Transportation and shipping agency services	437,514	437,514	284,381	100.00 %	433,750	26,605	26,605	Indirect subsidiary (Note 3)
〃	Wan Hai Shipping Limited	Myanmar	Transportation and shipping agency services	1,075	1,075	35,000	70.00 %	931	(209)	(146)	Indirect subsidiary (Note 3)
WHL INTL.	Wan Hai Lines (UAE) LLC.	Dubai	Transportation and shipping agency services	1,365	1,365	147	49.00 %	31,583	63,651	31,189	Equity method
〃	Infinite Marine Investment Co., Ltd.	Cayman	Investment	173,463	173,463	5,550,000	100.00 %	5,674	7,597	7,597	Indirect subsidiary (Note 3)
〃	Wan Hai Lines (India) PVT Ltd.	India	Transportation and shipping agency services	69	69	10,000	100.00 %	158,743	45,275	45,275	Indirect subsidiary (Note 3)
〃	Wan Hai Lines Peru S.A.C.	Peru	Transportation and shipping agency services	20	20	2,476	1.00 %	136	12,234	123	Indirect subsidiary (Note 3)
WHL Hongkong	Dawin Logistics (International) Limited	Hong Kong	Managing container, storage and logistics services	570,480	570,480	144,640,000	100.00 %	992,194	87,004	87,004	Indirect subsidiary (Note 3)
Bravely International Pte. Ltd.	Bravely (Myanmar) Transport and Logistics Company Limited	Myanmar	Management container, storage and logistic service	127,584	127,584	4,000,000	80.00 %	90,773	(3,590)	(2,872)	Indirect subsidiary (Note 3)
WAN HAI LINES (USA) LTD.	Wan Hai Lines (Arizona) LLC.	America	House rental and management	359,760	359,760	-	100.00 %	358,025	9,129	9,129	Indirect subsidiary (Note 1、3)
Wan Hai Lines (India) PVT Ltd.	WH Logistics Private Limited	India	Managing container, storage and logistics services	395	-	100,000	50.00 %	312	(150)	(75)	Equity method

Note 1: Limited companies with no common shares issued.

Note 2: The difference is due to the unrealized gain / loss.

Note 3: Eliminated in the consolidated financial statements.

Note 4:The liquidation process was completed in March, 2020.

(c) Information on investment in Mainland China

1. Information on investment in Mainland China:

Name of the investee in Mainland China	Major operations	Issued capital	Method of investment	Beginning remittance balance - Cumulative investment (amount) from Taiwan	Current remittance/recoverable investment (amount)		Ending remittance balance - Cumulative investment (amount) from Taiwan	Net income (loss) of the investee	Direct /indirect shareholding (%) by the Company	Current investment gains and losses (Note 2)	Carrying Amount	Accumulated Inward Remittance of Earnings
					Remittance amount	Recoverable amount						
Guangzhou Wan Hai Information Technology Ltd.	Information software service	7,922	(1)	-	-	-	-	(2,187)	100.00 %	(2,187)	21,354	-
Shenzhen Uniwin International Logistics Ltd.	Freight transportation and acting as agent for transport affairs	644,016	(1)	-	-	-	-	67,538	100.00 %	67,538	840,976	-

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Name of the investee in Mainland China	Major operations	Issued capital	Method of investment	Beginning remittance balance - Cumulative investment (amount) from Taiwan	Current remittance/recoverable investment (amount)		Ending remittance balance - Cumulative investment (amount) from Taiwan	Net income (loss) of the investee	Direct /indirect shareholding (%) by the Company	Current investment gains and losses (Note 2)	Carrying Amount	Accumulated Inward Remittance of Earnings
					Remittance amount	Recoverable amount						
Clipper International Shipping Agency Ltd.	International shipping agency services	4,070	(1)	-	-	-	-	21,880	49.00 %	10,721	10,448	-
Blue Ocean Logistics (Shanghai) Ltd.	Containers, storage and international transportation services	32,596	(1)	-	-	-	-	7,498	100.00 %	7,498	74,517	-
Shenzhen Yong Chun International Shipping Management Co., Ltd.	International shipping management	29,068	(1)	-	-	-	-	9,735	90.00 %	8,701	32,647	-
Wan Hang Tours Co., Ltd.	Retailing and Catering management	287,330	(1)	-	-	-	-	(5,651)	50.00 %	(2,826)	116,241	-
Qingdao port and Win International Logistics Co., Ltd.	Container yard station	50,188	(1)	-	-	-	-	20,323	50.00 %	10,162	37,269	-

Note 1: Indirectly invested in Mainland China through investees.
Note 2: The investment income (loss) recognized in current period was audited and certified by the CPA of the Company.

2. Limitation on investment in Mainland China:

Aggregate investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by Investment Commission of Ministry of Economic Affairs	Limitation on investment in Mainland China by Investment Commission of Ministry of Economic Affairs
-	1,131,368	26,341,445

Note: The Company's investments in Mainland China were mostly from the investees' self-owned capital in indirect subsidiaries.

3. Significant transactions:

As of December 31, 2020, the significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
Yi Chun (Liberia) Shipping Co., Ltd.	285,234,291	12.85 %
TCE	170,902,859	7.70 %
CCE	170,902,859	7.70 %
Asia Pacific Logistics International Co., Ltd.	166,854,398	7.52 %

(14) Segment Information

Please refer to the consolidated financial report.

6.6 The financial difficulties encountered by the company and its affiliates from the past year and current year up to the annual report's publish date: None.

