

Stock Code 2615

ANNUAL REPORT

2022



WAN HAI LINES LTD.

WE CARRY, WE CARE.

| Published Date | April 2, 2023

| Company Website | <https://tw.wanhai.com>

| Website of Annual Report | <https://mops.twse.com.tw>

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 THE 9TH 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(4.4 YEARS) THAN THAT OF THE INDUSTRY (6.8 YEARS) FROM DREWRY 2021

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



2022

ANNUAL REPORT

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Basic Information of ECB

None

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WAN HAI HISTORY

1965	FEB ▶ WAN HAI Steamship Co., LTD. was established on Feb 24th. AUG ▶ Bought a "LIBERTY" type bulk vessel christened "FOSMAR" and deployed between Japan and America for transporting steel.	1993	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.
1966	Bought the first log vessel with 5,000 DWT from Japan christened "WAN SHOU".	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.
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.	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.
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.	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.
1978	DEC ▶ WAN HAI Kaohsiung office was founded.	1997	MAR ▶ Commenced Japan / Singapore / Malaysia Super Express service with APL and HMM. APR ▶ Commenced the Cross Space Charter Agreement with Uniglor 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.
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.	1998	APR ▶ Commenced Middle East service with HMM. NOV ▶ Inaugurated Middle East II service.
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.	1999	JUL ▶ Commenced China / Middle East service with OOCL. AUG ▶ Commenced Haiphong II service.
1985	JUN ▶ M/V Fu Chun maiden call to Port of Taichung provides first liner service to Taichung.	2000	MAY ▶ Commenced American West Coast service.
1987	JUL ▶ Kaohsiung berth #42 was leased as WanHai's dedicated terminal.	2001	MAY ▶ Commenced China / Southeast Asia service. JUN ▶ Commenced China / American West Coast service.
1988	OCT ▶ Commenced Taiwan / Korea service.	2002	SEP ▶ Set up India subsidiary company .
1989	JUN ▶ Commenced Singapore / Malaysia service. OCT ▶ Commenced Thailand service.	2003	MAR ▶ Start Japan dedicated terminal at Ohi pier #5, Port of Tokyo. AUG ▶ Established WAN HAI Charity Foundation.
1990	MAY ▶ Commenced Indonesia service. JUL ▶ Commenced Philippines service.	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.
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.		

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	FEB ▶ Awarded of "Best Shipping Agent, Customer Service for Colombo - Intra Asia Sector". MAR ▶ Launched Independent South China / Vietnam / Malaysia Service. APR ▶ Operated Transpacific service from South PRC & Central PRC to the U. S. Pacific South West. JUN ▶ Wins the Award of "Asian Freight, Logistics and Supply Chain Awards 2015". AUG ▶ Established subsidiary Joint Venture company in Peru. SEP ▶ Award "Container Shipping Line of The Year India-Far East Trade Lane" from 2015 MALA.
2016	JAN ▶ Award "Container Shipping Line of The Year - Far East Trade Lane" from Gujarat Junction 2016. ▶ 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. SEP ▶ Awarded "Container Shipping Line of The Year India-Far East Trade Lane" from 2016 MALA.

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 Japan –Korea-Haiphong (JKH) Service/Indonesia to Singapore-Malaysia Service/NS 1 Service Kicks off. MAY ▶ Grand Opening of Wan Hai Invested Hai Phong International Container Terminal. 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 NOV ▶ Expanded Vietnam-Transpacific Direct 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 / South China to Indonesia/Malaysia (KCS2) Service/ Straits – Bangladesh Express (SBX). NOV ▶ Enhanced China to Vietnam Services Coverage(CV8)/Pakistan – United Arab Emirates (PS2) Service/New China to Cambodia/Thailand (CT5) Service/ China – East India V (CI5) Service.
2021	JAN ▶ Launched Independent CV7 Express Service. ▶ Confirmed Orders For 12 New Vessels. FEB ▶ Launched Independent AA1/AA2/AA3/ AA5 Service. MAR ▶ Confirmed Orders For 5 New Vessels. APR ▶ Launched Independent CI8 Express Service/ Independent TVT2 Service. MAY ▶ Established Maritime Express Service Zone at Port of Kaohsiung/Launched Independent AS1 Service/ Confirmed Orders For 4 New Vessels. ▶ Donate NT\$160 million for COVID-19 prevention. JUN ▶ Launch Independent Asia to US East Coast Service (AA7)/Confirmed Orders For 12 New Vessels.
2022	MAR ▶ Again honored "Container Shipping Line of The Year – Far East Trade Lane." MAR ▶ Launched Independent CI7 Express Service. / Confirmed Orders For Five 13,100 TEU Container Ships. JUN ▶ Launched Asia-South America II (AS2) Service. / Awarded "Container Shipping Line of The Year - Far East Trade Lane" by The 13th India SECC. SEP ▶ The 9th time awarded "Container Shipping Line of The Year India-Far East Trade Lane."



Letter to Shareholders

Dear Shareholders,

In 2022 we entered the post pandemic era, and the Covid-19 situation was gradually under control in most countries, however a shocking event occurred in the early part of the year, the Russian-Ukrainian conflict caused price hikes in global energy and commodities prices, resulting in the vicious cycle of global inflation and rising interest rates, weakening consumptive powers and thus exerting downward pressure on global economic growth.

Responding flexibly towards rapid changes in markets and market shifts resulting from global industry transitions, has now become a key factor for growth.

During the past year Wan Hai Lines, utilized prompt and flexible deployment and used its resources efficiently to meet customers' requirements and created maximum profitability. Results of the hard work of the management team and all our colleagues for the past year can be seen by all. Wan Hai Lines performed brilliantly in 2022 and achieved the following:

Investments in New Ships and Containers to Enhance Competitiveness

Wan Hai Lines Ltd. is optimistic about the future development of container transportation, and has actively invested in its fleet and containers, the investments in new ships and containers in the recent years are as follows:

2018: Wan Hai invested TWD 23billion for purchasing 20 new ships and 110,000 TEU new containers.

2019: Wan Hai invested TWD 3billion for purchasing 67,000 TEU new containers.

2020: Wan Hai invested TWD 2.8billion for purchasing 52,000 TEU new containers.

2021: Wan Hai invested TWD 88.7billion for purchasing 37 new ships and 170,000 TEU new containers.

2022: Wan Hai invested TWD 29.5billion for purchasing 11 new ships and 10,000 TEU new containers.

By the end of 2022, Wan Hai had invested a total of TWD 140billion for purchasing 68 new intelligent ships and 400,000 TEU new containers.

New types of engines and designs are used on the newly built ships, for achieving the effects of energy saving and environment protection. The sizes of the 68 newly built ships range from 1,700 TEU to 13,000 TEU, and diversity of ship types is helpful for dispatching ships on far, medium and short shipping routes. With regard to containers, Wan Hai actively increased the number of containers and replaced old containers with new ones to raise the quality of containers. In 2022, the average age of Wan Hai's self-owned containers was 4.4 years, apparently lower than the 6.8 years industry average as shown in the 2021 Drewry statistics. The fleet and containers are important foundations for Wan Hai's operations. Wan Hai is confident of the future development of container ship transportation and will continue to make investment plans for self-owned fleet and containers to enhance competitiveness of the company.

Deep Cultivation of the Markets and Optimizing Shipping Routes

Wan Hai Lines has long been an industry leader in the Asian region and provides more exquisite and diverse shipping services than competitors. In view of the high growth and cross-regional characteristics of the Asian region, Wan Hai Lines accelerated development of ocean-going freight services by establishing a network between Asian export and regional routes, which also increased the market shares of our North and South American routes. Wan Hai Lines also proactively improved route designs to satisfy its customers.

Facing unpredictable international trends and markets, Wan Hai implemented flexible and swift responses and proper deployment of its fleet to provide high quality services to its customers. During the pandemic, Wan Hai dispatched its coastal vessels to support South and North American ocean-going routes. But after adjustment of freight rates in the fourth quarter, we gradually re-dispatched part of the ships back to coastal routes due to cost considerations. Even so, the long-term Wan Hai strategy of expanding its ocean-going routes remains unchanged, and in the future more 13,000 TEU class new ships will be deployed to make it more competitive in the ocean-going shipping markets.



Intelligent Management and Gradual Transition

New environmental rules such as EEXI, EEDI and CII will become effective in 2023, and in response Wan Hai will continue its plans for replacing old ships with new ones so as to obtain newly built ships that comply with the latest rules and regulations, to enhance energy efficiency of its fleet and lower carbon emissions. Apart from saving energy and reducing carbon emission, the newly built intelligent ships will also utilize various monitoring systems and communication equipment to gather real-time data for sailing and operations of ship equipment, to effectively increase risk management capacities to increase shipping safety.

Wan Hai not only aspires to comply with international standards but will surpass goals set by the IMO, and reduce carbon emission by 50% of the 2008 standard before 2030. Wan Hai will also establish teams to follow and assess the latest developments in zero and low carbon ship fuels, to prepare for future planning of fleet transitions.

Moreover, Wan Hai strives to enhance cold chain transportation technology through Industry-academia collaborations. Wan Hai precisely controls the cold chain by using new types of reefer containers to enhance the yield rates of transporting perishable cargoes. Under the current situation of elongated voyages and unstable transit times, new freshness preservation technologies can effectively enhance the quality of cold chain transportations, so as not to let down customers.

International Fraternity and Sustainable Development

Wan Hai has, since 2022, promoted “Wan Hai Makes a Sea of Trees To Create a New Future Together”, a project for planting and maintaining trees, to fully comply with the U.N. “Convention on Biological Diversity” and “Sustainable Development Goals” Wan Hai also participated in Sunny founder Company’s “Green Energy for Charity Project” for contributing more to the development of green energy. Wan Hai has also hand in hand with Wan Hai Charity Foundation, assisted domestic and foreign underprivileged groups, for example we funded “Water Wells for Remote Areas in Africa Project” to provide remote villages with clean drinking water. Wan Hai hopes to pass on the seeds of good and hope to society, through participation in these charities.

Wan Hai’s commitment to ESG sustainability work is acknowledged by many, we were selected as constituent share of the “Taiwan Sustainability Index” for a consecutive five years, and also named Third place in the “Greater China Business Sustainability Index” in 2021.

Wan Hai also obtained ISO 14064-1:2018 and GHG Protocol certifications; and upon filling out a CDP questionnaire for the first time achieved “Management Level” great results. Wan Hai will insist and proceed steadily on the road to sustainability.

Financial Performance

The Russian Ukrainian war affected energy prices and global inflation deepened, while consumption powers gradually weakened, so the shipping market shifted from offensive to defensive. French maritime consultant organization, the Alphaliner predicted that global throughput growth would be 0.9%, shipping capacity growth would be 4.2%, and supply would exceed demand in 2022. Although the external environment had many unfavorable factors, Wan Hai still achieved great profitability performance through corporate teamwork, reducing costs and developing cargo sources, and finding opportunities in the treacherous, unpredictable international political and economic changes.

In 2022, consolidated annual operating income of Wan Hai Lines was TWD 258.9 billion, an increase of TWD 30.9 billion over 2021. Consolidated net profit after tax was TWD 93 billion, about TWD 10.2 billion more than in 2021. In terms of profitability, shareholders’ return on equity in 2022 was 50.27%, with a net profit ratio of 35.96%, and earnings per share of TWD 33.17.

Operation Plans for 2023

IMF predicted that global economic growth will contract from 3.2% in 2022 to 2.7% in 2023. Central Banks are tightening monetary policies to curb inflation, and economies may cool down accordingly. Alphaliner predicted that global shipping space growth will rise from 0.9% in 2022 to 2.7%, but the growth rate is not as great as before. As for supply of shipping space, Alphaliner predicted a growth of 8.2% in 2023, a great increase from 4.2% of 2022, due to a delivery boom of new ships, and it was indicated that oversupply will worsen in the container shipping markets.

Container shipping and global trade are highly interconnected and future market changes are unpredictable. Wan Hai will uphold its spirit of "Steady and Healthy Operations" in response to changes and to proceed towards sustainability. Wan Hai will prudently assess market trends to maintain the existing tight and convenient shipping route networks, and to make timely route adjustments and redeployments to provide satisfactory services to our customers. Wan Hai will strictly control operational costs to create the greatest benefits for the company and shareholders. As for our self-owned fleet, we will continue to optimize ship performance to ensure maritime safety, and to achieve the effects of energy conservation and carbon reduction, so as to fully implement our operational philosophies of environment protection and sustainable developments.

There is great completion in the global shipping market, and after experiencing numerous economic boom and bust cycles, Wan Hai Lines will uphold its operational philosophies of "customer first, full participation, environmental protection, and sustainable operation" to grow strong. In the future, whether in the areas of shipping route services, fleet performance and cost and risk managements, we will continue to upgrade our service quality, and create the greatest profits so that we may share Wan Hai's growth and excellent results with our shareholders, customers, investors and our society.

Wishing you health and happiness
Sincerely,

Chair

Jiufu Garden Co., Ltd.



Representative

Po-Ting Chen



April 02, 2023





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, MV "Ming Chun" 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 position 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.

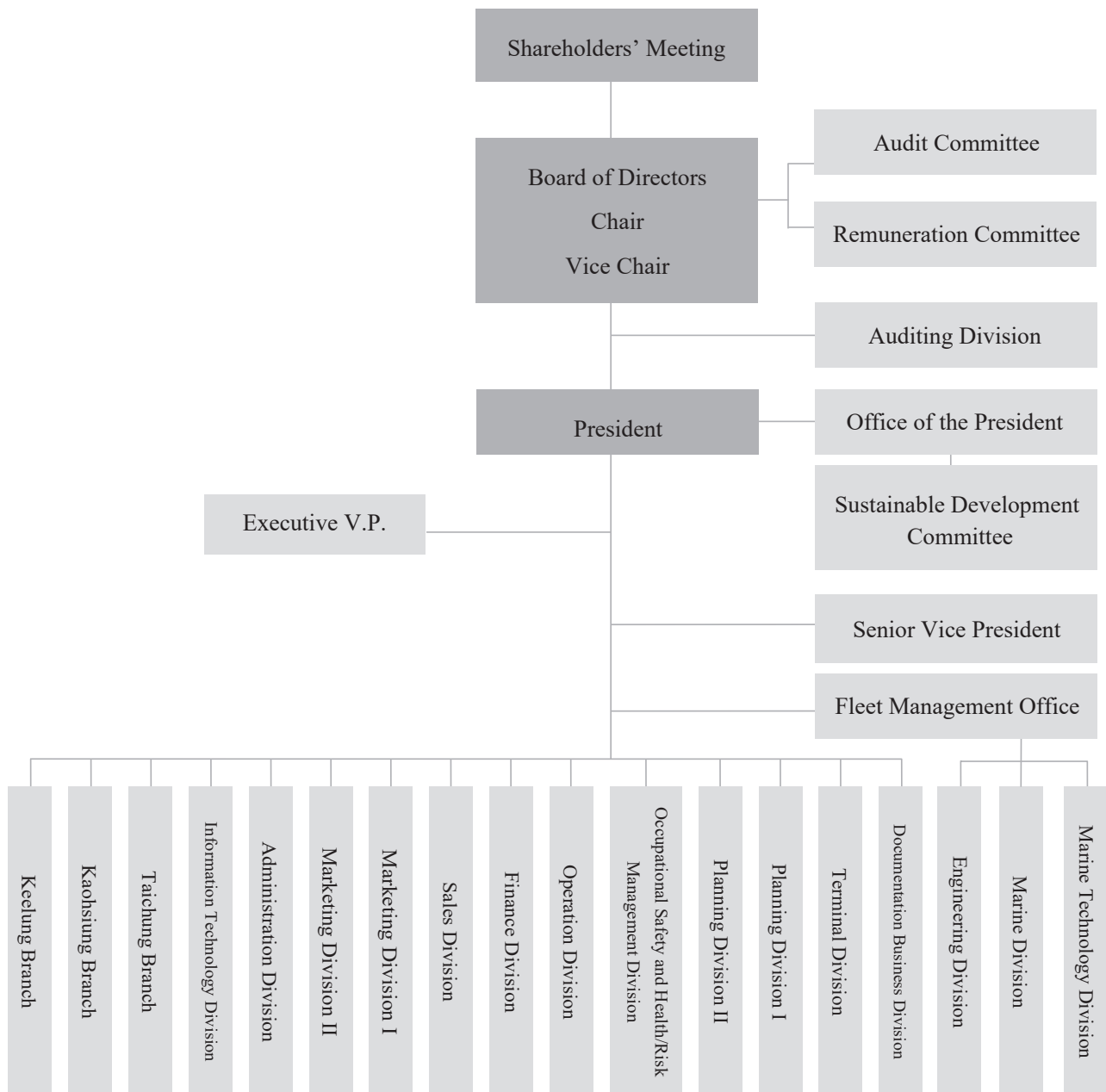
Driven by the corporate culture of "Quality Service, Team Work, and Growth" and the philosophy of "Customer First, Full Participation, Environmental Protection, and Business Continuity," Wan Hai continues to provide a comprehensive service network, and continues to enhance service quality and business 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.