VII Review of Financial Conditions, Operating Results, and Risk Management

7.1 Analysis of Financial Status

Unit: TWD thousand; %

Item \ Year	2020	2019	Difference	
			Amounts	%
Current assets	31,336,570	27,514,862	3,821,708	13.89
Property, Plant and Equipment	54,166,521	43,728,724	10,437,797	23.87
Right-of-Use	7,727,240	5,097,810	2,629,430	51.58
Intangible Assets	81,857	77,322	4,535	5.87
Other Assets	15,285,430	11,185,534	4,099,896	36.65
Total Assets	108,597,618	87,604,252	20,993,366	23.96
Current Liabilities	24,749,262	16,722,195	8,027,067	48.00
Non-current Liabilities	39,676,014	34,533,592	5,142,422	14.89
Total Liabilities	64,425,276	51,255,787	13,169,489	25.69
Equity attributable to owners of parent	43,902,409	36,104,182	7,798,227	21.60
Common Stock	22,182,975	22,182,975	0	0.00
Capital surplus	1,271,775	1,271,775	0	0.00
Retained Earnings	23,687,262	14,169,113	9,518,149	67.18
Other Equity	(3,239,603)	(1,519,681)	(1,719,922)	(113.18)
Treasury Stock	0	0	0	0.00
Non-Controlling Interest	269,933	244,283	25,650	10.50
Total stockholders' equity	44,172,342	36,348,465	7,823,877	21.52

Illustration for significant variance:

1. The increase in right-of-use was mainly due to the increase in right-of-use-vessels & right-of-use-vessels-containers.
2. The increase in current liabilities was mainly due to the increase in current portion of bonds payable & current tax liabilities.
3. The decrease in other equities was mainly due to the decrease in the exchange difference arising from the conversion of the financial statements of foreign operating institutions.

7.2 Analysis of operation results

Unit: TWD thousand; %

Item \ Year	2020	2019	Difference	
			Amounts	%
Operating revenue	81,880,182	72,951,183	8,928,999	12.24
Operating cost	64,298,815	65,721,165	(1,422,350)	(2.16)
Gross profit	17,581,367	7,230,018	10,351,349	143.17
Operating expense	4,799,709	4,378,732	420,977	9.61
Operating income	12,781,658	2,851,286	9,930,372	348.28
Non-operating income and expenses	1,468,337	1,703,907	(235,570)	(13.83)
Net income before income tax	14,249,995	4,555,193	9,694,802	212.83
Income tax	2,892,507	967,487	1,925,020	198.97
Net income after income tax	11,357,488	3,587,706	7,769,782	216.57
Other comprehensive profit and loss (Net value after tax)	(1,748,561)	(706,100)	(1,042,461)	(147.64)
Total Comprehensive profit and loss from this period	9,608,927	2,881,606	6,727,321	233.46
Net earnings attributable to owners of parent	11,316,981	3,573,703	7,743,278	216.67
Net earnings attributable to non-controlling interest	40,507	14,003	26,504	189.27
Total comprehensive profit and loss attributable to owners of parent	9,572,865	2,863,197	6,709,668	234.34
Total comprehensive profit and loss attributable to non- controlling interest	36,062	18,409	17,653	95.89

Illustration for significant variance:

1. The increase in operating income, net income before income tax, net income after income tax & total comprehensive profit and loss from this period was mainly due to increase in operating revenue.
2. The decrease in other comprehensive profit and loss (net value after tax) was mainly due to decrease in foreign currency translation differences arising from foreign operations.

7.3 Analysis of cash flow

7.3.1 Analysis of short-term liquidity for the last two years

Items \ Year	2020	2019	Increase(Decrease)(%)
Cash flow ratio	70.98	47.97	+48%
Cash flow adequacy ratio	96.63	99.52	-3%
Cash re-investment ratio	12.44	5.59	+122%
Analysis of increase/decrease ratios: Net cash flow provided by operating activities increase resulted in the increase of cash flow ratio and cash re-investment ratio.			

7.3.2 Analysis of cash flow for the next year

Unit: TWD thousand

Cash as of beginning of the year	Cash inflow from operating activities	Cash outflow for the whole year	cash surplus (inefficiency)	Projected countermeasures for the shortage of cash	
				Investment Plans	Financial Plans
15,765,903	36,114,258	(10,181,061)	41,699,100	-	-

1. Analysis of cash flow for this year:
   (1) Operating activities: Expected demand and the average ocean freight rate will increase, so the Company estimated that the cash inflow from operating activities is TWD 36,114,258 thousand.
   (2) Investing activities: Planning to purchase the fixed assets in the next coming year, the Company estimated that the cash outflow from investment activities is TWD 29,921,003 thousand.
   (3) Financing activities: Under the influence of long term facility drawdown, and repaying loan in the next coming year, the Company estimated that the cash inflow from financing activities is TWD 19,739,942 thousand.
2. Measures for insufficient cash and analysis for liquidity: Not applicable.

7.4 Major Capital Expenditure Items

7.4.1 The detail and funding source of significant capital expenditure

Unit: TWD thousand

Project Item	Actual or expected funding source	Actual or expected completion date	Total amounts needed	Actual or expected capital expenditure (Note1)				
				2020	2021	2022	2023	2024
Investing terminal Purchasing containers/ vessels/ office	Loans Internal funds Financing from capital market	Investing terminal/Purchasing containers, vessels and office in Year 2020 Purchasing containers and vessels in Year 2021~2023	88,373,898	19,326,120	30,591,045	19,125,397	19,331,336	0

Note 1:Including subsidiary company, Wan Hai Lines (Singapore) Pte Ltd., into the planning on actual / forecast of working capital.

7.4.2 Predicted benefits

The phase-in of brand new vessels and containers will enhance the vessel/container fleet, improve our service quality and reduce operating cost.

7.5 The main reasons for profits and losses of the investment plans in the last year, improvement plans and investment plans for the coming year

In order to raise the quality of our customer service and grasp market trends, we have cut down on operating costs and invested in outstanding shipping related businesses, shipping agencies, and vessel rental companies. Share of profit of long-term investments under equity method last year was TWD 203,445 thousand, which was mainly due to the investees' growth in operating income arising from the increase in the freight volume. Currently we have no plans for further investment in the coming year.

7.6 Analysis regarding risk items for the past year and up to the annual report publishing date

7.6.1 The influences of interest rate variation, foreign exchange rate variation, and inflation on the net income of the company, and future responsive measures

No significant change in interest rates in this year. And the cost of borrowing has not been significantly different than previous year because of the Company's debt structure adjustment. Although the company's income of USD is greater than its expenditures, consistent loans in USD, contained the risk exposure to exchange rate variations. In recent years, there has been no significant domestic inflation.

7.6.2 Policies and principal reasons for profits and losses regarding: high risk, high leverage investments, funds lent to other parties, endorsed guarantees, and derivative transactions

The company has always taken a safe approach to its funds, with mobility being a priority, and thus has never engaged in high risk or high leverage investments. The only funds lent were to completely-owned subsidiaries. The company provides guarantees completely-owned subsidiaries. The company follows our guidelines for lending and endorsement and guarantees. The company has instituted a management procedure for the buying and selling of derivative products.