Corporate Governance

3.1 Organization 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.
Office of the President	Transfer of investments, risk management, coordinate ESG operation, 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, in charge of relevant legal affairs, litigation cases, reviewing agreements/contracts, and implementing effective corporate legal compliance programs.
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 handling the issue of cargo claim.
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.
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 and special equipment business.
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, Central and South 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, plan and monitor information security system, implement information security management operation.
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 Divisions and Branches

3.2.1 Director

1. The List of Directors

(1) The 21th Board of Directors (2020/06/23~)

2023/04/01

Title		Chair		Vice Chair		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 & Age		Male	51~60	Male	41~50	Male	51~60
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	3,795,000 12,148,487		6,918,608 0		40,356,251 9,740,857	
	Holding Ratio	0.13% 0.43%		0.24% 0.00%		1.43% 0.34%	
Current shareholding of Spouse and Minor Children	No. of shares	3,461,093		0		0	
	Holding Ratio	0.12%		0.00%		0.00%	
Shareholding under other names	No. of shares	0		0		0	
	Holding Ratio	0.00%		0.00%		0.00%	
Major Academic qualification and professional experience		Experience: WAN HAI LINES LTD. Chair Education: Master of Business Administration, University of San Francisco		Experience: WAN HAI LINES LTD. Vice Chair & Supervisor Education: Master of Business Administration, MIT SLOAN School of Management		Experience: BAO SHENG SHIPPING AGENCY Co., Ltd. Chair Education: 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/Chair SUNSHINE SHIH LIN DEVELOPMENT Co., Ltd. Representative Director for legal entity/ Vice Chair 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/Chair 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 WAN HAI LINES MEXICO, S.A. DE C.V. Representative Director for legal entity		EXPRESS CONTAINER TERMINAL CORP. Chair YI CHAO CORP. Chair BAO SHENG SHIPPING AGENCY Co., Ltd. Representative Director for legal entity/Chair WAN HAI LINES (H.K.) LTD. Representative Director for legal entity DAWIN LOGISTIC (INTERNATIONAL) LTD. Representative Director for legal entity WAN HANG TOURISM (SHANGHAI) Co., Ltd. Representative Director for legal entity/Chair 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	Jung-Nien Lai	Stephanie Lin	Yi-Sheng Tseng
Gender & Age		Female	51~60	Male 61~70	Female 31~40	Male 51~60
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	33,506,822 19,323,984		0	724,398	0
	Holding Ratio	1.19% 0.68%		0.00%	0.02%	0.00%
Current shareholding of Spouse and Minor Children	No. of shares	0		1,265	724,398	0
	Holding Ratio	0.00%		0.00%	0.02%	0.00%
Shareholding under other names	No. of shares	0		0	0	0
	Holding Ratio	0.00%		0.00%	0.00%	0.00%
Major Academic qualification and professional experience		Experience: YEE TZAO ENTERPRISE CO., TD. Chair Education: DE LIN Institute of Technology		Experience: College of Chinese Medicine, China Medical University Professor Education: National Taiwan University, Ph.D., Occupational Medicine	Experience: PricewaterhouseCoopers LLP Tax Manager Education: California State University-Fullerton, Master of Business Administration	Experience: MINGFOREVER LAW FIRM Managing Attorney Education: 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. Chair (Note 2) UNI COOPERATE INTERNATIONAL Co., Ltd. Convener/ Member Director (Note 3) YEE TZAO ENTERPRISE CO., TD. Chair Sunshine Construction Co., Ltd Chair (Note 4)		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 (Note 5) China Medical University Hospital for Integrated Medicine, China Medical Vice Superintendent (Note 5) China Medical University for Integrated Medicine, Integration of Traditional Chinese-Western Medicine Attending Physician (Note 5) National Health Insurance Dispute Mediation Committee Member (Note 5)	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 CHIH LIEN INDUSTRIAL CO., LTD. Director
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 Chair 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.).

Note 2: 2022/09/06 Dismissal

Note 3: 2022/09/02 Dismissal

Note 4: 2022/09/06 Accession

Note 5: 2022/07/31 Retirement

2. Major shareholders of corporation stockholders

2023/04/01

Corporation shareholders	Major Shareholders and holdings %
Jiufu Garden Co., Ltd.	Dao Qi Ltd. (16.36%), Dao Kuan Ltd. (16.36%), Dao Pu Ltd. (16.33%), Dao Zhou Ltd. (16.33%), Mei-Ru Chen (13.11%), Chao-Ti Chen (10.80%), Yen-Ju Chen (9.86%), Po-Ting Chen (0.43%), Hui-Ying Chen (0.42%)
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%), Chiu-Ling, Wu (13.17%), Chao-Hsiung, Lin (7.68%), Shih-Teng, Lin (61.64%), Yu-Shuan, Lin (8.00%), Yee Tzao Enterprise Co., Ltd. (9.46%)

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

2023/04/01

Corporation shareholders	Major shareholders of corporation shareholders
Dao Qi Ltd.	Crystal Blossom Ltd. (100%)
Dao Kuan Ltd.	Discovery Treasure Limited (100%)
Dao Pu Ltd.	Integrated Global Investments Limited (100%)
Dao Zhou Ltd.	Chesterfield Capital Management Inc. (100%)
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 (18.09%), Yueh-Hsia, Lin (3.71%), Chao-Hsiung, Lin (8.00%), Shih-Teng, Lin (62.20%), Yu-Shuan, Lin (8.00%),

4. Information of Directors' Professional Qualification and Independency of Independent Director

2023/04/01

Name	Condition	Professional qualification and experiences	Independency	Number of other public companies concurrently serving on as a director
Jiufu Garden Co., Ltd. Representative: Po-Ting Chen		Education: Master of Business Administration, University of San Francisco Current Position: Representative of juristic person director Jiufu Garden Co., Ltd. With professional knowledge of shipping industry, international market view, many years of experience in operation and management of shipping industry, corporate global operation, leadership and strategy management. Not in violation of any of the provisions of Article 30 of the Corporate Law.	Chair, Representative of Jiufu Garden Co., Ltd. Not an employee, director or supervisor of the company or its affiliates. Not having a marital relationship, or a relative within the second degree of kinship to any other directors of the company.	0
Taili Corporation Representative: Randy Chen		Education: Master of Business Administration, MIT SLOAN School of Management Previous Position: Supervisor of EDISON OPTO CORPORATION Current Position: Representative of juristic person director TAILI CORPORATION With professional knowledge of operation and management, international market view, many years of experience in management of shipping industry, leadership and strategy management. Not in violation of any of the provisions of Article 30 of the Corporate Law.	Not having a spousal relationship, or a relative within the second degree of kinship to any other directors of the company. Managerial personnel of the company to direct departmental operation and management.	0
Chen-Yung Foundation Representative: Chih-Chao Chen		Education: City University of New York Current Position: Representative of juristic person director Chen-Yung Foundation With many years of experience in management of shipping industry and assessment of operation. Not in violation of any of the provisions of Article 30 of the Corporate Law.	Not having a marital relationship, or a relative within the second degree of kinship to any other directors of the company. Managerial personnel of the company.	0
Sunshine Construction Co., Ltd Representative: Chiu-Ling Wu		Education: DE LIN Institute of Technology Current Position: Representative of juristic person director Sunshine Construction Co., Ltd. With many years of experience in corporate operation and management. With expertise in operating and investment management in the construction business, leadership and decision making abilities. Not in violation of any of the provisions of Article 30 of the Corporate Law.	Not having a marital relationship, or a relative within the second degree of kinship to any other directors of the company. Chair of Sunshine Construction Co., Ltd	0

Name	Condition	Professional qualification and experiences	Independency	Number of other public companies concurrently serving on as a director
Jung-Nien Lai		Education: National Taiwan University, Ph.D., Occupational Medicine Previous Position: Executive Director of TAIPEI CHINESE MEDICAL ASSOCIATION, Member of INTELLECTUAL PROPERTY OFFICE, Assistant professor of INSTITUTE OF TRADITIONAL MEDICINE, SCHOOL OF MEDICINE, NATIONAL YANG-MING UNIVERSITY, Director of DIVISION OF CHINESE MEDICINE FOR WOMEN, TAIPEI CITY HOSPITAL, Director of YANGMING BRANCH, TAIPEI CITY HOSPITAL CHINESE MEDICINE. Professor of college of Chinese Medicine, China Medical University, Vice Superintendent of China Medical University Hospital For Integrated Medicine, China Medical, Attending Physician of China Medical University Hospital For Integrated Medicine, China Medical, Integrated Of Traditional Chinese-Western Medicine, Member of National Health Insurance Dispute Mediation Committee. Current Position: Independent Director of WAN HAI LINES LTD., Convener and Member of Audit Committee of WAN HAI LINES LTD., Convener and Member of Compensation Committee of WAN HAI LINES LTD., With experience related to the healthcare industry and abundant experiences in practicing medicine. Not in violation of any of the provisions of Article 30 of the Corporate Law.	Self, spouse and a relative within the second degree of kinship not be an employee, director or supervisor of the company or its affiliates. Neither self and minor children nor nominee shareholder holds shares issued by the company. Spouse holds 1,268 shares issued by the company. Not an employee, director or supervisor of a company with specific relationship with the company. Not provide commercial, legal, or financial services to the company or its affiliates for the past two years. Not concurrently serving as an independent director of other public companies. Meet the independence requirements of independent director.	0
Stephanie Lin		Education: California State University-Fullerton, Master of Business Administration, obtaining US Certified Public Account (CPA) license. Previous Position: Tax Manager of PricewaterhouseCoopers LLP and Fox Group Current Position: Independent Director of WAN HAI LINES LTD. and Member of Audit Committee of WAN HAI LINES LTD. With accounting and finance expertise and hands-on experience in finance. Not in violation of any of the provisions of Article 30 of the Corporate Law.	Self, spouse and a relative within the second degree of kinship not be an employee, director or supervisor of the company or its affiliates. Self hold 724,398 shares and minor children hold 724,398 shares issued by the company. Neither spouse nor nominee shareholder holds shares issued by the company. Not an employee, director or supervisor of a company with specific relationship with the company. Not provide commercial, legal, or financial services to the company or its affiliates for the past two years. Not concurrently serving as an independent director of other public companies. Meet the independence requirements of independent director.	0
Yi-Sheng Tseng		Education: Tung Hai University, Master of Law Previous Position: Judge of TAIWAN TAIPEI DISTRICT COURT and Prosecutor of TAIWAN TAIPEI DISTRICT PROSECUTORS OFFICE Current Position: Independent Director of WAN HAI LINES LTD., Member of Audit Committee of WAN HAI LINES LTD., Managing Attorney of MINGFOREVER LAW FIRM, Director of CHIN LIEN INDUSTRIAL CO., LTD. With abundant experiences in practicing law. Not in violation of any of the provisions of Article 30 of the Corporate Law.	Self, spouse and a relative within the second degree of kinship not be an employee, director or supervisor of the company or its affiliates. Neither self, spouse and minor children nor nominee shareholder holds shares issued by the company. Not an employee, director or supervisor of a company with specific relationship with the company. Not provide commercial, legal, or financial services to the company or its affiliates for the past two years. Not concurrently serving as an independent director of other public companies. Meet the independence requirements of independent director.	0

5. Diversity and Independency of the Board of Directors

(1) Diversity of the Board of Directors

The company's 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.

Members are 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 2 directors between the age of 30-50 (accounting for 29%), and 5 directors over 50 (accounting for 71%).

Details are as follows:

Title	Name	Core Items for Diversification												
		Basic Qualifications						Expertise Background and Capability						
		Nationality	sex	Age		Length of Service As Independent Director			Operations & Management	Leadership & Decision Making	Experience in the Industry	Accounting & Finance	Legal Practice	Occupational Medicine
30~50	Over 50			Under 3years	3to9 years	Over 9 years								
Chair	Jiufu Garden Co., Ltd. Representative:Po-Ting Chen	R.O.C.	Male		✓				✓	✓	✓			
Vice Chair	Taili Corporation Representative:Randy Chen	U.S.A.	Male	✓					✓	✓	✓			
Director	Chen-Yung Foundation Representative:Chih-Chao Chen	R.O.C.	Male		✓				✓	✓	✓			
Director	SunShine Construction Co., Ltd Representative:Chiu-Ling Wu	R.O.C.	Female		✓				✓	✓	✓			
Independent Director	Jung-Nien Lai	R.O.C.	Male		✓		✓				✓			✓
Independent Director	Stephanie Lin	R.O.C.	Female	✓			✓				✓	✓		
Independent Director	Yi-Sheng Tseng	R.O.C.	Male		✓	✓					✓		✓	

(2) Board Independency

Current Board of Directors is comprised of 7 directors, including 3 independent directors, independent directors make up 43% of the board of directors. The company obtained written statements confirming there was no spouse and a relative within the second degree of kinship between directors. To maintain independency of the board of directors, the company elects directors and independent directors in accordance with the number of seats provided in the Articles of Incorporation. Nominees for independent directors shall submit Qualification Review Forms and related information in accordance with relevant rules and regulations upon nomination. When the qualifications are validated by the company, and confirmed by the board of directors, the nominees shall be elected at the shareholders meeting. The company shall obtain written statements from each elected independent director, to confirm their independency, and during their terms of office the company will regularly request each independent director to review their independency and to sign written statements. Starting from 2020, the performances of the board of directors and the functional committees are evaluated annually. Evaluation results indicated that the directors were able to submit timely, professional and objective suggestions to the board of directors for their discussions and for their reference in making policy decisions. The directors shall also effectively assess and supervise corporate risk managements to ascertain that operations of the board of directors actually meet independency demands.

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 industry.
- (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.

The 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 sustainability 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 executive vice-president, Fur-Lung Hsieh senior vice-president, Jian-Yu Huang senior vice-president, and Jiong-Sin Lin senior 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 vice-president will be dispatched to Singapore and Li-Guang Huang vice-president will replace him as member of the joint meetings.

2014 : Wen-Chau Yeh Executive vice-president will become member of the joint meetings.

2015 : Fur-Lung Hsieh senior vice-president will be elected president and Randy Chen special assistant to the president will become vice-chair.

2016 : Hui- Juan Chen executive vice-president will retire.

2017 : Kuo-Loong Kao vice-president will join the joint meetings.

2018 : Jiong-Sin Lin senior vice-president and Li-Guang Huang senior vice-president will retire.