7.6.3 Plans for future research and development and estimated R&D expenses.

1. Research in optimizing the layout of shipping routes.
2. Research in potential markets, adjustments in strategic alliances and shipping route layouts.
3. Promoting e-commerce.
4. Optimizing fleet efficiency, promoting shipping safety, environment protection and smart ship management.
5. Enhancing shipping schedule reliability.
6. Upgrading container specification, structure and dispatch efficiency.
7. Improving cold chain logistic and special cargo management expertise.
8. Increasing the efficiency of the data center and enhancing information and cyber security.

7.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

Changes in policy and law had no apparent influence on our company.We adhere to all rules and regulations set by the governing institutions.

7.6.5 Effects of and Response to Changes in Technology and Industry Relating to Corporate Finance and Sales

Technology improves rapidly and based on business demand the Company is increasing IT capital expenditure and enhancing both hardware and software facilities. In consideration of efficiency and safety,the Company continues to increase information security capital expenditure,and effectively increase the financial managing ability and further work planning.

7.6.6 Any changes of company image that have influenced our corporate crisis management

Our corporate image is good and we set up our official corporate website,the spokesman system and the finance department to disclose the material corporate information timely.We built up a clear and dependable communication system to protect and maintain our nice corporate image.

7.6.7 Anticipated benefits and possible risks from mergers and acquisitions: None.

7.6.8 Expansion of fleet and productivity,and expected benefits, possible risks and countermeasures.

Expanding our fleet will be essential for increasing our operational scale, operational volume and our profit.In response to market demands,we will adjust our shipping route layouts, design suitable vessel types to improve our fleet efficiency and to reduce operational costs.

However the shipping market is influenced by global economic cycles and other external factors,and thus subject to great changes.In recent years,global shipping capacity has increased and the industry is facing the risk of oversupply.We will pay close attention to the market trends,and will carefully evaluate operational scale, performance of vessels and will flexibly adjust renewal and layout of vessels,and will actively develop potential new markets.

7.6.9 Risks from centralization of stocking or sales: None.

7.6.10 The influence and risk from the share transfer and change from the company directors, and major stockholders who hold over 10% of the company shares: None.

7.6.11 The influence and risk from the change of company management: None.

7.6.12 For the company directors, general managers, the substantial person in charge, and the main stockholders who hold company shares over 10%, the company should list out the decided or in process lawsuit issues which is significant in influencing the shareholders' interests or security prices. The enclosed details shall include the facts, amount, lawsuit starting date, the main parties, and the updated situation up to the annual report publishing date:

The litigation and non-litigation issues that our corporation currently involved are mostly due to the claim for the loss during the shipping service or the dispute about the operation of the ship. These kinds of issues and payment are all covered by our insurance and can be reimbursed from the insurance policy. Hence, all the related risks are under proper control and have no any material effect to our company.

7.6.13 Other major risks and action plan: None.

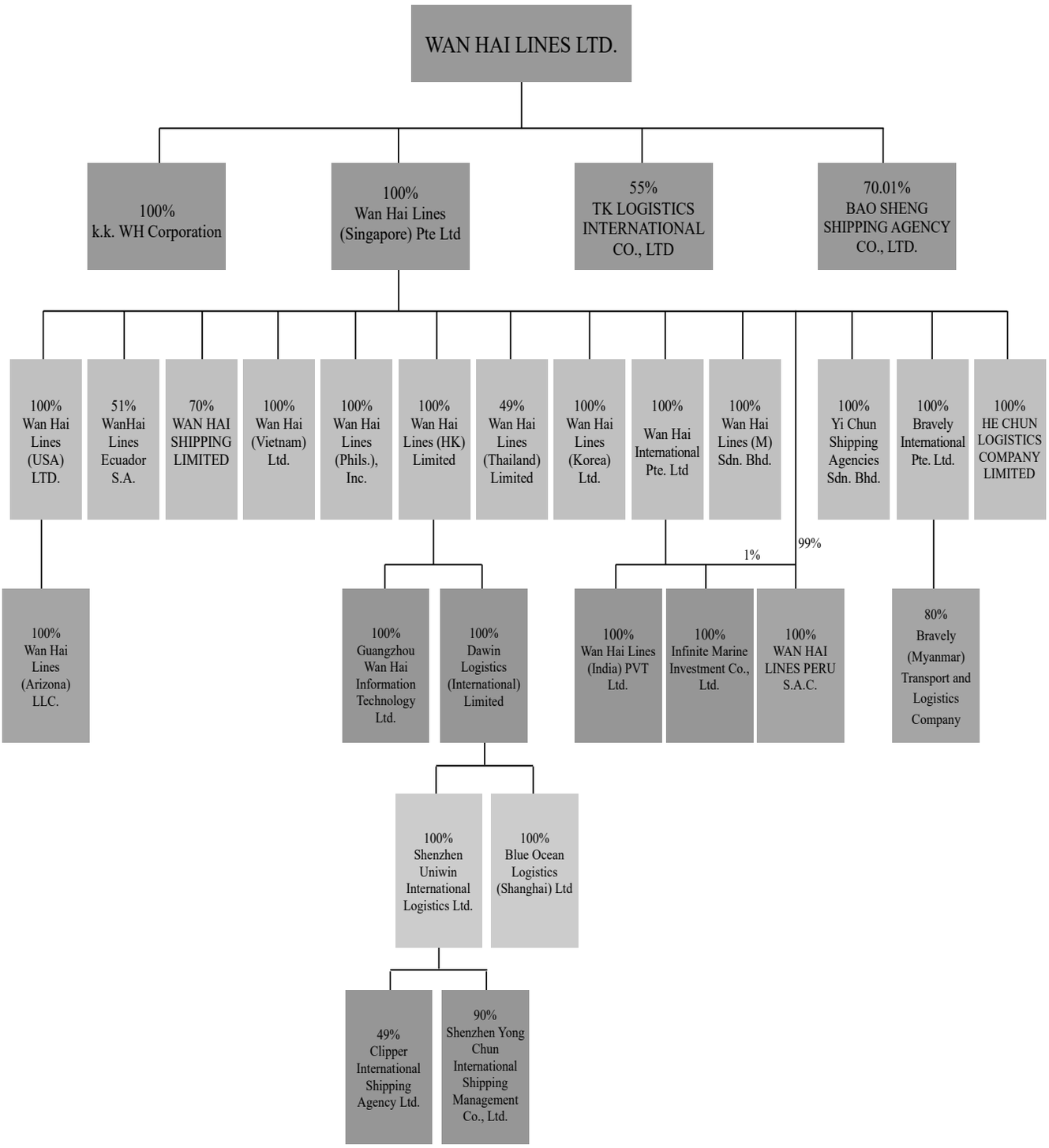
7.7 Other significant information: None.