2019 : Wei-Chien Chuang senior vice-president will join the joint meetings.

2022 : Kuo-Loong Kao vice-president will retire. Fei-Fei Chuang vice-president will join the joint meetings.

2023 : Chien-Cheng Hsiao senior vice-president will join the joint meetings.

The company trains and promotes important management level talents by dispatching them to overseas branches to gain multinational management abilities, and rotating 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

2023/04/01

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	2015/06/22	138,279	0.00%	98,003	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/Chair 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 (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	2014/11/01	1,183	0.00%	1,684	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 SHEN ZHEN YONG CHUN International Shipping Management Co., Ltd. Representative Director for legal entity WAN HAI LINES (LIBERIA) LTD. Representative Director for legal entity	-	-	-	N/A
Senior Vice President	R.O.C.	Wei-Chien Chuang	Male	2019/12/18	11,853	0.00%	573	0.00%	0	0.00%	Department of International Trade, National ChengChi University	BLUE OCEAN LOGISTICS CO., LTD. Representative Director for legal entity/Chair TK LOGISTICS INTERNATIONAL Co., LTD. Supervisor BAO SHENG SHIPPING AGENCY CO., LTD. Representative Director for legal entity	-	-	-	N/A
Senior Vice President	R.O.C.	Chien-Cheng Hsiao	Male	2023/04/01	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.	Kuo-Loong Kao (Note 2)	Male	2007/04/01	98,414	0.00%	918	0.00%	0	0.00%	Department of Merchant Marine, Chinese Culture University	-	-	-	-	N/A
Vice President	R.O.C.	Ming-Shan Huang (Note 3)	Male	2007/04/01	0	0.00%	0	0.00%	0	0.00%	Department of International Trade, Soochow University	-	-	-	-	N/A
Vice President	R.O.C.	Juang-Jyh Juang	Male	2007/04/01	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	2016/03/18	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/Chair 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.	Shen-Hsing Lo	Male	2018/01/01	44,237	0.00%	12,650	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	2021/03/22	0	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 (Note 4)	Male	2018/03/26	3,178	0.00%	0	0.00%	0	0.00%	Department of Electrical Engineering, Chung Yuan Christian University	-	-	-	-	N/A
Vice President	R.O.C.	Hung-Chuan Chien	Male	2008/08/01	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	2007/04/01	229,339	0.01%	13,561	0.00%	0	0.00%	Department of Shipping and Transportation Management, National Taiwan Ocean University	-	-	-	-	N/A
Vice President (concurrently act as Finance Officer)	R.O.C.	Chih-Hsien Chen	Male	2016/03/18	109,066	0.00%	24,954	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	2016/03/18	0	0.00%	5,469	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/Chair 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

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 (concurrently act Information Security Officer)	R.O.C.	Ching-Yin Wang	Female	2018/03/26	8,669	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	2018/08/08	52,181	0.00%	0	0.00%	0	0.00%	Department of International Trade, Fu Jen Catholic University	-	-	-	-	N/A
Vice President	R.O.C.	Yi-Cheng Lin	Male	2019/12/18	0	0.00%	0	0.00%	0	0.00%	Department of Mathematics, Tamkang University	-	-	-	-	N/A
Vice President	R.O.C.	Fei-Fei Chuang	Female	2021/03/22	5,060	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
Vice President	R.O.C.	Chiu-Feng Lin	Female	2022/01/28	4,012	0.00%	0	0.00%	0	0.00%	Department of Business Administration, National ChengChi University	-	-	-	-	N/A
Vice President	R.O.C.	Shyue- Jih Ma	Male	2022/01/28	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 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, Engineering Division	R.O.C.	Chun-Jie Chen	Male	2021/03/01	0	0.00%	0	0.00%	0	0.00%	Department of Marine Engineering, National Taiwan Ocean University	WAN HAI LINES (LIBERIA) LTD. Representative Director for legal entity	-	-	-	N/A
Deputy Vice President, Occupational Safety and Health/ Risk Management Division	R.O.C.	I- Feng Lin	Male	2015/10/01	170	0.00%	2,500	0.00%	0	0.00%	Department of Merchant Marine, Tamkang University	-	-	-	-	N/A
Deputy Vice President, Planning Division I	R.O.C.	Fu-An Yang	Male	2021/03/22	0	0.00%	0	0.00%	0	0.00%	Department of Atmospheric Sciences, National Taiwan University	-	-	-	-	N/A
Deputy Vice President, Sales Division	R.O.C.	Wen-Yuan Chiang	Male	2019/10/01	0	0.00%	0	0.00%	0	0.00%	Department of Finance and Cooperative Management, National Chung Hsing University	-	-	-	-	N/A
Deputy Vice President, Documentation Business Division	R.O.C.	Meng-Chuan Chang	Female	2017/02/01	2,719	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 WAN HAI LINES ECUADOR S.A. Representative Director for legal entity WAN HAI LINES MEXICO, S.A. DE C.V. Representative Director for legal entity	-	-	-	N/A
Deputy Vice President, Administration Division	R.O.C.	Tze-Ling Chen	Female	2018/10/01	0	0.00%	0	0.00%	0	0.00%	University of Southern California, Marshall School of Business	-	-	-	-	N/A
Deputy Vice President, Marine Division	R.O.C.	Chung-Ping Huang	Male	2021/05/01	0	0.00%	450	0.00%	0	0.00%	Department of Transportation Science, National Taiwan Ocean University	SHEN ZHEN YONG CHUN International Shipping Management Co., Ltd. Representative Director for legal entity WAN HAI LINES (LIBERIA) LTD. Representative Director for legal entity	-	-	-	N/A
Assistant Vice President, Auditing Division	R.O.C.	Yi-Ching Wu (Note 5)	Female	2019/03/22	6,805	0.00%	23,016	0.00%	0	0.00%	Department of Business Administration, National ChengChi University	-	-	-	-	N/A
Deputy Vice President, Auditing Division	R.O.C.	Mei-Hua Lin	Female	2022/05/09	3,795	0.00%	1,265	0.00%	0	0.00%	Department of Business Administration, Fu Jen Catholic University	-	-	-	-	N/A
Vice President, Kaohsiung Branch	R.O.C.	Cheng-Hsien Huang	Male	2019/04/01	0	0.00%	0	0.00%	0	0.00%	Department of Business Administration, National Sun Yat-sen University	-	-	-	-	N/A
Deputy Vice President, Taichung Branch	R.O.C.	Wei-Kai Huang	Male	2021/05/01	0	0.00%	0	0.00%	0	0.00%	Department of Business Administration, Fu Jen Catholic University	-	-	-	-	N/A
Accounting Officer	R.O.C.	Chia-Yi Hsiao	Female	2007/08/13	1,723	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 Chair, 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.).

Note 2: 2022/04/29 Retirement

Note 3: 2022/02/10 Retirement

Note 4: 2023/03/22 Retirement

Note 5: 2022/05/09 Dismissal

3.2.3 Remuneration to Directors, President and Executive Vice President

1. Remuneration to directors

Unit: TWD thousand

Title			Directors				Independent Directors		
			Chair	Director	Director	Director	Independent Director	Independent Director	Independent Director
Name			Jiufu Garden Co., Ltd. Representative: Po-Ting Chen	Chen-Yung Foundation Representative: Chih-Chao Chen	Taili Corporation Representative: Randy Chen	Sun Shine Construction Co., Ltd. Representative: Chiu-Ling Wu	Jung-Nien Lai	Stephanie Lin	Yi-Sheng Tseng
Remuneration to directors	(A) Allowance	Unconsolidated	15,766				2,880		
		Consolidated	15,766				2,880		
	(B) Retirement pension	Unconsolidated	0				0		
		Consolidated	0				0		
	(C) Remuneration from retained earnings	Unconsolidated	124,112				0		
		Consolidated	124,112				0		
	(D) Transportation allowance	Unconsolidated	2,110				0		
		Consolidated	2,110				0		
Total amount Percentage of (A+B+C+D) and its percentage in net income after tax (Note)		Unconsolidated	141,989 (0.15%)				2,880 (0.00%)		
		Consolidated	141,989 (0.15%)				2,880 (0.00%)		
Related remuneration for serving in the company concurrently	(E) Salary, bonus and specific subsidy	Unconsolidated	9,418				0		
		Consolidated	28,923				0		
	(F) Retirement pension	Unconsolidated	91				0		
		Consolidated	227				0		
	(G) Employee's bonus from retained earnings	Unconsolidated	Cash bonus	3,147			0		
			Stock bonus	0			0		
		Consolidated	Cash bonus	3,147			0		
			Stock bonus	0			0		
Total amount Percentage of (A+B+C+D+E+F+G+H) and its percentage in net income after tax (Note)		Unconsolidated	154,645 (0.16%)				2,880 (0.00%)		
		Consolidated	174,286 (0.19%)				2,880 (0.00%)		
Other income			172				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 the company's 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 the independent directors was suggested by the 7th meeting of the 3rd term of the company's 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 Entities and Non-consolidated Affiliates
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				
	From TWD 30,000,000 to 50,000,000	Jiufu Garden Co., Ltd. Representative: Po-Ting Chen Chen-Yung Foundation Representative: Chih-Chao Chen Taili Corporation Representative: Randy Chen Sun Shine Construction Co., Ltd. Representative: Chiu-Ling Wu	Jiufu Garden Co., Ltd. Representative: Po-Ting Chen Chen-Yung Foundation Representative: Chih-Chao Chen Taili Corporation Representative: Randy Chen Sun Shine Construction Co., Ltd. Representative: Chiu-Ling Wu	Jiufu Garden Co., Ltd. Representative: Po-Ting Chen Chen-Yung Foundation Representative: Chih-Chao Chen Taili Corporation Representative Randy Chen Sun Shine Construction Co., Ltd. Representative: Chiu-Ling Wu	Jiufu Garden Co., Ltd. Representative: Po-Ting Chen Taili Corporation Representative: Randy Chen Sun Shine Construction Co., Ltd. Representative: Chiu-Ling Wu
	From TWD 50,000,000 to 100,000,000				Chen-Yung Foundation Representative: Chih-Chao Chen
	TWD 100,000,000 and above				
Independent Directors	Lower than TWD 1,000,000	Jung-Nien Lai Stephanie Lin Yi-Sheng Tseng	Jung-Nien Lai Stephanie Lin Yi-Sheng Tseng	Jung-Nien Lai Stephanie Lin Yi-Sheng Tseng	Jung-Nien Lai Stephanie Lin Yi-Sheng Tseng
Total		7	7	7	7

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.

2. Remuneration to President and Executive Vice President

Unit: TWD thousand

Title		President	Executive Vice President
Name		Fur-Lung Hsieh	Wen-Chau Yeh
(A) Salary	Unconsolidated	9,325	
	Consolidated	9,325	
(B) Retirement pension	Unconsolidated	0	
	Consolidated	0	
(C) Bonus and specific subsidy, etc.	Unconsolidated	12,525	
	Consolidated	12,525	
(D) Employee's bonus from retained earnings	Unconsolidated	Cash bonus	6,427
		Stock bonus	0
	Consolidated	Cash bonus	6,427
		Stock bonus	0
Total amount of (A+B+C+D) and its percentage in net income after tax (Note)	Unconsolidated	28,277 (0.03%)	
	Consolidated	28,277 (0.03%)	
Other income		172	

Levels of remuneration

Level of remuneration paid to the President and Executive Vice president	Name of President and Executive Vice president	
	Unconsolidated	Consolidated Entities and Non-consolidated Affiliates
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	Wen-Chau Yeh	Wen-Chau Yeh
From TWD 15,000,000 to 30,000,000	Fur-Lung Hsieh	Fur-Lung Hsieh
From TWD 30,000,000 to 50,000,000		
From TWD 50,000,000 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

2022/12/31
Unit: TWD thousand

	Title	Name	Stock Bonus	Cash Bonus	Total	Percentage in Net Income after tax (Note 6)
Executives	Vice Chair	Randy Chen	0	42,105	42,105	0.05%
	President	Fur-Lung Hsieh				
	Special Assistant to Chair	Chih-Chao Chen				
	Executive Vice President	Wen-Chau Yeh				
	Senior Vice President	Wei-Chien Chuang				
	Senior Vice President	Chien-Cheng Hsiao (Note 5)				
	Vice President	Kuo-Loong Kao (Note 1)				
	Vice President	Ming-Shan Huang (Note 2)				
	Vice President	Juang-Jyh Juang				
	Vice President	Li-Mei Su				
	Vice President	Shen-Hsing Lo				
	Vice President	Ren-Kai Wu				
	Vice President	Hui-Chang Chung				
	Vice President	Cheng-Hsien Huang				
	Vice President	Han-Peng Chu				
	Vice President	Chien-Feng Wu				
	Vice President	Fei-Fei Chuang				
	Vice President	I-Cheng Lin				
	Vice President	Chih-Hsien Chen				
	Vice President	Ching-Yin Wang				
	Vice President	Hung-Chuan Chien				
	Vice President	Shyue-Jih Ma (Note 3)				
	Vice President	Chiu-Fen Lin (Note 3)				
	Project Vice President	Wei-Hsin Hsu (Note 4)				
	Accounting Officer	Chia-Yi Hsiao				

Note 1: Retirement on 2022/04/29

Note 2: Retirement on 2022/02/10

Note 3: Promotion on 2022/01/28

Note 4: Retirement on 2023/03/22

Note 5: Promotion on 2023/04/01

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

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.