VIII Special Disclosure

8.1 Related Parties Information

8.1.1 Consolidated Operation Report (2020/12/31)

1. Related Parties Structure



2. Related Parties' Basic Information

Company Name	Establish Date	Address	Capital Amount	Nature of Business
Wan Hai Lines (Phils.), Inc.	2000.10.05	18/F Rufino Pacific Tower #6784 Ayala Ave., corner V.A. Rufino St. 1223 Makati City, Philippines	9,015,400(PHP) EX rate: 48.03/28.1	International sea transportation, operations, agencies for transport affairs
Wan Hai Lines (HK) Limited	1986.10.17	3F., Singga Commercial Centre,144-151. Connaught Road West, Hong Kong	160,000,000(HKD) EX rate: 7.7521/28.1	International sea transportation, operations, agencies for transport affairs
Wan Hai Lines (Singapore) Pte Ltd	1991.05.09	79, Anson Road #10-01 Singapore 079906	714,259,854.86(USD) EX rate: 28.1	International sea transportation, operations, agencies for transport affairs, leasing of vessels
Wan Hai Lines (M) Sdn. Bhd.	1992.02.28	K-2-06, Jalan PJU 1A/41B, Pusat Dagangan NZX, Ara Jaya,47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	500,000(MYR) EX rate: 4.02/28.1	International sea transportation, operations, agencies for transport affairs
Yi Chun Shipping Agencies Sdn. Bhd.	1992.10.30	K-2-06, Jalan PJU 1A/41B, Pusat Dagangan NZX, Ara Jaya,47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	200,000(MYR) EX rate: 4.02/28.1	On Dock Depot operation
Wan Hai Lines (Korea) Ltd.	1991.08.12	15F, 43, DADONG-GIL, JUNG-GU, SEOUL, KOREA, 04521	400,000,000(WON) EX rate: 1087.22/28.1	International sea transportation, operations, agencies for transport affairs
Shenzhen Yong Chun International Shipping Management Co., Ltd.	2010.07.20	Room A, B, 26F, Tianmian City Tower, Middle Shennan Blvd, Shenzhen, China	6,000,000(CNY) EX rate: 6.5341/28.1	International shipping management
Guangzhou Wan Hai Information Technology Ltd.	2000.07.13	20F, Baolizhongjing, 406 Huasui Rd., Guangzhou, China	2,125,450 (CNY) EX rate: 6.5341/28.1	Information and Software service
Wan Hai International Pte. Ltd.	2002.07.22	79, Anson Road #10-01 Singapore 079906	10,312,460 (SGD) EX rate: 1.3213/28.1	International sea transportation, operations, agencies for transport affairs
Bravely International Pte. Ltd.	2014.05.26	79, Anson Road #10-01 Singapore 079906	20,395,986.62 (USD) EX rate:28.1	International sea transportation, Investment
Infinite Marine Investment Co., Ltd.	2016.06.17	P.O. Box 10008, Willow House, Cricket Square/ Grand Cayman, KY1-1001, Cayman Islands	5,550,000.00(USD) EX rate:28.1	Investment
Wan Hai Lines (India) PVT Ltd.	2002.05.28	A-102 & 103, The Qube, Near To International Airport, Marol Village,Andheri (East), Mumbai-400 059	100,000(INR) EX rate: 73.06/ 28.1	International sea transportation, operations, agencies for transport affairs
k.k. WH Corporation	2002.11.27	OI New NO.5 Terminal Bldg. 4F 4-9, Yashio 2-Chome Shinagawa-Ku, Tokyo 140-0003, Japan	25,000,000(JPY) EX rate: 103.13/28.1	Operation & Management of Terminal
Dawin Logistics (International) Limited	1980.11.18	2/F.,Singga Commercial Centre,144-151. Connaught Road,West, Hong Kong	144,640,000(HKD) EX rate: 7.7521/28.1	Cargo handling, warehousing and investment service
Shenzhen Uniwin International Logistics Ltd..	2002.06.14	Room C,D, 25F, Tianmian City Tower, Middle Shennan Blvd, Shenzhen , China	132,615,268 (CNY) EX rate: 6.5341/28.1	Freight transportation and agency services for transport affairs
Clipper International Shipping Agency Ltd.	2004.12.30	22/F HAITONG SECURITIES TOWER, NO.689 GUANGDONG ROAD, SHANGHAI	1,000,000(CNY) EX rate: 6.5341/28.1	International sea transportation, operations, agencies for transport affairs
TK LOGISTICS INTERNATIONAL CO., LTD	2005.09.26	No.28 Zhong Shan 4th Road Keelung City, Taiwan	260,000,000(TWD)	Managing container terminals and storage facilities
BAO SHENG SHIPPING AGENCY CO., LTD.	2010.03.18	7F, No. 255, Ren 2nd Rd., Ren'ai District, Keelung City, Taiwan	42,850,000(TWD)	Acting as agent for transportation affair and contracting ocean shipping and related services
Blue Ocean Logistics (Shanghai) Ltd	2006.09.21	9/F,No.118, East Bao Xing Road, HongKou District, Shanghai	7,824,000(CNY) EX rate: 6.5341/28.1	Cargo handling, warehousing and international haulage service.
Wan Hai Lines (Thailand) Limited.	2006.05.01	21F, Lumpini Tower, 1168/56, 61 Rama 4 Road, Thungmahamek, Sathorn, Bangkok 10120, Thailand	10,000,000(THB) EX rate: 29.96/28.1	International sea transportation, operations, agencies for transport affairs
Wan Hai (Vietnam) Ltd.	2012.07.02	Mezz Floor & 9th Floor, MB Sunny Tower,259 Tran Hung Dao st,1st Dist, HCM City, S.R Vietnam	6,300,000,000(VND) EX rate: 23085/28.1	International sea transportation, operations, agencies for transport affairs
HE CHUN LOGISTICS COMPANY LIMITED	2018.10.05	Floor 6, TD Business Center Building, 20A Le Hong Phong Street, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam	46,000,000,000(VND) EX rate: 23085/28.1	On dock depot operation
Bravely (Myanmar) Transport and Logistics Company Limited.	2015.05.29	No.235B , Shukhinthar Mayopat Road, Thaketa Township Yangon, Myanmar	6,773,500,000(MMK) EX rate:1330/28.1	Haulage service and barge business
WAN HAI SHIPPING LIMITED	2019.01.16	Room(6), No.(30/A) , Yaw Min Gyi Street, Yaw Min Gyi Ward, Dagon Township, Yangon, Myanmar	76,170,000(MMK) EX rate:1330/28.1	International sea transportation, operations, agencies for transport affairs
WanHai Lines Ecuador S.A.	2016.10.26	Av. De Las Americas, Calle Republica. Sky Building Office No. 507, Guayaquil, Ecuador 090513.	100,000(USD) EX rate:28.1	International sea transportation, operations, agencies for transport affairs
WAN HAI LINES PERU S.A.C.	2015.05.14	CALLE ENRIQUE PALACIOS 335, OFC 205, MIRAFLORES, LIMA, PERU	247,600(PEN) EX rate: 3.621/28.1	International sea transportation, operations, agencies for transport affairs
Wan Hai Lines (Arizona) LLC.	2017.10.16	17200 N Perimeter Dr.,STE200,Scottsdale AZ 85255	12,000,000(USD) EX rate:28.1	House rental and management services
Wan Hai Lines (USA) LTD.	2018.05.17	17200 N Perimeter Dr.,STE200,Scottsdale AZ 85255	14,219,059.77 (USD) EX rate:28.1	International sea transportation, operations, agencies for transport affairs

3. The companies presumed to have a relationship of control and subordination should be disclosed: None.
4. The industries covered by the business operated by the affiliates overall The whole relaties' operation includes marine transportation, warehouse, shipping agency, leasing of vessels and containers, All related parties operate in coordination.
5. Related Parties' Directors, Supervisors and Presidents

Company Name	Title	Name	Holding shares on current date	
			shares	**%**
Wan Hai Lines (Phils.), Inc.	Chairman	WH-SG Representative Randy Chen	901,540	100%
	Director & President	WH-SG Representative Shen-Hsing Lo		
	Director	WH-SG Representative Hsueh-Hua Lu		
	Director	WH-SG Representative Valeriano S. del Rosario		
	Director	WH-SG Representative Cornelio T. Peralta		
	Director	WH-SG Representative Daphne Ruby B. Grasparil		
	Director	WH-SG Representative Marcos C. Sotalbo		
Wan Hai Lines (Korea) Ltd.	Chairman	WH-SG Representative Jen-Kai Wu	80,000	100%
	Director	WH-SG Representative Chung-Cheng Hsu		
	Director	WH-SG Representative Meng-Chuan Chang		
	Supervisor	WH-SG Representative Fur-Lung Hsieh		
Wan Hai Lines (M) Sdn. Bhd.	Director	WH-SG Representative Chih-Yuan Chen	500,000	100%
	Director	WH-SG Representative Fur-Lung Hsieh		
	Director	WH-SG Representative Wei-Ching Hu		
	Director	WH-SG Representative Ching Ta Peng		
Yi Chun Shipping Agencies Sdn. Bhd.	Director	WH-SG Representative Chih-Yuan Chen	200,000	100%
	Director	WH-SG Representative Fur-Lung Hsieh		
	Director	WH-SG Representative Wei-Ching Hu		
	Director	WH-SG Representative Ching Ta Peng		
Wan Hai Lines (Singapore) Pte Ltd	Director	WH-TPE Representative Randy Chen	979,399,234	100%
	Director	WH-TPE Representative Chih-Yuan Chen		
	Director	WH-TPE Representative Fei-Fei Chuang		
	Director	WH-TPE Representative Yi-Cheng Lin		
WAN HAI LINES PERU S.A.C.	Director	WH-SG Representative Randy Chen	247,600	100%
	Director	WH-SG Representative Meng-Chuan Chang		
	Director	WH-SG Representative Jen-Yang Yu		

Company Name	Title	Name	Holding shares on current date	
			shares	%
Wan Hai International Pte. Ltd.	Director	WH-SG Representative Chih-Yuan Chen	10,312,460	100%
	Director	WH-SG Representative Fei-Fei Chuang		
	Director	WH-SG Representative Yi-Cheng Lin		
Bravely International Pte. Ltd.	Director	WH-SG Representative Chi-Hao Loh	28,262,221	100%
	Director	WH-SG Representative Eng-Huat Ang		
	Director	WH-SG Representative Yong-Hing Chan		
	Director	WH-SG Representative I-Hsin Chiu		
Infinite Marine Investment Co., Ltd.	Director	WHI Representative Ya-Ting Yang	5,550,000	100%
	Director	WHI Representative Wei-Chi Shieh		
	Director	WHI Representative Tsai-Jung Huang		
Guangzhou Wan Hai Information Technology Ltd.	Chairman	WH-HK Representative Kwan-Wah Chu	-	100%
	Director	WH-HK Representative Chieh-Wen Wang		
	Director	WH-HK Representative Yu-Man Chan		
Wan Hai Lines (HK) Limited	Director	WH-SG Representative Ching-Chih Chen	160,000,000	100%
	Director	WH-SG Representative Chih-Chao Chen		
	Director	WH-SG Representative Huai-Lung Chen		
	Director	WH-SG Representative Wen-Chau Yeh		
	Director	WH-SG Representative Kwan-Wah Chu		
	Director	WH-SG Representative Tsai-Jung Huang		
Dawin Logistics (International) Limited	Director	WH-HK Representative Ching-Chih Chen	144,640,000	100%
	Director	WH-HK Representative Chih-Chao Chen		
	Director	WH-HK Representative Huai-Lung Chen		
	Director	WH-HK Representative Wen-Chau Yeh		
	Director	WH-HK Representative Kwan-Wah Chu		
	Director	WH-HK Representative Tsai-Jung Huang		
Shenzhen Uniwin International Logistics Ltd.	Chairman	DAWIN Representative Kwan-Wah Chu	-	100%
	Director	DAWIN Representative Jen-Kai Wu		
	Director	DAWIN Representative Chien-Feng Wu		
	Supervisor	DAWIN Representative Yu-Man Chan		