1. Analysis regarding the percentage of total remuneration paid to directors, president, and executive vice president of the Company and the companies in the consolidated financial statements in net income after tax of the parent-company-only financial statements for the past two years:

Unit: TWD thousand

	Unconsolidated				Consolidated			
	2021		2022		2021		2022	
	Total amount	Percentage	Total amount	Percentage	Total amount	Percentage	Total amount	Percentage
Directors	160,156	0.15%	157,525	0.16%	183,024	0.17%	177,166	0.19%
President and Executive Vice President	28,483	0.03%	28,277	0.03%	28,483	0.03%	28,277	0.03%
Net income after tax	103,342,908	-	93,072,097	-	103,342,908	-	93,072,097	-

2.The policy, standard and portfolios for remuneration payment, the procedure for determining remuneration, and the correlation with operating performance and risk:

- (1) 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 competitors' standards. In accordance with the company's "Articles of Incorporation", if there is any annual profit for the company, not less than 0.6% 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. In order to regularly evaluate the salaries of directors, in addition to reference to the competitors' standards, the remuneration will also be paid based on the results of individual performance, contribution to the company and business performance. Assessment items for performance of the Board of Directors includes the attendance of the Board of Directors meetings and continuing education, level of participation in operations of the company, the interaction and communications with management team, assessment and supervision internal control system and risk management. The Board of Directors' remuneration will be paid based on the results of assessment.
- (2) Remunerations for managers are decided according to the business situation of the company and the results of the two biannual performance appraisal. Assessments are made in the aspects of performance, leadership, organizing skills and maintenance of overall interest of the company, and remunerations are made based on the different ratings of the performance assessment. 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 years, the Board of Directors convened a total of 7 board of directors meetings. The directors show the following facts of attendance:

2022/12/31

Position	Name	Number of actual participations (or as an observer) (B)	Number of actual participations through a proxy	Rate of actual participations (or as an observer) (%) (B/A)	Remarks
The 21st Board of directors show the following facts of attendance: (2022/01/01~2022/12/31, the Board of Directors convened a total of 7 board of directors meetings) (A)					
Chair	Jiufu Garden Co.,Ltd. Representative: Po-Ting Chen	7	0	100%	
Director	Taili Corporation Representative: Randy Chen	4	3	57%	
Director	Chen-Yung Foundation Representative: Chih-Chao Chen	6	1	86%	
Director	Sun Shine Construction Co., Ltd Representative: Chiu-Ling Wu	7	0	100%	
Independent Director	Jung-Nien Lai	6	1	86%	
Independent Director	Stephanie Lin	6	1	86%	
Independent Director	Yi-Sheng Tseng	7	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: - Article 14-3 of the Securities and Exchange Act states: None. - In addition to the above, Board of Directors' resolutions opposed or voiced reservations by other independent directors and were recorded or declared in writing: None. 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 - WAN HAI LINES (SINGAPORE) LTD proposed to invest and establish Wan Hai Lines (Mexico) SA de CV, a joint venture company. - Name of director: Randy Chen - Motion: The 15th meeting of the 21st-term of Board of Directors (2022/08/08), the South American West Coast is a key development area of the company, thus Wan Hai Lines Singapore Pte. Ltd. intends to form a joint venture company with the local Mexican company. The company will be temporarily named Wan Hai Lines (Mexico) SA de CV. The name of the company is subject to the approval and registration of the local competent authority. It will begin to officially operate in January 2023 upon receiving approval. The exact date is subject to approval by the local authorities. WAN HAI LINES (SINGAPORE) LTD proposed appointing Randy Chen, Meng-Chuan Chang and Chian-Rung Liu to represent WAN HAI LINES (SINGAPORE) LTD to be directors of Wan Hai Lines (Mexico) SA de CV, the above will take effect upon completion of incorporation. - Cause for recusal due to conflict of interest: He was appointed representatives. - Result of voting: Randy Chen was appointed director, he recused himself. Chair of the meeting enquired the other directors attending the meeting, and they passed the proposal without objection. - Wan Hai International Pte. Ltd. invested in proposed to make a donation to WAN HAI Charity Foundation TWD 10 million. - Name of director: Po-Ting Chen - Motion: The 16th meeting of the 21st-term of Board of Directors (2022/11/09), 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 TWD 10 million to help the Foundation implement charitable activities and to give back to the community. - Cause for recusal due to conflict of interest: He was the director of the Foundation. - 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 the company's 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 21st Board of independent directors show the following facts of attendance

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

2022/12/31

2022	First	Second	Third	Fourth	Fifth	Sixth	Seventh
The 21th Board of independent directors show the following facts of attendance: (2022/01/1~2022/12/31, the Board of Directors convened a total of 7 board of directors meetings)							
Jung-Nien Lai	◎	☆	◎	◎	◎	◎	◎
Stephanie Lin	◎	◎	◎	◎	☆	◎	◎
Yi-Sheng Tseng	◎	◎	◎	◎	◎	◎	◎

3.3.3 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 2022, includes the overall Board of Directors, individual directors, Functionality Committee-Audit Committee and Functionality Committee-the Remuneration Committee.

Methods of assessment include internal self-assessment by the Board of Directors, and self-assessment by individual directors. Result of Self-Evaluation is below and report to the Board of Directors on March 13, 2023:

The frequency of assessment	The period of assessment	Scope of Evaluation	Methods of assessment	Contents of Evaluation	Result of Evaluation
Annually	From 1st Jan to 31st Dec 2022	The overall Board of Directors	Internal self-assessment by the Board of Directors	Level of participation in operations of the company, enhancing the quality of making decisions of the Board of Directors, composition and structure of the Board of Directors, election and continued education of directors, internal control	Result of Self-Evaluation: Above standards. The board of directors is held in accordance with the regulations, the composition of directors is diversified and the existing functional committees can actually perform their duties.
Annually	From 1st Jan to 31st Dec 2022	Individual directors	Self-assessment by individual directors	Grasping the goals and missions of the company, cognition of the jobs and duties of a director, level of participation in operations of the company, maintain internal relations and communications, expertise and continued education of the directors, internal control	Result of Self-Evaluation: Above standards. All members of the board of directors understand the company's business philosophy and strictly abide by the obligation of confidentiality when performing their duties as directors.
Annually	From 1st Jan to 31st Dec 2022	Functionality Committee-Audit Committee	Self-assessment by individual members	Level of participation in operations of the company, cognition of the jobs and duties of Audit Committee, enhancing the quality of making decisions of Audit Committee, Audit Committee and selection of its members, internal control	Result of Self-Evaluation: Above standards. Audit Committee members gave a positive appraisal for the operations of the committee. The members have the expertise required for the decision-making process, can perform their due functions, put forward reasonable suggestions in a timely, professional and objective manner, and maintain their independence during their tenure.

The frequency of assessment	The period of assessment	Scope of Evaluation	Methods of assessment	Contents of Evaluation	Result of Evaluation
Annually	From 1st Jan to 31st Dec 2022	Functionality Committee-the Remuneration Committee	Self-assessment by individual members	Level of participation in operations of the company, cognition of the jobs and duties of Remuneration Committee, enhancing the quality of making decisions of the Remuneration Committee, the Remuneration Committee and selection of its members, Internal control	Result of Self-Evaluation: Above standards. Remuneration Committee members gave a positive appraisal for the operations of the committee. The selection of members complies with laws and regulations, and they are competent and professional. The company provides complete and timely information to enable the committee to perform its duties smoothly. Meeting resolutions are also properly implemented and followed up.

3.3.4 Audit Committee Annual Main Tasks and their Implementation

1. There are three members in the Audit Committee of the 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 Chair, Supervisors and Accounting Officer, 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 2022 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: The 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: The Audit Committee assesses the independency and reasonableness of remuneration for the Certified Public Accountants annually.

3. There were 7th Audit Committee meetings in 2022. The attendance status of members were as follows:

2022/12/31

Position	Name	Number of actual participations (or as an observer)(B)	Number of actual participations through a proxy	Rate of actual participations (or as an observer) (%) (B/A)	Remarks
The attendance status of members were as follow : (2022/01/01~2022/12/31, there were 7th Audit Committee meetings in 2022)(A)					
Independent Director	Jung-Nien Lai	6	1	86%	
Independent Director	Stephanie Lin	5	2	71%	
Independent Director	Yi-Sheng Tseng	7	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: None. 2. Apart from the above, other resolutions not passed by the Audit Committee but agreed upon by more than two thirds of all directors: None.					
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 supervisors: The 2022 term of independent directors and internal audit supervisors had two communications meetings, summaries of major communications are listed as follows:					
Dates of Meeting	Communications with Internal Audit Supervisors				
	Contents of Communications		Results of Communications		
2022/03/15	Teaching material for the English version of E-Learning audio books is now completed and will soon be sent to all the company's overseas business locations. The company is compiling the Chinese and English versions of instructions for the practice of Competition Law for the sales and marketing personnel, and will soon be sent to the domestic and overseas sales and marketing personnel for their reference.		Suggestions by independent directors: Keep on doing it and no special suggestion.		
	Average price of vessel review reports are stylized to speed up report production and for sorting out customers whose freight rates are always below the average price for specific areas and periods, and to provide such data to the sales and marketing personnel, so as to strengthen customer contribution.		Suggestions by independent directors: Keep on doing it and it will be beneficial to the company.		
2022/12/12	2023 annual audit plan		Suggestions by independent directors: No objection.		
	Amend internal control systems and some articles of internal audit implementation rules.		Suggestions by independent directors: The company can refer to SOX Risk Management Matrix to check and strengthen relevant internal control systems of the company.		

2. Communications between independent directors and accountants: The 2022 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
2022/03/15	Independency	1.Auditing personnel of accounting firms, accounting firm and network firms have complied with relevant ethical requirements statement regarding independency. 2.It is assessed that relationships and other matters between the company and accounting firm or network firms will not influence independency.
	Accountants' responsibility in auditing Financial Statements and scope of audition.	1.The responsibility of Certified Public Accountants is to audit in compliance with the "Statement of Auditing Standards", the financial reports compiled under supervision by the management and governing units, and to compile and submit their opinions. Such auditing shall not release the responsibilities of the management and governing units regarding the financial reports. 2.To communicate Key Audit Matters in auditors' report 3.The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed by the Financial Supervisory Commission, ROC and an audit 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. 4.Accountants shall perform relevant auditing in accordance with significant amounts calculated and audits were adopted regarding other professional items.
	Key Audit Matters (KAMs) and audit findings	1.Key Audit Matters (revenue recognition- the percentage-of-completion of voyage method and increase of fixed assets): No significant abnormalities. 2.Audited the statements of comprehensive income of parent company only financial statements, adjusting journal entry of comprehensive income, the remeasurement of IFRS16, updated situation of in process litigation issues.
	Matters concerned by competent Authorities	1.Enhancing auditions regarding the Financial Report published by the company. 2.The company assessed the influence of Covid-19 pandemic.
	Requirements for compulsive establishment of information security units	1.An information security officer and a dedicated information security unit shall be established. 2.To strengthen internal audit functions.
	Updated important Auditing Standards, Explanation Letters, and laws regarding securities regulations and taxes	Revision of Criteria for Establishment of Corporate Governance Executives of Listed and OTC Companies has no effects on the company.
2022/12/12	Key Audit Matters and corresponding audit procedures and matters to be implemented	1. Key Audit Matters: The freight revenue is recognized in the percentage-of-completion of voyage method. To audit the reasonableness of the estimated voyage days of each route. 2. Action of audit procedures: 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. Understanding the internal control systems for company revenues, and implementing relevant internal control cycle tests. Reviews shall be made using both electronic and common auditing methods.
	Explanation of Non Assurance Service	In response to IESBA's revision of standards for NSA (Non Assurance Service, auditing for non-assurance services and other services) and auditing fees, such revisions shall take effect for the financial report period starting from December 12, 2022.

3.3.5 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.The company’s shares structure and shareholders right				
(1) Does the 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.	No Difference
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(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) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company has set up internal rules in the company’s Internal Control System.	No Difference
(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.	No Difference
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.15.	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 by 2017. Audit committees and other types of functional committees will be separately assessed according to actual requirements.	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 2019/11/07 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 2022 assessment of performance of the Board of Directors, the period was from 2022/01/01 till 2022/12/31. 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. Result of Self-Evaluation is below and report to the Board of Directors on 2023/03/13. 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: A. Level of participation in operations of the company. B. Enhancing the quality of making decisions. C. Composition and structure of the Board of Directors. D. Election and continued education of directors. E. Internal control.	No Difference

Item	Description of the operation			Distinction from the operation and governance of those TWSE/TPEX listed companies
	Yes	No	Remark	
			Result of Self-Evaluation in 2022 is above standards. The board of directors is held in accordance with the regulations, the composition of directors is diversified and the existing functional committees can actually perform their duties. Assessment of performance of individual directors: A. Grasping the goals and missions of the company. B. Cognition of the jobs and duties of a director. C. Level of participation in operations of the company. D. Maintain internal relations and communications. E. Expertise and continued education of the directors. F. Internal control. Result of Self-Evaluation in 2022 is above standards. All members of the board of directors understand the company's business philosophy and strictly abide by the obligation of confidentiality when performing their duties as directors. Assessment of performance of Audit Committee A. Level of participation in operations of the company. B. Cognition of the jobs and duties of Audit Committee C. Enhancing the quality of making decisions. D. Election the member of Audit Committee E. Internal control. Result of Self-Evaluation in 2022 is above standards. Audit Committee members gave a positive appraisal for the operations of the committee. The members have the expertise required for the decision-making process, can perform their due functions, put forward reasonable suggestions in a timely, professional and objective manner, and maintain their independence during their tenure. Assessment of performance of the Remuneration Committee includes: A. Level of participation in operations of the company. B. Cognition of the jobs and duties of Remuneration Committee C. Enhancing the quality of making decisions. D. Election the member of Remuneration Committee E. Internal control. Result of Self-Evaluation in 2022 is above standards. Remuneration Committee members gave a positive appraisal for the operations of the committee. The selection of members complies with laws and regulations, and they are competent and professional. The company provides complete and timely information to enable the committee to perform its duties smoothly. Meeting resolutions are also properly implemented and followed up.	
(4) Does the company regularly evaluate the independence of the CPAs?	✓		(4) The company performs regular annual assessments of the independency and competency of its auditing CPAs and requests them to provide "Declarations of Independency" . Audit Committee of the company assesses its auditing CPAs regularly every year, regarding their fees and services, and the main concern is the quality of their audits, and the CPAs provide "Audit Quality Indicators (AQI) Reports" . Contents of the AQI include the five essentials: professionalism, independency, quality control, supervision and innovation, as well as 13 indicators, which are used to select and hire CPAs, and to ensure audit quality, for high quality audit services can raise the credibility of Financial Reports. The result has been proposed to the board of directors at the meeting on March 13, 2023 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.	No Difference

Item	Description of the operation		Distinction from the operation and governance of those TWSE/TPEX listed companies
	Yes	No	
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)?	✓		To effectively execute matters related to corporate governance, the company has appointed suitable and adequate personnel as corporate governance team. On March 22, 2019, the Board of Directors approved and announced on the Market Observation Post System that Ms. Su Li-Mei, the Vice President and Spokesperson of the company, was appointed our corporate governance officer, responsible for all matters related to corporate governance as the highest executive in charge. She is also a company manager and has over three years of experience in legal affairs and meeting management. Her main responsibilities include, but are not limited to: (1) Handling all matters related to Board of Directors and Shareholders' meetings in compliance with the law, preparing minutes of the Board of Directors and Shareholders' meetings, assisting the Board of Directors and Supervisors in their appointments and continuing education, providing necessary information for the Board of Directors and Supervisors to execute their duties, assisting the Board of Directors and Supervisors in complying with relevant laws and regulations, reporting to the Board of Directors on the qualification review of independent directors during their nomination, appointment, and tenure, and handling matters related to changes in the Board of Directors. (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 least 18 hours of training courses within a year starting from the day of taking the position, and at least 12 hours a year thereafter. The corporate governance officer completed 15 hours of training in 2022, in conformity with the requirements of the law, and the courses are detailed as follows: 2022/08/10 : Taiwan Independent Director Association - Practical case analysis of related party transactions and unconventional transactions (3 Hours) 2022/08/26 : Taiwanese Corporate Governance Association - How does the audit committee supervise the effectiveness of internal control (3 Hours) 2022/09/08 : Taiwan Independent Director Association - Board of Directors Reviews Risks and Practices for Asset Value (3 Hours) 2022/09/28: Taiwan Independent Director Association - In-depth analysis of the impact and risks of financial statements on business operations from the perspective of the group chief financial officer (3 Hours) 2022/10/21: Taiwanese Corporate Governance Association- How do directors and supervisors supervise the company to do a good job in risk management and internal control (3 Hours) 2022 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.
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 adopted the International AA1000 SES standard and applied the five assessment criterion: Dependency, Responsibility, Tension, Influence and Diverse Perspectives, to identify its' key stakeholders. The company continues to strive to strengthen the interaction and communication with stakeholders, and conducting dialogues with stakeholders from time to time. In order to respect the rights and interests of stakeholders, there is a special section for stakeholders' opinions under the corporate sustainability ESG on the company's website. And each department is responsible for handling communication with stakeholders. (1) Employees Issues of Concern: Labor relations and communication, employee rights and benefits, employee safety and health, recruitment and training. Communication channels and response methods: A. Electronic bulletin board /non-scheduled B. Business operation meetings /biweekly C. Situation Conference /weekly D. Department meetings /monthly or depending on situation E. Employee feedback /every six months F. Electronic questionnaires for seafarer's opinions and proposals /before disembarkation