Company Name	Title	Name	Holding shares on current date	
			shares	%
Clipper International Shipping Agency Ltd.	Chairman	UNIWIN Representative Chien-Feng Wu	-	49%
	Director	UNIWIN Representative Shyue-Jih Ma		
	Director	UNIWIN Representative Kwan-Wah Chu		
	Director	UNIWIN Representative Tian-Hai Chang		
	Supervisor	UNIWIN Representative Yu-Wan Chan		
	Director	ShenZhen TaiErXin Representative Yuan Chan		51%
Wan Hai Lines (India) PVT Ltd.	Director	WHI Representative Fur-Lung Hsieh	10,000	100%
	Director	WHI Representative Wen-Yueh Yang		
	Director	WHI Representative Prasad Bapat		
k.k. WH Corporation	President	WH-TPE Representative Ching-Chih Chen	500	100%
	Vice President	WH-TPE Representative Chao-Hon Chen		
	Director	WH-TPE Representative Fur-Lung Hsieh		
	Director	WH-TPE Representative Jen-Kai Wu		
	Supervisor	WH-TPE Representative Mitsuru Ito		
TK LOGISTICS INTERNATIONAL CO., LTD	Chairman	LUCKY OCEAN SHIPPING CO.,LTD Representative Cheng-Chung Chuang	2,600,000	10%
	Director	NEW SPEED TRANSPORTATION & TERMIINAL CORP Representative Jeffery Chen	2,600,000	10%
	Director	ZANG CHUN ASSETS MANAGEMENT CO., LTD Representative Billy Chen	2,600,000	10%
	Director	WH-TPE Representative Chuang-Chih Chuang	14,300,000	55%
	Director	WH-TPE Representative Cheng-Cheng Liow		
	Director	WH-TPE Representative Shen-Hsing Lo		
	Director	WH-TPE Representative Yi-Ting Liu		
	Supervisor	Shyue-Jih Ma	-	-
	Supervisor	Wei-Chien Chuang	-	-
	President	Chuang-Chih Chuang	-	-
BAO SHENG SHIPPING AGENCY CO., LTD.	Chairman	WH-TPE Representative Chih-Chao Chen	3,000,000	70.01%
	Director	WH-TPE Representative Wei-Chien Chuang		
	Director	WH-TPE Representative Li-Mei Su		
	Director	WH-TPE Representative Cheng-Cheng Liow		
	Supervisor	Shyue-Jih Ma	-	-
	Vice Chairman	Cheng-Chung Chuang	1,285,000	29.99%
	President	Chen-Chu Lin	-	-

Company Name	Title	Name	Holding shares on current date	
			shares	%
Blue Ocean Logistics (Shanghai) Ltd	Chairman	DAWIN Representative Wei-Chien Chuang	-	100%
	Director	DAWIN Representative Ming-Shan Huang		
	Director	DAWIN Representative Chien-Feng Wu		
	Supervisor	DAWIN Representative Chih-Hsien Chen		
Wan Hai Lines (Thailand) Limited	Director	WH-SG Representative Fur-Lung Hsieh	49,000	49%
	Director	WH-SG Representative Fei-Fei Chuang		
	Director	WH-SG Representative Kwang-Ming Quek		
	Director	Sumate Lopinich	30,000	30%
	Director	Thanapol Thitipichetkul	1,000	1%
Shenzhen Yong Chun International Shipping Management Co., Ltd.	Chairman	Unitrans Group Co., Ltd. Hong-Hui Chen	-	10%
	Vice Chairman	Shenzhen Uniwin Representative Kwan-Wah Chu		90%
	Director	Shenzhen Uniwin Representative Kuo-Loong Kao		
	Director	Shenzhen Uniwin Representative Chung-Ping Huang		
	Director	Shenzhen Uniwin Representative Wei-Kai Huang		
	Supervisor	Shenzhen Uniwin Representative Yu-Man Chan		
Wan Hai (Vietnam) Ltd.	Chairman	WH-SG Representative Fur-Lung Hsieh	-	100%
	Director	WH-SG Representative Jen-Kai Wu		
	Director	WH-SG Representative Jen-Yi Liao		
	Supervisor	WH-SG Representative Chih-Hsien Chen		
HE CHUN LOGISTICS COMPANY LIMITED	Chairman	WH-SG Representative Jen-Yi Liao	-	100%
	President	WH-SG Representative Meng-Yen Chen		
Bravely (Myanmar) Transport and Logistics Company Limited.	Chairman	Dr. Kyaw Win	1,000,000	20%
	Managing Director	Bravely International Pte. Ltd. Representative Chi-Hao Loh	4,000,000	80%
	Director	Bravely International Pte. Ltd. Representative Eng-Huat Ang		
	Director	Bravely International Pte. Ltd. Representative I-Hsin Chiu		
	Director	Bravely International Pte. Ltd. Representative Yong-Hing Chan		
WanHai Lines Ecuador S.A.	Director	WH-SG Representative Randy Chen	51,000	51%
	Director	WH-SG Representative Meng-Chuan Chang		
	Director	WH-SG Representative Jen-Yang Yu		
	Director	AGENCIAS UNIVERSALES S.A. Representative Jaime Donulo Ramirez Baquero	29,000	29%
	Director	GRUPRA S.A. Representative Xavier Marcelo Ramirez Baquero	20,000	20%

Company Name	Title	Name	Holding shares on current date	
			shares	**%**
Wan Hai Lines (Arizona) LLC.	Director	WH-USA Representative Randy Chen	-	100%
	Director	WH-USA Representative Chih-Chao Chen		
	Director	WH-US Representative Fur-Lung Hsieh		
	Director	WH-US Representative Shen-Hsing Lo		
Wan Hai Lines (USA) LTD.	Director	WH-SG Representative Randy Chen	284,381	100%
	Director	WH-SG Representative Chih-Chao Chen		
	Director	WH-SG Representative Fur-Lung Hsieh		
	Director	WH-SG Representative Shen-Hsing Lo		
WAN HAI SHIPPING LIMITED	Chairman	Dr. Kyaw Win	15,000	30%
	Director	WH-SG Representative Fur-Lung Hsieh	35,000	70%
	Director	WH-SG Representative Li-Mei Su		
	Director	WH-SG Representative Jen-Kai Wu		
	Director	WH-SG Representative Yi-Cheng Lin		

6. Related Parties' Financial Position & Operation Results

Unit : TWD 1,000 Per Share / TWD

2020.12.31

Company Name	Capital Amount	Total Assets	Total Liabilities	Net Worth	Operating Income *	Profit on Operating *	Profit Loss *	Earnings per Share
Wan Hai Lines (Phils.), Inc.	5,991 (PHP 9,015,400.00)	340,753 (PHP 582,433,403.24)	329,713 (PHP 563,562,636.96)	11,040 (PHP 18,870,766.28)	46,104 (PHP 77,657,921.30)	(913) (PHP 1,538,098.34)	(1,855) (PHP 3,124,703.63)	N/A
Wan Hai Lines (HK) Limited	695,246 (HKD 160,000,000.00)	7,385,611 (HKD 2,037,508,639.66)	3,791,586 (HKD 1,046,005,524.97)	3,594,025 (HKD 991,503,114.69)	2,147,768 (HKD 566,937,116.67)	587,135 (HKD 154,983,620.90)	620,765 (HKD 163,860,583.36)	3.88 (HKD 1.02)
Guangzhou Wan Hai Information Technology Ltd.	7,922 (CNY 2,125,450.00)	23,308 (CNY 5,419,758.23)	1,954 (CNY 454,211.14)	21,354 (CNY 4,965,547.09)	60,055 (CNY 14,170,425.00)	(1,930) (CNY -455,408.84)	(2,187) (CNY -516,080.38)	N/A
Dawin Logistics (International) Limited	570,480 (HKD 144,640,000.00)	4,465,616 (HKD 1,231,953,921.78)	3,458,919 (HKD 954,231,011.54)	1,006,697 (HKD 277,722,910.24)	1,243,780 (HKD 328,315,130.65)	120,078 (HKD 31,696,491.73)	87,004 (HKD 22,965,942.48)	0.60 (HKD 0.16)
Shenzhen Uniwin International Logistics Ltd.	644,016 (CNY 132,615,268.00)	4,303,130 (CNY 1,000,613,538.67)	3,447,653 (CNY 801,688,186.91)	855,477 (CNY 198,925,351.76)	858,970 (CNY 202,680,395.95)	108,106 (CNY 25,508,381.71)	67,538 (CNY 15,936,040.88)	N/A
Shenzhen Yong Chun International Shipping Management Co., Ltd.	29,068 (CNY 6,000,000.00)	46,910 (CNY 10,908,104.31)	10,636 (CNY 2,473,236.19)	36,274 (CNY 8,434,868.12)	70,712 (CNY 16,684,928.14)	11,117 (CNY 2,623,136.41)	9,735 (CNY 2,297,019.36)	N/A
Clipper International Shipping Agency Ltd.	4,070 (CNY 1,000,000.00)	3,360,346 (CNY 781,386,493.87)	3,339,023 (CNY 776,428,115.48)	21,323 (CNY 4,958,378.39)	475,210 (CNY 112,129,480.70)	34,954 (CNY 8,247,701.60)	21,880 (CNY 5,162,776.66)	N/A
Wan Hai Lines (Singapore) Pte Ltd	21,983,099 (USD 714,259,854.86)	53,713,085 (USD 1,911,497,700.69)	19,265,464 (USD 685,603,718.04)	34,447,621 (USD 1,225,893,982.65)	30,695,030 (USD 1,044,403,872.42)	8,684,590 (USD 295,494,732.23)	6,553,945 (USD 222,999,133.17)	6.69 (USD 0.23)
Wan Hai International Pte. Ltd.	239,979 (SGD 10,312,460.00)	1,670,996 (SGD 78,572,509.92)	1,147,626 (SGD 53,962,963.50)	523,370 (SGD 24,609,546.42)	376,905 (SGD 17,691,074.71)	100,727 (SGD 4,727,908.28)	76,167 (SGD 3,575,130.17)	7.39 (SGD 0.35)
Bravely International Pte. Ltd.	625,026 (USD 20,395,986.62)	156,952 (USD 5,585,466.01)	864 (USD 30,721.12)	156,088 (USD 5,554,744.89)	16,981 (USD 577,793.34)	(7,129) (USD -242,556.09)	(5,149) (USD -175,195.67)	N/A
Infinite Marine Investment Co., Ltd.	173,463 (USD 5,550,000.00)	5,698 (USD 202,766.17)	24 (USD 850.00)	5,674 (USD 201,916.17)	0 (USD 0)	(200) (USD -6,788.08)	7,597 (USD 258,497.74)	1.37 (USD 0.05)
Wan Hai Lines (M) Sdn. Bhd.	4,613 (MYR 500,000.00)	469,898 (MYR 67,223,802.01)	395,630 (MYR 56,598,923.91)	74,268 (MYR 10,624,878.10)	119,068 (MYR 17,022,252.59)	(28,613) (MYR -4,090,613.46)	(1,933) (MYR -276,364.27)	N/A
Yi Chun Shipping Agencies Sdn. Bhd.	1,845 (MYR 200,000.00)	87,809 (MYR 12,562,060.66)	70,294 (MYR 10,056,328.21)	17,515 (MYR 2,505,732.45)	93,881 (MYR 13,421,534.42)	6,031 (MYR 862,235.69)	3,209 (MYR 458,812.35)	16.05 (MYR 2.29)
Wan Hai Lines (Korea) Ltd.	11,019 (WON 400,000,000)	205,258 (WON 7,941,667,132)	152,603 (WON 5,904,370,163)	52,655 (WON 2,037,296,969)	105,088 (WON 4,469,562,525)	18,512 (WON 787,352,739)	14,762 (WON 627,848,798)	184.52 (WON 7,848)
Wan Hai Lines (India) PVT Ltd.	69 (INR 100,000.00)	958,882 (INR 2,493,092,978.25)	800,139 (INR 2,080,361,550.06)	158,743 (INR 412,731,428.19)	147,453 (INR 371,637,734.74)	65,122 (INR 164,132,058.71)	45,275 (INR 114,109,660.29)	4,527.47 (INR 11,410.97)
k.k. WH Corporation	7,141 (JPY 25,000,000)	63,125 (JPY 231,675,034)	38,612 (JPY 141,709,193)	24,513 (JPY 89,965,841)	35,451 (JPY 128,818,311)	5,088 (JPY 18,487,416)	3,000 (JPY 10,902,944)	6,000.98 (JPY 21,806)
TK LOGISTICS INTERNATIONAL CO., LTD	260,000	955,807	671,42p5	284,382	250,655	30,663	20,597	0.97
BAO SHENG SHIPPING AGENCY CO., LTD.	42,850	295,660	237,595	58,065	60,983	9,143	6,573	1.53
Blue Ocean Logistics (Shanghai) Ltd	32,596 (CNY 7,824,000.00)	175,670 (CNY 40,848,910.19)	101,153 (CNY 23,521,399.71)	74,517 (CNY 17,327,510.48)	363,185 (CNY 85,696,260.60)	11,018 (CNY 2,599,780.70)	7,498 (CNY 1,769,127.15)	N/A
Wan Hai Lines (Thailand) Limited	9,657 (THB 10,000,000)	428,190 (THB 456,533,035)	274,795 (THB 292,984,221)	153,395 (THB 163,548,814)	121,708 (THB 129,410,351)	33,083 (THB 35,176,558)	21,479 (THB 22,837,925)	214.79 (THB 228)
Wan Hai (Vietnam) Ltd.	8,691 (VND 6,300,000,000)	219,954 (VND 180,699,088,571)	158,809 (VND 130,466,247,853)	61,145 (VND 50,232,840,718)	125,502 (VND 98,433,082,205)	34,895 (VND 27,368,851,646)	43,487 (VND 34,107,757,125)	N/A
HE CHUN LOGISTICS COMPANY LIMITED	60,857 (VND 46,000,000,000)	113,289 (VND 93,070,236,043)	35,396 (VND 29,078,676,535)	77,893 (VND 63,991,559,508)	68,910 (VND 54,046,907,573)	28,176 (VND 22,098,448,962)	22,939 (VND 17,991,559,508)	N/A
Bravely (Myanmar) Transport and Logistics Company Limited.	159,480 (MMK 6,773,500,000)	114,304 (MMK 5,410,137,508)	837 (MMK 39,647,844)	113,467 (MMK 5,370,489,664)	17,499 (MMK 850,600,595)	(1,139) (MMK -55,346,016)	(3,590) (MMK -174,515,340)	N/A
WanHai Lines Ecuador S.A.	3,191 (USD 100,000.00)	106,259 (USD 3,781,455.45)	88,458 (USD 3,147,961.73)	17,801 (USD 633,493.72)	78,346 (USD 2,665,742.68)	19,550 (USD 665,184.28)	14,207 (USD 483,404.30)	142 (USD 4.83)
WAN HAI LINES PERU S.A.C.	1,962 (PEN 247,600.00)	173,409 (PEN 22,345,692.97)	159,832 (PEN 20,596,203.26)	13,577 (PEN 1,749,489.71)	139,499 (PEN 16,561,317.18)	17,540 (PEN 2,082,299.26)	12,234 (PEN 1,452,369.71)	49 (PEN 5.87)
WAN HAI LINES (USA) LTD.	437,514 (USD 14,219,059.77)	912,083 (USD 32,458,455.04)	478,333 (USD 17,022,517.93)	433,750 (USD 15,435,937.11)	121,397 (USD 4,130,540.00)	11,254 (USD 382,918.85)	26,605 (USD 905,241.53)	93.55 (USD 3.18)
Wan Hai Lines (Arizona) LLC.	359,760 (USD 12,000,000.00)	364,427 (USD 12,968,931.31)	6,402 (USD 227,817.18)	358,025 (USD 12,741,114.13)	29,113 (USD 990,561.41)	8,449 (USD 287,470.17)	9,129 (USD 310,632.30)	N/A
WAN HAI SHIPPING LIMITED	1,536 (MMK 76,170,000)	1,329 (MMK 62,917,900)	0 (MMK 0)	1,329 (MMK 62,917,900)	0 (MMK 0)	(63) (MMK -3,078,550)	(209) (MMK -10,141,300)	N/A