Item	Description of the operation		Distinction from the operation and governance of those TWSE/TPEX listed companies
	Yes	No	
			G. Marine Division's common e-mail, dedicated phone lines and message boards /remain open for feedback and comments H. Education training, course satisfaction questionnaire and training preference survey /regular or irregular depending on requirement I. Education and training for seafarer /before embarkation and monthly and quarterly J. Employee welfare committee meetings /at least once a year K. Occupational safety and health committee /once every quarter L. Labor relations communication meetings /quarterly M. New employee interview upon completion of probation/conducted upon completion of probation N. Employee performance appraisal interview /bi-annually O. Employee resignation interview /non-scheduled P. Contact Person : Onshore Employee: Administration Division Ms. Chang: ESG.adm@wanhai.com On-board Employee: Marine Division Mr. Yang: ESG.mar@wanhai.com (2) Customer Issues of Concern: Operational performance, digitalization, service quality, labor rights, ethical management, sustainable management of supply chain, management of climate change and greenhouse gases. Communication channels and response methods: A. Customer dedicated phones, e-mail (cs@wanhai.com), dedicated area for stakeholders' comments on the official website /continue to open to customers' responses and comments B. Company website (https://www.wanhai.com) /non-scheduled. C. Contract specification /once a year on average. D. Customer satisfaction survey /at least once a year. E. Contact Person : Marketing Division Ms. Lin: ESG.sales@wanhai.com (3) Supplier Issues of concern: Sustainable management of supply chain, information security, ethical management, safety and health, environment protection, labor rights, vessel design. Communication channels and response methods: A. Assessment of agents /bi-annually B. E-mail Communication with agents /non-scheduled C. Production report and evaluation of newly constructed containers /non-scheduled D. Contract specification /non-scheduled E. Wan Hai e-procurement system /annually F. Evaluation and review of AEO business partners /annually G. Evaluation of suppliers by the Marine Division (including materials/fuel/lubricants/seamen services) /annually H. Contact Person: Strategy Research Unit Ms. Chen: ESG.sru@wanhai.com (4) Shareholders /Investors (Including banks and other creditors) Issues of concern: Corporate governance, operational performance, sustainable development strategy; risk management, shareholders' engagement, environment protection, labor rights. Communication channels and response methods: A. Shareholders' meeting /annually B. Investor Conference /at least once a year C. Credit rating /at least once a year D. Publish material financial and business information on the Market Observation Post System /follow the regulations of the competent authority. E. Credit extension meeting /once a year on average. F. Company website (https://www.wanhai.com) /non-scheduled G. Shareholders service contact (dedicated phones and e-mail) /open to responses and comments H. Participate in bank lectures, forums and seminars /non-scheduled I. Visiting and exchanging information /non-scheduled J. Contact Person: Financial Division Mr. Hung / Ms. Hsu: ESG.fin@wanhai.com

Item	Description of the operation			Distinction from the operation and governance of those TWSE/TPEX listed companies
	Yes	No	Remark	
			(5) Government and Competent authority Issues of Concern: Covid-19, legal compliance, occupational injury, risk management, pollution prevention, application for right of passage, management of climate change and greenhouse gases. Communication channels and response methods: A. Survey and Inspection Charts /non-scheduled B. On-line application of compliance with occupational safety and health regulations and notification /non-scheduled C. On-line feedback for labor inspection /monthly D. Phones, e-mails, meetings, official letters /regular or non-scheduled E. Contact Person: Occupational Safety and Health /Risk Management Division Mr. Chang: ESG.srm@wanhai.com (6) Community and Social groups Issues of Concern: Social concern and participation, Covid-19, environmental protection. Communication channels and response methods: A. Volunteer services or public welfare activities /once to twice a month B. Publications: "Ting Bo Zhan" magazine, "Ting Bo Zhan" newsletter /once a month C. Guest messages on official website, Wan Hai Charity and Ting Bo Zhan facebook, social media etc. /non-scheduled D. Phones, e-mails, official letters, visits and conversations/non-scheduled E. Contact Person: Strategy Research Unit Ms. Chen: ESG.sru@wanhai.com (7) Shipping Association Issues of Concern: Covid-19, business performance, risk management, greenhouse gas emission, resource management, pollution prevention, legal compliance. Communication channels and method of response. A. e-mails /non-scheduled B. Meetings /bi-annually, non-scheduled C. Contact Person: Marine Technology Division Mr. Lin: ESG.tech@wanhai.com Wan Hai Lines 2022 corporate governance has identified the key stakeholders, issue of concern, communication and response methods and the outcome, which have been published on company's website: https://esg.wanhai.com/wanhai/SustainabilityRoadmap/1634876940630487d157b8	
6. Does the company appoint a professional shareholder services agency to deal with shareholder 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 (https://www.wanhai.com) A. Finance and business related information: the 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.	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.	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 announces and registers quarterly financial reports and monthly operations status, within the time limits set by Article 36 of the Securities and Exchange Act.	Although the company does not comply with the assessed item, the company complies with the time limit set by Article 36 of the Securities and Exchange Act.

Item	Description of the operation			Distinction from the operation and governance of those TWSE/TPEX listed companies
	Yes	No	Remark	
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 Jung-Nien Lai had completed A Macroscopic Vision of Sustainable Development of Global Enterprises - From Vision 2050 to Action 2022 by Taiwanese Corporate Governance Association. (2) The company's Independent Director Jung-Nien Lai had completed 2022 GCSF-Strive Towards Sustainable Developments by Taiwan Institute for Sustainable Energy. (3) The company's Independent Director Jung-Nien Lai had completed Precautions - The Importance of Enterprise Risk Management by Taiwanese Corporate Governance Association. (4) The company's Independent Director Stephanie Lin had completed Sustainable Development Roadmap Industry Theme Publicity Conference by Taiwan Stock Exchange Corporation & Taipei Exchange. (5) The company's Independent Director Stephanie Lin had completed A Macroscopic Vision of Sustainable Development of Global Enterprises - From Vision 2050 to Action 2022 by Taiwanese Corporate Governance Association. (6) The company's Independent Director Stephanie Lin had completed Precautions - The Importance of Enterprise Risk Management by Taiwanese Corporate Governance Association. (7) The company's Independent Director Yi-Sheng Tseng had completed A Macroscopic Vision of Sustainable Development of Global Enterprises - From Vision 2050 to Action 2022 by Taiwanese Corporate Governance Association. (8) The company's Independent Director Yi-Sheng Tseng had completed 2022 Cathay Pacific Sustainable Finance and Climate Change Summit Forum by Taiwan Stock Exchange Corporation. (9) The company's Director Chu-lin Wu had completed International Double Summit Online Forum by Taiwan Stock Exchange Corporation & Alliance Advisors & Taiwanese Corporate Governance Association. (10) The company's Director Chu-lin Wu had completed Aspects of ESG Governance - From Knowing to Doing by Taiwanese Corporate Governance Association. (11) The company's Director Chu-lin Wu had completed Real Value Created by Circular and Low-Carbon Innovation - Understanding Circular Economy and Governance by Taiwanese Corporate Governance Association. (12) Valuing environmental protection: The company has been continuously promoting the ISO 14001 environmental management system since 2005. 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 for 3 consecutive years. (13) 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 ISO 45001 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. (14) The company take care of all employees' health; facilities like health center, stress relief room, AED service certification and breastfeeding room are especially set up for the female or pregnant ones. Also, the company keeps closed eyes on the physical exercising, fitness or hold the mental growth oriented workshop.	No Difference

Item	Description of the operation			Distinction from the operation and governance of those TWSE/TPEX listed companies
	Yes	No	Remark	
			(15) The company continues to give health lectures and sends occupational safety and health messages through on-line courses and other electronic distance learning methods, to show concern and to lead the employees to care about their physical and mental health. (16) The company has purchased liability insurance for directors and officers. The insured amount is USD 5 million, and notification has been issued through the Market Observation Post System. (17) The company continues to convey the achievements of the business planning to investors, through road shows, shareholders meetings and news items posted on the company's official website. (18) The company provides real medical securities to the employees by buying group term insurance policies. (19) The company follows WCO SAFE (Framework of Standards to Secure and Facilitate Global Trade) and obtained customs certification of AEO (Authorized Economic Operator). (20) 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. (21) 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 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. (22) In May 2021, the Audit Committee and the Board of Directors have established the "Risk Management Policy and Procedures" as the highest guiding principles and procedures on risk management for the company. The Policy and Procedures sets out risk management objectives, organizational structure and responsibilities, as well as risk management processes to effectively identify, measure and minimize risks, arising from business activities, to prevent disruption to business operations, and to protect the rights and interests of stakeholders. (23) The company successfully passed and obtained ISO 27001 certification at the end of 2022.	
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: 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. <u>Results of the corporate governance evaluation:</u> Ranked top 6% to 35% amid all TWSE listed companies from 2014 to 2022. <u>Key points of the improvements include:</u> 1. Disclosure of information related to climate-related risks and opportunities in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework. 2. The mid-year financial report is approved by Audit Committee and a resolution is made by the Board of Directors. 3. Regular internal performance evaluations are conducted on functional committees every year and disclosed on the company's website. 4. At least one internal auditor holds a relevant audit or accounting license. 5. The Sustainability Report in English is uploaded to Market Observation Post System and the company's website.				

3.3.6. 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.)
Chu-Lin Wu	Director	May 12, 2022	Taiwan Stock Exchange Corporation & Alliance Advisors & Taiwanese Corporate Governance Association	International Double Summit Online Forum	3
		Aug 16, 2022	Taiwanese Corporate Governance Association	Aspects of ESG Governance – From Knowing to Doing	3
		Sep 6, 2022	Taiwanese Corporate Governance Association	Real Value Created by Circular and Low-Carbon Innovation – Understanding Circular Economy and Governance	3
Jung-Nien Lai	Independent Director	Sep 14, 2022	Taiwanese Corporate Governance Association	A Macroscopic Vision of Sustainable Development of Global Enterprises - From Vision 2050 to Action 2022	3
		Nov 9, 2022	Taiwan Institute for Sustainable Energy	2022 GCSF-Strive Towards Sustainable Developments	1
		Dec 20, 2022	Taiwanese Corporate Governance Association	Precautions - The Importance of Enterprise Risk Management	3
Stephanie Lin	Independent Director	July 20, 2022	Taiwan Stock Exchange Corporation & Taipei Exchange	Sustainable Development Roadmap Industry Theme Publicity Conference	2
		Sep 14, 2022	Taiwanese Corporate Governance Association	A Macroscopic Vision of Sustainable Development of Global Enterprises - From Vision 2050 to Action 2022	3
		Dec 20, 2022	Taiwanese Corporate Governance Association	Precautions - The Importance of Enterprise Risk Management	3
Yi-Sheng Tseng	Independent Director	Sep 14, 2022	Taiwanese Corporate Governance Association	A Macroscopic Vision of Sustainable Development of Global Enterprises - From Vision 2050 to Action 2022	3
		Nov 13, 2022	Taiwan Stock Exchange Corporation	2022 Cathay Pacific Sustainable Finance and Climate Change Summit Forum	3

3.3.7. 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: Two individuals (Financial Division, Auditing Division)

* Continuing Education for Auditing Division personnel:

Name	Title	Date	Sponsor unit	Course	Time (hr.)
Mei-hua Lin	Audit Supervisor	Jun 20,2022~Jun, 22,2022	The Institute of Internal Auditors-Chinese Taiwan	Pre-employment training seminar for first-time internal auditors in enterprises	18
		Dec 22,2022	The Institute of Internal Auditors-Chinese Taiwan	Fund lending, endorsement guarantee, and asset disposal regulations and practical analysis	6

*Continuing Education/Training for the Financial Division personnel:

Name	Title	Date	Sponsor unit	Course	Time (hr.)
Chia-Yi Hsiao	Accounting Supervisor	Sep 12, 2022	Accounting Research and Development Foundation	Concept Analysis of ISSB S1 Standard "General Requirements for Disclosure of Sustainability-Related Financial Information"	3
		Sep 22, 2022	Accounting Research and Development Foundation	Concept Analysis of ISSB S2 Standard "Climate-Related Information Disclosure"	3
		Sep 23, 2022	Accounting Research and Development Foundation	ISSB S2 Industry Analysis Practical Application Guidelines (Part 2)	3
		Nov 24, 2022	Securities and Futures Institute	Discussion on Legal Responsibilities of Accounting Supervisors for False Financial Reports	3
Chih-Hsien Chen	Financial Supervisor	May 3, 2022	Accounting Research and Development Foundation	Analysis of the latest corporate governance policies and evaluation practices	3
		May 13, 2022	Accounting Research and Development Foundation	Latest Annual IFRS	3
		May 20, 2022	Accounting Research and Development Foundation	The latest policy development and internal control management practices related to "sustainability" and "self-compilation of financial reports"	6

3.3.8 Difference between promoting sustainability and OTC companies code of practice of sustainable development and reason for difference

Items	Y	N	Status of Work	Difference between promoting sustainability and OTC companies code of practice of sustainable development and reason for difference
1. Will the company establish a management structure for promoting sustainability, and set up a dedicated/non-dedicated sustainability unit? Will the board of directors authorize senior management to handle the matter under the board's supervision?	✓		Wan Hai Lines' Code of Practice of Corporate Social Responsibilities was established in 2015 with the objectives to promote social responsibilities, so as to fulfill environmental sustainability, community engagement and corporate governance etc. In response to the Blueprint for Sustainable Development version. 3.0 set out by the Financial Supervisory Committee, it was renamed as Sustainable Development Best Practice Principles for Wan Hai Lines Ltd. and its Subsidiaries in 2021. To implement the Sustainable Development Best Practice Principles, a "Sustainable Development Committee" was set up in the office of the president, with the Chair being the mentor and the President serves as the convener, to assist in the formulation of sustainable development goals and strategies, promotion, supervision, assessment and review of the implementation in 2021. (Please refer to https://www.wanhai.com/attach_file/whl_wanhai/files/Best-Practice-Principles-1.pdf) The committee is subdivided into three sections covering corporate governance, environmental sustainability and social responsibilities. Business divisions and departments are responsible to communicate with their respective stakeholders and responding to their concerns. The Sustainable Development Committee will submit a work report detailing the impact and responses to various issues to the Board of Directors at least once a year. The management will collect and summarize the economic, environmental and social issues arising from the operation activities, and report as how these issues had been handled or resolved, to the board of directors. The board of directors of the company regularly receives reports from the management team (including Sustainability reports) every quarter. The management team must propose the company's strategies and work direction to the board of directors, who will provide advice and evaluation on these strategies, review the progress of work on a regular basis, and urge the management team to make adjustments when necessary. Please refer to: https://esg.wanhai.com/wanhai/SustainabilityRoadmap/6505720362ef8a7ed269a	No Difference
2. Does the company perform risk assessments regarding the environmental, social and governance issues in compliance with the materiality principle? (Note 2)	✓		In May 2021, the Board of Directors have established the Risk Management Policies and Procedures as the highest guiding principles and procedures on risk management for the company. In accordance with the Policy and Procedures, each division had together established a risk management team in 2021, and to be responsible for the risk management implementation in daily operations. The Strategy Research Unit (SRU) of the President's Office coordinates and reviews the suitability and adequacy of the risk management measures implemented by each team. The team regularly holds meetings, with management scope covering strategy, operations, finance, information, legal compliance, integrity management, climate change, and other emerging risks. Agile is used to identify and assess risks and develop response measures. The SRU is also responsible for submitting a risk management report to the Board of Directors annually. The risk assessment boundary covers the Company, its branches and subsidiaries with consolidated financial statements. The "Risk Management Team" identifies potential risks based on the industry environment, operational activities, sustainability of business, and issues of concern to stakeholders. Risks are analyzed qualitatively or quantitatively to assess the probability of their occurrence and the degree of impact, and risk levels are evaluated based on the analysis results. Control mechanisms and response measures are developed for the impacts of identified risks to ensure that risks are controlled to an acceptable level. (2022 risk evaluation and countermeasures please refer to: https://esg.wanhai.com/wanhai/SustainabilityRoadmap/1634876940630487d157b8)	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. Waste oil generated from engine room will be recorded and disposed off by a qualified company. D. Bilge water from the engine room must be treated by a 15 PPM bilge water separator before being released, and quantity to be properly recorded. E. Garbage and wastewater are to be processed, registered in the record book and discharged in according to regulations F. Gas emission produced and discharged by ships shall comply with the regulation and standards. G. Vessels use low-sulfur fuel in the ECA (Emission Control Area), reduce impact on the environment. H. In accordance with international laws and regulations, the 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, the company has installed approved ballast water management systems on the ships based on the certificate valid date. For ships where the systems are not yet installed, the company 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. All newly built ships after 2020 will use the latest electric fuel injection that meeting the IMO phase 2 requirements for Energy Efficiency Design Index (EEDI), effectively reduce energy consumption and 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, Life cycle assessment (LCA) does not include container freight station business activities. L. The company has developed a safety and environmental protection policy in accordance with international conventions and relevant environmental regulations. The aim is to strengthen the environmental awareness of the company, suppliers, and partners, ensure that the business operations comply with environmental regulations, and minimize the impact on the environment. The company is committed to continuously improving the safety management techniques and emergency response skills related to environmental protection. The environmental management policy follows international standards, including ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, the International Convention for the Prevention of Pollution from Ships (MARPOL), and the International Safety Management Code (ISM Code). Starting from 2022, the company's Taiwan operations has conducted greenhouse gas inventories in accordance with ISO 16064-1 and the GHG Protocol to track carbon emissions. For more information on the environmental management policy, please visit the company's website. https://esg.wanhai.com/wanhai/EnvironmentalManagement/6903582716305c5eabdc78	No Difference