(1) 20201231 Close rate

USD/TWD: 28.1 EUR/TWD: 34.5506 JPY/TWD: 0.2725 VND/TWD: 0.0013 CNY/HKD: 1.1864 HKD/TWD : 3.6248 INR/SGD: 0.0181 USD/VND: 23085

USD/SGD: 1.3213 USD/MYR: 4.02 USD/KRW: 1087 USD/PHP: 48.03 USD/THB: 29.96 USD/PEN: 3.6210 USD/MMK: 1330 USD/HKD: 7.7521

(2) 2020 Average rate

USD/TWD: 29.39 EUR/TWD: 33.5133 JPY/TWD: 0.2752 VND/TWD: 0.0013 CNY/HKD: 1.1187 HKD/TWD : 3.7892 INR/SGD: 0.0186 USD/VND: 23050

USD/SGD: 1.3795 USD/MYR: 4.2017 USD/KRW: 1250 USD/PHP: 49.505 USD/THB: 31.25 USD/PEN: 3.4892 USD/MMK: 1428 USD/HKD: 7.7580

(3) The capital amount was calculated by historical rate.

8.1.2 The consolidated financial statements of the affiliated enterprises

Statement

For 2020 (January 1 to December 31, 2020), affiliated enterprises of this Company that shall be included in the consolidated financial statements of the affiliated enterprises according to the rules prescribed by the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were the same as those companies that shall be included in consolidated financial statement of the parent company and subsidiaries as prescribed by International Financial Reporting Standards No. 10 (IFRS 10). All information to be disclosed in the consolidated financial statements of affiliated enterprises have already been disclosed in the consolidated financial statement of the parent company and subsidiaries. Hence, the consolidated financial statements of the affiliated enterprises were therefore not prepared separately.

As hereby declared

WAN HAI LINES LTD.

Chairman Jiu Fu Garden Co., Ltd.

Representative Po-Ting Chen

March 22, 2021

8.1.3 Affiliation report: None.

8.2 Summary of private-equity from the past year and current year up to the annual report's publish date: None.

8.3 Summary of parent's shares held or disposed by subsidiaries from the past year and current year up to the annual report's publish date: None.

8.4 Other necessary disclosures: None.

8.5 Events that have had substantial impact upon shareholder's equity or securities prices as described in Article 36 of the Securities and Exchange Act from the past year and current year up to the annual report's publish date: None.

WAN HAI LINES LTD.

Chairman
Jiufu Garden Co., Ltd.

Representative
Po-Ting Chen

WE CARRY, WE CARE.

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