Items	Y	N	Status of Work	Difference between promoting sustainability and OTC companies code of practice of sustainable development and reason for 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) The company 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 operate with slow steaming to reduce fuel consumption and gas emission in order to minimize the impact on environment. B. Use High Performance Coating eco-friendly antifouling paint to minimize impact on marine environment and to improve fuel efficiency. C. Monitoring the company fleet's fuel efficiency, maintain the main engines in good performance and regularly carry out hull cleaning and propeller polishing to achieve better fuel efficiency. D. Main engines adapted the latest electronic lubricator systems (alpha lubricators) 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 marine pollution. F. Ship spares are to be reconditioned for reuse if possible. G. Ships are installed with Propeller Boss Cap Fins (PBCF) and new vessels are equipped with full balanced asymmetrical ball-type rudders, propeller diversion fins and refitted with energy saving bow (ES –Bow) to reduce fuel consumption. H. The bulbs under 60 watts on the vessels had been replaced with LED bulbs. I. The company exclusive terminals at Kaohsiung Port and Taichung Port facilities are installed smart meters. J. New locomotives, hybrid SC straddle carriers, RT portal cranes, crane bridges and forklifts are being purchased to replace the old ones at company exclusive terminals, to improve efficiency, save energy and reduce waste gas emissions. K. Wastewater recycling plant had been built at exclusive terminal at Taichung port to recycle container cleaning water. L. Installed solar panel at exclusive terminal at Taichung port with the aim to echo using clean energy. M. Installed self-service gas station at Wharves No.63-64, Port of Kaohsiung with card reader and computer system to monitor, analyze the fuel consumption and to better manage the fuel efficiency of the trucks. N. All new containers will be using eco-friendly waterborne paint. O. New reefer containers will install inverter compressor for energy saving. P. Installed a GC intelligent system to improve equipment and machinery efficiency and to minimize resources wastage. Q. All parking lights in the basement parking lot were replaced with sensor light tubes at Neihsu office from March 2022. R. All eligible employees obtained subsidies of TWD 24,000 each for purchasing electric motorcycles from January 2022. (23 employees were subsidized with a total of TWD 552,000 in 2022) S. Employees obtained subsidies for purchasing Class 1 energy-efficient household appliances. (471 employees were subsidized with a total of TWD 10,396,643. Old appliances were replaced with 747 Class 1 energy-efficient outdoor air conditioners and 280 Class 1 energy-efficient refrigerators.) T. All T5 light tubes were replaced with energy-efficient LED panel lights at SongJiang office and Tunhua office. U. WH28x32x/A0x series uses ME/ME-C common-rail fuel electric injection system. The electronically controlled high-pressure common-rail fuel injection realizes the independence of fuel supply and fuel injection process, improves the combustion process and combustion efficiency to reach fuel saving and reduce emission pollution. V. WH50x28x/32x series used main seawater pump frequency conversion system. The traditional fixed frequency control will cause unnecessary energy waste. Combined with frequency converter for the pump low load run to reduce the output capacity of the pump & reduce energy waste. W. The new built ship WH32x/A0x series used streamline-shaped rudder bulb and airfoil-shaped fins. The fin can reduce the viscosity and pressure of the water flow on the hull shell with save fuel consumption & also reduce the eddy current loss of the hull vibration & propeller discharge flow. X. WH51x installation & new built ship WH35x/A0x series to install the Alternative Maritime Power (AMP) shore power system. When berthing at the wharf to connect to shore power for reduce air pollution from generators & also achieve carbon reduction purposes. Y. New built ship WH32x/A0x series are equipped with Selective Catalytic Reduction (SCR). Let the main engine exhaust lead into the SCR reactor for reduce the NOx nitrogen oxide content & reduce emissions pollution. Z. In keeping with the 2023 EEXI regulations, the fleet chooses to install Engine power limitation (EPL) to adjust the main engine power & reduce fuel consumption by reducing the speed to achieve the purpose of reducing carbon emissions.	No Difference
(3) The status of the company's awareness of climate change's effect on operation activities, and policies for reducing carbon emissions	✓		(3) The company evaluates and participates in climate change mitigation and adaptation by carrying out specific actions. In 2021, the company voluntarily adopted the recommendations developed by the Task Force on Climate-Related Financial Disclosures (TCFD) and follow the four core elements of the recommendation for the disclosures: "Governance, Strategy, Risk Management, and Metrics Targets." With this, the company has set up a cross-divisional risk management team and established a risk management framework to identify significant risks and opportunities associated with climate change and propose countermeasures. The team reorganizes and consolidates the current risk management procedures and responses to climate change, and reports to the Board of Directors every year. Please refer to https://esg.wanhai.com/wanhai/EnvironmentalManagement/2341353966305cc8ea5c41 The Board of Directors is the highest governing body of the company on climate change issues, responsible for supervising and approving climate risk management policies and major decisions to ensure the effective operation of climate risk management mechanisms. The President is the convener of the "Sustainable Development Committee," responsible for setting, promoting, supervising, and reviewing sustainable development goals and strategies, including climate change governance. The management joint meeting supervises action plans related to energy conservation and carbon reduction, strengthening climate change adaptation resilience, and compliance with international carbon emission regulations, among other related issues.	No Difference

Items	Y	N	Status of Work	Difference between promoting sustainability and OTC companies code of practice of sustainable development and reason for 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?	✓		The company conducts regular climate change risk and opportunity identification, following the TCFD operational guidelines and through cross-departmental interviews and discussions. Multiple climate change risk and opportunity workshops are held to study, discuss, consolidate information, and evaluate risks and opportunities. Financial quantitative analysis is conducted for identified risks and opportunities to review existing measures and response plans, and fully identify potential transformational and physical risks and opportunities facing the company. Please refer to https://esg.wanhai.com/wanhai/EnvironmentalManagement/2341353966305cc8ea5c41 (4) A. The company took inventory of greenhouse gases emitted by the business locations in Taiwan (including offices and container yards) and by the worldwide fleet to truly understand the greenhouse gases emission situation. The company passed the international third party inspection and obtained both ISO 14064-1:2018 and GHG Protocol certifications in November 2022. B. The company keeps a record of its greenhouse gas emissions, water consumption and waste for the past three years, and published in its annual ESG Report under Environmental Protection section. For more detail data please refer to the Note 3 below or refer to the company website: https://esg.wanhai.com/wanhai/EnvironmentalManagement/9 C. The company continues to promote the reduction of greenhouse gas emission. The targets of reducing CO₂ emissions are as follows, with 2008 as the benchmark year: The company has reduced by 34% in 2022. The target of reducing emissions is by 50% by 2030 and by 70% by 2050. The company will continue to carry out fleet replacement plan where new vessels will be equipped with energy-saving engines and equipment to reduce greenhouse gas emissions, so as to achieve the goals of energy saving, carbon reduction and environmental protection. In compliance with all relevant international treaties and environmental laws and regulations, the company nimbly use all energy efficient and carbon reduction measures to enhance energy efficiency management of fleet, terminals and offices. Furthermore the company raised environment protection and energy saving awareness of the employees through education and training, and energy saving promotions. In terms of participation in renewable energy, the company has installed solar panels on the roof of the warehouses in Taichung Port for vendors. At the same time, the company has partnered with Sunnyfounder to launch the "Green Energy for Charity Project" by donating solar panels to help the development of the green energy industry. The company will then donate the revenue from selling green energy to groups in need. By combining the benefits of the economy, humanity, and the environment, the company is moving towards sustainable development. D. The company continues to implement energy saving measures, i.e. increase vessel propulsion efficiency, optimize ballast water, adjusting trim and cruising at economical speeds whenever possible etc., so as to ensure compliance with international emission standards and reduce emissions of nitrogen oxides (NO_x), sulfur oxides (SO_x) and particulate matters (PM₁₀). E. The company's water resources management compliant with The International Maritime Organization's (IMO) regulations, the International Convention for the Prevention of Pollution from Ships (MARPOL) and any local or aboard environmental protection regulations. Promoting water recycling and minimizing waste. Water resources management policies of shipping fleet is as follow. a. Strategic policies: Water recycling, Minimizing waste b. In compliance with The International Maritime Organization's (IMO) regulations, the International Convention for the Prevention of Pollution from Ships (MARPOL) and all local or aboard environmental protection regulations to establish water resources management policies. c. Standards for releasing wastewater by container terminal operators. Terminals of Kaohsiung and Taichung are all equipped with wastewater treatment equipment. Taichung Terminals have the function of re-using recycled wastewater and recycled 5,979 tons of wastewater in 2022. The water recycling rate was 94.29% based on 6,341 tons of water being consumed in the year. Kaohsiung Terminals treated wastewater in compliance with relevant regulations and released it to be legally. In 2022, 2,919 tons of wastewater was discharged after treatment. The company promotes rational water consumption and reduction in losses of water in the offices. Through actions such as emphasizing the scarcity of water resources, installing water-saving devices in pantry and toilets. F. The company adheres to relevant laws and regulations for wastewater, waste oil and garbage, and implement waste management plans to minimize the adverse impacts on the environment. The company has established a comprehensive fleet waste management program that lays down detailed rules regarding collecting, sorting, storing, disposing, and recording waste. In particular, the program emphasizes the precautions and practices related to the operation of incinerators and ash disposal, to avoid environmental pollution and health hazards caused by improper operations. Among waste of exclusive terminals, waste oil is toxic and shall be retrieved by appointed operators, other waste pose no special hazard, waste metals shall be re-cycled, and domestic waste shall be disposed of by legal garbage collecting companies and incineration plants. There is no hazardous waste in offices. Apart from Neihu office, waste from other offices shall all be disposed of by contractors hired by the building management committees. Waste are sorted and placed in general garbage and recyclable garbage areas, and disposed of by legal garbage collecting companies. The company continues to urge employees to sort and reduce garbage, and use eco-friendly tableware.	No Difference

Items	Y	N	Status of Work	Difference between promoting sustainability and OTC companies code of practice of sustainable development 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) A. 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. B. The company adheres to the following international human rights standards and principles: Universal Declaration of Human Rights (UDHR), International Labour Organization (ILO) -Declaration on Fundamental Principles and Rights at Work, United Nations Global Compact, Maritime Labour Convention (MLC), United Nations Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises and International Labour Organization (ILO) - Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. There was no grievance made in 2022 involving human rights violation. Please refer to the official website of the company's human rights policy (https://esg.wanhai.com/wanhai/public/uploads/files/7cdf4e428e2733865fa936c8a1e6711a.pdf). C. The Company has established a comprehensive hiring system for preventing the use of child labor, we have rigorously enforced our child labor prohibition policy and we have implemented a remediation plan for child labor. Please refer to the company website: https://esg.wanhai.com/wanhai/public/uploads/files/Wan Hai Lines Ltd. Child Labor Policy.pdf D. Human Rights Policy Objectives and Guidelines a. Office Staff Training: In 2022, a total of 2 human rights training related courses were held, included "Complaint and Prevention of Workplace Bullying" and "Sexual Harassment Prevention", and a total of 6 teaching hours. b. Seafarers Humanized Management - Establish an automated checking system checking system to ensure that seafarers are not stranded at sea for more than the "maximum period of 11 consecutive months", regulated by MLC 2006. In 2022, the average duration of seafarers on board is approximately 7 months. - Through the system, an automatic checks the working hours of the crew and reminds the ship-side supervisor to adjust the working arrangement or provide compensatory rest to avoid overwork situations. Seafarer's Physical and Mental Health - Provide entertainment facilities and exercise equipment on board, as well as free satellite internet to the crew. - Provide counseling services in both Chinese and English to take care of the physical and mental health of seafarers. Support for Human Rights Protection - Develop policies and procedures to prevent bullying and foster gender equality. Education on the protection of human rights was incorporated into mandatory courses for all seafarers prior to joining.	No Difference
(2) Should the company implemented the reasonable individual's welfare measures (including salary, leaves and other welfares), and reflect operating performance in employee compensation?	✓		(2) A. The company 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. If there is any annual profit for the Company, not less than 0.6 percent of the annual profit should be appropriated as remuneration for employees. B. The company also provides labor and health insurances, maternal/parental leaves, pension reserves, moreover the company also takes out group insurance for the employees, employees can also, at their own cost, let their dependents join the company group insurance plan, to extend the protection to their family. Moreover, the company established an Employee Welfare Association 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 to plan and promote welfare activities. Please refer to the company website: https://esg.wanhai.com/wanhai/download C. The employee leave system is in accordance with Labor Standards Act. Since 2022, employees who have children under the age of three may apply to leave work one hour early each day. The company's 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. D. The company is committed to achieving equal pay for equal work and equal promotion opportunities regardless of gender 2022, the average proportion of female employees (offices) was 50%, and 37% of the supervisors (offices) are female.	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, the company also provides 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: Regularly carry out test and check on the CO₂ concentration, illumination and drinking water. Cleaning the air-con, carpet regularly and carry out epidemic prevention procedures. C. Coordinate workplace safety and health policies: The company arranged regular repair and maintenance for automated equipment pursuant to laws and regulations. Also, by holding meetings, the company is 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. Exclusive terminals on-site safety regulation and procedures: The company has established a standard operating procedure on health and safety management which to be adhered by all the suppliers working at the terminals. Apart from risk management and operational audit, health and safety committee also meeting with suppliers regularly to address issues and areas to be improved. The exclusive terminals adopted the ISO 45001 and TOSHMS (Taiwan Occupational Safety and Health Management System) standard and obtained certification in 2020.	No difference

Items	Y	N	Status of Work	Difference between promoting sustainability and OTC companies code of practice of sustainable development and reason for difference
(4) Should the company establish an effective career training program for its employees?	✓		E. Health Improvement: The company has set health center (with on-site medical specialist), 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. The company 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. The company cares and strives to increase employees' awareness on physical and mental health. (4) The company values the growth and development of all the workers, and provides multi-faceted educational training classes as a way of enriching professional knowledge and developing personal potential. The training plan includes: A. New employees Orientation B. Professional training for general staff C. Professional training for management associate D. Professional training for supervisors E. Courses sponsored by the Employee Welfare Association 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 grievance procedures?	✓		(5) A. In order to protect the interests of customers, the company's 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 interests, and are recorded amongst the provisions on the back of the bill of lading, also, the company has established a corporate 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 avenue for the customer to express opinions and inquiries.	No difference
(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 set the Supplier Management Policy in 2018, and requires all its suppliers to pay attention to business ethics, labor rights, safety, health and environmental protection to reduce potential social impact. The company established Code of Conduct For Suppliers in 2022 to serve as a basis for management of suppliers and revised the Commitment to Corporate Social Responsibility of Wan Hai Suppliers to further request its suppliers to manage the five major issues of labor, health and safety, environment, business ethics and proper management systems. The company requires all its suppliers to comply with its Supplier Management Policy in order to develop and implement CSR practices together. The company will not be able to continue its collaboration with suppliers that do not subscribe to its Supplier Management Policy.	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?	✓		The report is certified by TUV NORD Taiwan Co., Ltd. an independent third-party certification organization, complies with GRI Standards and type 1 of AA1000 Assurance Standard (v3) at a moderate level of assurance. The assurance statement from the independent third parties is being attached in the report. The sustainability report of Wan Hai Lines can be found at the company's official website: https://esg.wanhai.com/wanhai/index	No difference
6. If a corporation sets up its own code of practice of sustainable development in accordance with "Code of Practice of Sustainable Development by Corporations Listed in the TWSE or the Taipei Exchange", it is requested to provide information regarding discrepancies between the code and implementation thereof. The company sets up Wan Hai Lines' Code of Practice of Sustainable Development" in accordance with "Code of Practice of Sustainable Development by Corporations Listed in the TWSE or the Taipei Exchange" the company operates in compliance with the code and there are no discrepancies.				
7. Other important information that is helpful in understanding the implementation of sustainable development: The company is dedicated to provide professional services and promoting environmental protection. The company is well recognized by both domestic and international governments and business organizations and has been awarded the following in 2022: (1) Wan Hai Lines was awarded by the Ministry of Transportation and Communications for achieving excellent performance in total operation income of 2021; the third highest total revenue of the year; excellence in harbor operations development; excellence in annual growth, excellence in fleet expansion; excellent in assisting transportation of congested cargo or providing disaster relief measures; excellent in developing green sailing and excellent in collaboration with educational institutes. (2) Wan Hai Lines was awarded the "model seamen" and "model Captain" during the 2022 68th R.O.C. Maritime Day. (3) Established and continued to promote the ISO 14001 environmental management system since 2005. (4) Effective from 2010, Wan Hai Lines' offices in Taipei, Taichung and Kaohsiung are complied with ISO 45001 and CNS 45001 standards, and "Occupational Safety and Health Risk Management Systems" was implemented, inspected and approved by competent authorities. (5) Obtained AEO certification in 2016 and subsequently annual audit reveal the safety and customer privacy practices are all within official certification requirement. (6) Wan Hai Lines' stocks were included in the "TWSE RAFI Taiwan High Compensation 100 Index" for five consecutive years (2018-2022). (7) Wan Hai Lines' stocks were included in the "FTSE4Good TIP Taiwan ESG Index" for five consecutive years, and were awarded an Exclusive Corporate Symbol (2018-2022). (8) Wan Hai Lines' stocks were included in the "TWSE Corporate Governance 100 Index" by the Taiwan Stock Exchange. (9) Obtain the "Sports Enterprise Certification" (for 2020~2023), by the Sports Administration of the Ministry of Education, showing the corporate culture spirit of work-life balance. (10) Taipei Head Office was awarded "Health Promoting Workplace Badge" (2020~2022) by the National Health Administration of the Ministry of Health and Welfare. (11) Offices in Taipei, Taichung and Kaohsiung were all awarded CPR+AED Security Venue certification. (12) Participated in the Clean Cargo Working Group (CCWG) organization since 2015 to share and exchange information and techniques regarding environmental protection with peers and to promote energy conservation and carbon reduction. (13) As member of the World Shipping Council (WSC), the company continues to participate in discussions regarding various shipping and environmental issues. The company's vice-chair is a board member of WSC. (14) Joined "Getting to Zero Coalition" in 2019, committed to achieving the goal of the alliance, and continued to promote and achieve the reduction of carbon emissions from international shipping. (15) Voluntary participated in the "Protecting the Blue Whales and Blue Skies" program by reducing vessel's speed in the Santa Barbara Channel region and along the California coast (U.S. West Coast).				

Items	Y	N	Status of Work	Difference between promoting sustainability and OTC companies code of practice of sustainable development and reason for difference
(16) The company ranked number 10 in the "Greater China Business Sustainability Index" in 2021. (17) The company was among the top 100 companies selected by the "Excellence in Corporate Social Responsibility Awards" in 2022. (18) The company was awarded the "The 15th TCSA Taiwan Sustainability Award" in 2022. (19) The company took inventory of greenhouse gases emitted by the business locations in Taiwan (including offices and container yards) and by the worldwide fleet to truly understand the greenhouse gases emission situation in 2022. The company passed the international third party DNV inspection and obtained both ISO 14064-1:2018 and GHG Protocol certifications in November 2022. (20) The company promoted a project for planting and maintaining trees in cooperation with government, academic unit and charity in 2022. The company planted over 600,000 trees in Taiwan. (21) In cooperation with Step-30 Organization and Love Binti International, the company donated about USD 842,750 to "Water well project in remote African villages" in 2022-2023, for digging 39 wells in Kenya, Uganda, Swatini, Togo, Somaliland, Malawi, Tanzania and Rwanda. (22) The company participate in Sunnyfounder Company's Green Energy for Charity Project and make donations for installing solar panels, which helps development of the green energy industry. The green energy produced contributes to carbon reduction, and proceeds from selling it are donated to disadvantaged groups, providing them with 20 years of steady resources, and thus create a win-win value for an innovative green energy charity model. (23) The naming ceremony of New Ship was held in conjunction with public welfare donations. Daily supplies were donated to social welfare organizations in China, Japan, South Korea and other places to help the disadvantaged groups in the shipyard's location. (24) Donate to Society of Children's Literature to found the "Wan Hai Lines – New Route Literature Award" to encourage outstanding children's literature creators, enhance the creativity and vision of Taiwan's children's literature, and cultivate new stars in the creation of contemporary juvenile novels in Taiwan. For more information about the implementation of sustainable development, please refer to the company ESG website: https://esg.wanhai.com/wanhai/index				

Note 1: If you check "Yes" in the status of work, please explain the important policies, strategies, measures and implementation conditions adopted; if you check the "No" in the status of work, please explain the reasons in difference between promoting sustainability and OTC companies code of practice of sustainable development and reason for difference. It also explains plans to adopt relevant policies, strategies and measures in the future.

Note 2: 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.

Note 3: Total greenhouse gas emission, water and waste for past two years. (The final statistics for 2022 will be based on the numbers reported in the company's 2022 sustainability report.)

The greenhouse gas emission for past two years:

GHG emissions of the fleet

type	year	2021	2022
Total CO ₂ emissions (tCO ₂ e)		4,853,235.90	5,329,097.60
Carbon intensity (g / TEU-KM)		76.66	72.69

Note :

1. CO₂ emissions = fuel consumption * CO₂ emission coefficient; the CO₂ emission coefficient is based on IMO MEPC/29/18/Dec.1989.

2. CO₂e emission intensity (g / TEU-KM) of fleet = CO₂e emission (g) / TEU * sailing distance (KM)

GHG emissions of the terminals

	2021	2022
Scope 1(tCO ₂ e)	3,489.20	2,767.64
Scope 2(tCO ₂ e)	12,362.52	12,465.29
Total	15,851.72	15,232.93

Note :

1. The statistical scope of the above table includes Taichung Terminal and Kaohsiung Terminal.

2. The CO₂ emissions in Scope 1 covers emissions from gas and diesel vehicles, and the CO₂ emission in Scope 2 is from purchased electricity.

3. The unit of CO₂ emissions is tCO₂e, and the coefficient is 0.509kgCO₂e/kWh, based on the national electric power emission coefficient published by the Bureau of Energy, Ministry of Economic Affairs in 2021.

GHG emission of offices

	2021	2022
Scope 1(tCO ₂ e)	21.83	19.65
Scope 2(tCO ₂ e)	1,300.6	1216.79
Total	1,322.42	1,236.44

Note :

1. CO₂ emissions in Scope 1 covers emissions from diesel generators and owned official cars, and CO₂ emissions in Scope 2 are from purchased electricity

The water management for past two years:

Offshore Water Consumption

	2021	2022
Total water withdrawal (Million liters)	138.81	167.17

Note :

1. The water source is provided by a third party (tap water, ≤ 1,000 mg / L total dissolved solids) and not from water-stressed areas. (For the latest data on water-stressed areas, please refer to World Resources Institute.).

2. The data only covers Wan Hai's owned ships.

Water Stewardship for Terminals

type \ year	2021	2022
Total water withdrawal (Million liters)	29.82	27.80
Total water discharge (Million liters)	29.02	27.71
Total volume of secondary treatment (Million liters)	9.60	9.26

Note :

1. The water source is provided by a third party (tap water, $\leq 1,000$ mg / L total dissolved solids) and not from water-stressed areas. (For the latest data on water-stressed areas, please refer to World Resources Institute.).
2. The data covers Taichung and Kaohsiung Terminals.
3. Total water discharge (Million liters) = total water withdrawal (Million liters) - extra purchased drinking water (Million liters)
4. Secondary treatment: it mainly removes the colloidal and dissolved organic pollutants (BOD, COD) in sewage so that the water meets the discharge standards. Primary treatment refers to physical treatment. As the water treatment equipment at both Taichung and Kaohsiung Terminals use chemicals, making it chemical processing, categorized as secondary treatment

Water withdrawal for Offices

type \ year	2021	2022
Total water withdrawal (Million liters)	11.71	10.43
Total water discharge (Million liters)	11.71	10.43

Note :

1. The water source is provided by a third party (tap water, $\leq 1,000$ mg / L total dissolved solids) and not from water-stressed areas.
2. For the latest data on water-stressed areas, please refer to World Resources Institute.
3. The data covers Taipei and Kaohsiung offices only; the water fees of Taichung office are paid from the Building Management Committee Fund, and the committee manages its water consumption. Therefore, there are currently no data available.

The waste management for past two years:

Waste Management of the fleet

year \ type	Plastic(m ³)	Food wastes(m ³)	Domestic wastes (m ³)	Incinerator ashes (m ³)	Operational wastes (m ³)
2021	1,898.11	28.32	1,332.05	11.96	670.55
2022	2,392.82	60.97	1,683.65	27.18	629.66

Note : unit: wastes are recorded in m3, a general unit used in the international ship garage record book.

Wastes of Taichung and Kaohsiung Terminal

year \ type		Domestic wastes	Waste oil	Waste iron	Wood	Total wastes
2021	Taichung Terminal	343.2	15.2	84.58	-	442.98
	Kaohsiung Terminal	149.49	3.71	97.97	-	251.17
2022	Taichung Terminal	28.8	15.42	1,540.63	35.21	1,620.06
	Kaohsiung Terminal	167.27	-	37.42	-	204.69

Note :

1. Based on the estimated amount of operation for clearing household waste at Taichung Terminal, the mother barrel has a capacity of 1,100 liters and a full load weight of approximately 100 kilograms. 0.1 metric tons * 2 * 144 times a year = 28.8 metric tons. The data for Kaohsiung Terminal 's household waste is provided by the operators and the reported numbers ensure that only the waste produced at the port is included.
2. Taichung Terminal generated a large amount of scrap iron in 2022 due to the retirement of equipment.
3. The accumulated waste oil at the port is transported by contractors when it reaches a certain level. There is no record of waste oil removal at Kaohsiung Terminal this year.
4. The discarded wood at Kaohsiung Terminal is treated as general waste.

Waste Management of Offices

year \ type	Paper destruction	Bottle reclaim	Iron and aluminum reclaim	General wastes	Paper reclaim
2021	4.20	0.23	0.11	10.00	24.30
2022	7.05	0.40	0.20	24.26	11.56

Note :

1. Unit: metric tons
2. Statistical scope: paper recycle data covers Sungchiang office, Dunhwa office and Neihu office; other data only cover the Neihu office.
3. Waste and resource recycle for Taichung and Kaohsiung offices are handled by waste disposal companies entrusted by the Building Management Committee. Therefore, there is no data available.

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

The Board has passed the resolution on the Corporate Governance Policy and Guidelines on 2021/05/11. The relevant information can be found from the company's website: <https://www.wanhai.com> or Taiwan Stock Exchange Market Observation Post System: <https://mops.twse.com.tw>. Important financial disclosures and information can also be found on the company website under the "Investor info." section.

3.3.10 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.

3.3.11 The Declaration of Internal Control

3.3.11.1

WAN HAI LINES LTD. The Declaration of Internal Control

March 13, 2023

Based on the self-assessment of Company's internal control system for year ended of 2022, 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, 2022 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 March 13, 2023.

WAN HAI LINES LTD

Chair: Jiufu Garden Co., Ltd.

Representative: Po-Ting Chen

President: Fur-Lung Hsieh

3.3.11.2 For those internal control system conducted by accountant with special project should disclose the accountant audit report: Not Applicable

3.3.12 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

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

1. Major Resolutions of the General Shareholders Meeting

Date	Resolutions
2022 General Shareholders Meeting (2022/05/26)	Ratification Items: 1. The 2021 Financial Statement and Business Report were submitted for ratification. Resolution: All motions passed based on electronic and on-site votes. 2. The 2021 Disposition of Net Profit was submitted for ratification. Resolution: All motions passed based on electronic and on-site votes. Issues discussed: 1. Capital increase by earnings to issue new shares for discussion. Resolution: All motions passed based on electronic and on-site votes. 2. Amendment of the "Articles of Incorporation of Wan Hai Lines Ltd." for discussion. Resolution: All motions passed based on electronic and on-site votes. 3. Amendment of the "Procedures for General Shareholder Meeting Rules by Wan Hai Lines Ltd.". Resolution: All motions passed based on electronic and on-site votes. 4. Amendment of the "the Procedures for Acquisition or Disposal of Assets by Wan Hai Lines Ltd.. Resolution: All motions passed based on electronic and on-site votes.

2. Review of execution of resolutions passed by the general shareholders meeting of year 2022.

Ratification:

- (1) The 2021 Financial Statement and Business Report: Relevant statements and reports were filed with competent authorities according to the company Law and relevant laws.
- (2) The 2021 Disposition of Net Profit: Disposition of net profit was ratified, cash dividend per share was TWD 10.5 and stock dividend per share was TWD 1.5 . The record date was 26th, Jul, 2022. The distribution date of cash dividend was 18th, Aug, 2022 and stock dividend was 31st, Aug, 2022.

Issues discussed:

- (1) Capital increase by earnings to issue new shares.
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 "the Procedures for Acquisition or Disposal of Assets by Wan Hai Lines Ltd. and its subsidiaries" and the change for Acquisition or Disposal of a right-of-use Asset.
Executed in accordance with the resolutions.

3. Major resolutions of the Board of Directors

No	Date	Resolutions
1	2022 11 th meeting of the 21 st Board (2022/01/28)	Motion: Proposed to transfer the new container ship acquisition contract to Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
2	2022 11 th meeting of the 21 st Board (2022/01/28)	Motion: Proposed to guarantee concerning the construction of new vessels by the subsidiary, Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
3	2022 11 th meeting of the 21 st Board (2022/01/28)	Motion: Propose to purchase second hand ships from the subsidiaries, Wan Hai Lines (H.K.) Limited and Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
4	2022 11 th meeting of the 21 st Board (2022/01/28)	Motion: Propose to disposal ship right-of-use of the company and Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
5	2022 11 th meeting of the 21 st Board (2022/01/28)	Motion: Propose to determine reasons for 2022 convening general shareholders' meeting Resolution: The motions were passed by all directors present at the meeting.
6	2022 12 th meeting of the 21 st Board (2022/03/15)	Motion: Propose to issue domestic unsecured corporate bonds Resolution: The motions were passed by all directors present at the meeting.
7	2022 12 th meeting of the 21 st Board (2022/03/15)	Motion: Propose to 2021 Financial Statements and Consolidated Financial Statements. Resolution: The motions were passed by all directors present at the meeting.
8	2022 12 th meeting of the 21 st Board (2022/03/15)	Motion: Proposed to purchase new containers. Resolution: The motions were passed by all directors present at the meeting.
9	2022 12 th meeting of the 21 st Board (2022/03/15)	Motion: Proposed to purchase ships and purchase ships and on behalf of the subsidiary, Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
10	2022 12 th meeting of the 21 st Board (2022/03/15)	Motion: Propose to remove the non-compete clause for the managerial officers. Resolution: The motions were passed by all directors present at the meeting.
11	2022 12 th meeting of the 21 st Board (2022/03/15)	Motion: Propose to off-hire ship right-of-use Resolution: The motions were passed by all directors present at the meeting.
12	2022 12 th meeting of the 21 st Board (2022/03/15)	Motion: Propose to off-hire 3 ships right-of-use and on-hire 2 ships right-of-use. Resolution: The motions were passed by all directors present at the meeting.
13	2022 12 th meeting of the 21 st Board (2022/03/15)	Motion: Proposed to new shipbuilding procurement on behalf of the subsidiary, Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
14	2022 12 th meeting of the 21 st Board (2022/03/15)	Motion: Proposed to guarantee for the subsidiary, Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
15	2022 12 th meeting of the 21 st Board (2022/03/15)	Motion: Propose to revise the agenda for 2022 shareholders' meeting. Resolution: The motions were passed by all directors present at the meeting.
16	2022 12 th meeting of the 21 st Board (2022/03/15)	Motion: Propose to 2021 surplus distribution. Resolution: The motions were passed by all directors present at the meeting.
17	2022 12 th meeting of the 21 st Board (2022/03/15)	Motion: Propose to capital increase by earnings to issue new shares. Resolution: The motions were passed by all directors present at the meeting.
18	2022 13 th meeting of the 21 st Board (2022/05/09)	Motion: Propose to accumulate buying of the same marketable security reached significant transaction. Resolution: The motions were passed by all directors present at the meeting.
19	2022 13 th meeting of the 21 st Board (2022/05/09)	Motion: Propose to the company's consolidated financial report for 2022/Q1. Resolution: The motions were passed by all directors present at the meeting.
20	2022 13 th meeting of the 21 st Board (2022/05/09)	Motion: Propose to personnel changed. Resolution: The motions were passed by all directors present at the meeting.

No	Date	Resolutions
21	2022 13 th meeting of the 21 st Board (2022/05/09)	Motion: Propose to on-hire 3 ships right-of-use. Resolution: The motions were passed by all directors present at the meeting.
22	2022 13 th meeting of the 21 st Board (2022/05/09)	Motion: Propose to on-hire 2 ships right-of-use. Resolution: The motions were passed by all directors present at the meeting.
23	2022 14 th meeting of the 21 st Board (2022/06/23)	Motion: Propose to determine capital increase by earnings to issue new shares, exclude right and exclude Dividend. Resolution: The motions were passed by all directors present at the meeting.
24	2022 14 th meeting of the 21 st Board (2022/06/23)	Motion: Propose to disposal 2 ships right-of-use. Resolution: The motions were passed by all directors present at the meeting.
25	2022 14 th meeting of the 21 st Board (2022/06/23)	Motion: Propose to acquire 100% equity of Dawin Logistics (International) Limited from Wan Hai Lines (H.K.) Limited. Resolution: The motions were passed by all directors present at the meeting.
26	2022 15 th meeting of the 21 st Board (2022/08/08)	Motion: Propose to the company's consolidated financial report for 2022/Q2. Resolution: The motions were passed by all directors present at the meeting.
27	2022 15 th meeting of the 21 st Board (2022/08/08)	Motion: Propose to purchase second hand ships from Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
28	2022 15 th meeting of the 21 st Board (2022/08/08)	Motion: Propose to off -hire 2 ships right-of-use and on-hire 1 ships right-of-use. Resolution: The motions were passed by all directors present at the meeting.
29	2022 15 th meeting of the 21 st Board (2022/08/08)	Motion: Propose to disposal right-of-use of ship. Resolution: The motions were passed by all directors present at the meeting.
30	2022 16 th meeting of the 21 st Board (2022/11/09)	Motion: Propose to the company's consolidated financial report for 2022/Q3. Resolution: The motions were passed by all directors present at the meeting.
31	2022 16 th meeting of the 21 st Board (2022/11/09)	Motion: Propose to acquire right-of-use asset on behalf of Shenzhen YONG CHUN International Shipping Management Co., Ltd from Wan Hai Lines (H.K.) Limited. (ROOM E, 2F, INTER ROYAL BUILDING, NO.15, Donghai Westroad, QINGDAO, China) Resolution: The motions were passed by all directors present at the meeting.
32	2022 16 th meeting of the 21 st Board (2022/11/09)	Motion: Propose to acquire right-of-use asset of real estate from TK LOGISTICS INTERNATIONAL CO., LTD. Resolution: The motions were passed by all directors present at the meeting.
33	2022 16 th meeting of the 21 st Board (2022/11/09)	Motion: Propose to acquire 100% equity of Wan Hai Lines (H.K.) Limited from Wan Hai Lines (Singapore) Pte. Ltd. Resolution: The motions were passed by all directors present at the meeting.
34	2022 16 th meeting of the 21 st Board (2022/11/09)	Motion: Proposed to invest and establish a subsidiary in Liberia Resolution: The motions were passed by all directors present at the meeting.
35	2022 17 th meeting of the 21 st Board (2022/12/12)	Motion: Propose to purchase second hand ships on behalf of the subsidiaries, Wan Hai Lines (Liberia) Ltd from the subsidiaries, Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
36	2022 17 th meeting of the 21 st Board (2022/12/12)	Motion: Propose to off -hire 5 ships right-of-use from Wan Hai Lines (Singapore) Pte Ltd and on-hire 5 ships right-of-use from Wan Hai Lines (Liberia) Ltd. Resolution: The motions were passed by all directors present at the meeting.
37	2022 17 th meeting of the 21 st Board (2022/12/12)	Motion: Propose to on-hire 4 ships right-of-use from Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
38	2022 17 th meeting of the 21 st Board (2022/12/12)	Motion: Propose to purchase terminal equipment of the Pier No.79/80/81 at Container Terminals No.5 of Kaohsiung Port. Resolution: The motions were passed by all directors present at the meeting.
39	2022 17 th meeting of the 21 st Board (2022/12/12)	Motion: Proposed to purchase new containers. Resolution: The motions were passed by all directors present at the meeting.

3.3.14 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

3.3.15 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:

The connected with company includes Chair, President, Accounting Officer, Finance Officer, Audit Supervisor and Information Security Officer.

Title	Name	Position taken since	Dismissal Date	Dismissal Reason
Audit Supervisor	Yi-Ching Wu	2019/03/22	2022/05/09	Transfer

3.3.16 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.

3.3.17 Company Remuneration Committee

1. Remuneration Committee Member Information

Position	Condition Name	Professional qualification and experiences	Independency	Number of other public companies concurrently serving on as a Remuneration Committee member
Independent Directors (convener)	Jung-Nien Lai	Refer to Attachment to page 15, regarding directors and supervisors.	Self, spouse and a relative within the second degree of kinship not be an employee, director or supervisor of the company or its affiliates. Neither self and minor children nor nominee shareholder holds shares issued by the company. Spouse holds 1,268 shares issued by the company. Not an employee, director or supervisor of a company with specific relationship with the company. Not provide commercial, legal, or financial services to the company or its affiliates for the past two years. Not concurrently serving as a Remuneration Committee member of other public companies.	0
Independent Directors	Stephanie Lin	Refer to Attachment to page 15, regarding directors and supervisors.	Self, spouse and a relative within the second degree of kinship not be an employee, director or supervisor of the company or its affiliates. Self hold 724,398 shares and minor children hold 724,398 shares issued by the company. Neither spouse nor nominee shareholder holds shares issued by the company. Not an employee, director or supervisor of a company with specific relationship with the company. Not provide commercial, legal, or financial services to the company or its affiliates for the past two years. Not concurrently serving as a Remuneration Committee member of other public companies.	0
Member	Ming-Zhu Chen	Education: Master of Science, Department of Urban Design, Columbia University. Master of Science, Department of Architecture, Ohio University. Experience: Member of International Association of Ports and Urban Academic Committee (IAPC); Chief Urban planner of Gresham & Smith Architects; Chair of Engineering & Graphics Department, Denmark Technical College; Chief Planner of Harbison New City; Urban Planner of Housing and Urban Development Department, New York City; Chair of Department of Architecture & Urban Design, Chinese Culture University; Chair of Department of Architecture, Tamkang University. Current Positions: Distinguished Professor of Chinese Culture University and Supervisor of Chinese Culture University Alumni Association; Member of Remuneration Committee, Wan Hai Lines; Chair of Foundation for Research on Open Space, Taipei; Executive director of The Real Estate Association of R.O.C. (FIACBI). Qualified to assume the positions of college and university lecturer and above and for working at Wan Hai Lines. None of the situations provided in Article 30 of the Company Law occurred.	Self, spouse and a relative within the second degree of kinship not be an employee, director or supervisor of the company or its affiliates. Neither self and a relative within the second degree of kinship nor nominee shareholder holds shares issued by the company. Not an employee, director or supervisor of a company with specific relationship with the company. Not provide commercial, legal, or financial services to the company or its affiliates for the past two years. Concurrently serving as an Remuneration Committee member of Shih Lin Paper Corp.	1

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 items.

- (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

- (1) The Remuneration Committee consists of three members with majority of independent directors.

- (2) The tenure of 4th term members commenced on August 10, 2020 and expired on June 22, 2023. The Remuneration Committee convened 2 (A) meeting in 2022. The qualification and attendance of members is as follows:

2022/12/31

Position	Name	Number of actual participations (B)	Number of actual participations through a proxy	Rate of actual participations(%) (B / A)	Remarks
Convener	Jung-Nien Lai	0	2	0%	
Member	Stephanie Lin	2	0	100%	
Member	Ming-Zhu Chen	2	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.

4. Major resolutions of the Remuneration Committee

Date	Resolutions
2022 4 th meeting of the 4 th Remuneration Committee (2022/03/15)	1. Motion: Distribution of remuneration to directors and employees, (including managerial officers) in 2021 All members of the remuneration committee agreed to pass the motion and submitted it to the Board of Directors for approval. 2. Motion: Giving managerial officers a raise in 2022 All members of the remuneration committee agreed to pass the motion and submitted it to the Board of Directors for approval. Two motions were passed at the 4 th meeting of the fourth-term remuneration committee, and were passed without objection by all directors attending the 12 th Board meeting of the 21st term of Board of Directors.
2022 5 th meeting of the 4 th Remuneration Committee (2022/11/09)	Motion: Annual bonus for managerial officers in 2022 The motion was passed by all members attending the 5 th 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 16 th meeting of the 21st term of the Board of Directors.

3.3.18 The company establishes a Nomination Committee: None

3.3.19 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 19 th , 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. Also, add business integrity and corporate social responsibility to the contract. B. The company requests all suppliers to abide by “Supplier Code of Conduct” and sign the “Supplier Commitment”. Suppliers shall uphold all relevant national and international laws, ethics and morals, and conventions.	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. The latest report was made on December 12 th , 2022.	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 aforementioned policies are implemented through the internal control system, audit system and various internal management policies of the company.	No Difference
(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

Assessment Item	Implementation Status			Discrepancy with industry standards and reasons
	Yes	No	Summary	
(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 insider trading prevention, business ethics, trade secret law, competition law, etc. In 2022, seventeen training sessions were held with a total duration of 5.9 hours and an attendance of 9,209 persons.	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. 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 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?	✓		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 complies 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 the 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

Unit : TWD thousand

Name of CPA firm	Name of CPA		Audit Period	Audit fees	Non-audit fees	Total	Remarks
KPMG	Chun-Kuang Chen	Rou-Lan Kuo	2022/01/01 ~ 2022/12/31	5,200	4,224	9,424	-

Non-audit fees include: Transfer pricing reports, Certification on corporate income tax return and undistributed surplus earnings, Tax audit reports, Capital increase by earnings, Review salary checklist.

1. If changed CPA firm with less audit fee, the audit fees before and after the change and the reason shall be disclosed: None.
2. 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 2021/03/22		
Reasons and Explanation of Changes	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	CPA	Consignor
	Status		
	Appointment terminated automatically	-	-
	Appointment rejected (discontinued)	-	-
The Opinions other than Unmodified Opinion Issued and the Reasons in the Last Two Years	None		
Any disagreement in opinion with the issuer	None		
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None		

3.5.2 Successor CPA:

Name of CPA firm	KPMG
Name of CPA	Chun-Kuang Chen
Date of Engagement	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
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinions	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 chair, 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	Name	2022/01/01~2022/12/31		2023/01/01~2023/04/01	
		Increase (Decrease) in holding shares	Increase (Decrease) in pledge holding shares	Increase (Decrease) in holding shares	Increase (Decrease) in pledge holding shares
Chair	Jiufu Garden Co., Ltd.	495,000	1,500,000	0	0
	Representative: Po-Ting Chen	1,584,585	0	0	0
Vice Chair	TAILI Corporation	902,427	0	0	0
	Representative: Randy Chen	0	0	0	0
Director	Chen-Yung Foundation	5,263,858	0	0	0
	Representative : Chih-Chao Chen	1,270,546	0	0	0
Director	Sunshine Construction Co., Ltd	4,370,455	0	0	0
	Representative: Chiu-Ling Wu	2,520,519	0	0	0
Independent Director	Jung-Nien Lai	0	0	0	0
Independent Director	Stephanie Lin	94,486	0	0	0
Independent Director	Yi-Sheng Tseng	0	0	0	0
Main shareholder	Yi Chun Navigation Inc.	47,063,658	0	0	0
President	Fur-Lung Hsieh	18,036	0	0	0
Executive Vice President	Wen-Chau Yeh	154	0	0	0
Senior Vice President	Wei-Chien Chuang	1,546	0	0	0
Senior Vice President	Chien-Cheng Hsiao	0	0	0	0
Vice President	Kuo-Loong Kao (Retired on 2022/04/29)	0	0	0	0
Vice President	Ming-Shan Huang (Retired on 2022/02/10)	0	0	0	0
Vice President	Juang-Jyh Juang	0	0	0	0
Vice President	Jen-Kai Wu	0	0	0	0
Vice President	Shen-Hsing Lo	5,770	0	0	0
Vice President (concurrently act as the manager of Corporate Governance)	Li-Mei Su	0	0	0	0
Project Vice President	Wei-Shin Sheu (Retired on 2023/03/22)	414	0	0	0
Vice President	Hung-Chuan Chien	0	0	0	0
Vice President	Huey-Jang Chung	29,913	0	0	0
Vice President (concurrently act as Finance Officer)	Chih-Hsien Chen	14,226	0	0	0
Vice President	Chien-Feng Wu	0	0	0	0

Title	Name	2022/01/01~2022/12/31		2023/01/01~2023/04/01	
		Increase (Decrease) in holding shares	Increase (Decrease) in pledge holding shares	Increase (Decrease) in holding shares	Increase (Decrease) in pledge holding shares
Vice President (concurrently act as Chief Information Security Officer)	Ching-Yin Wang	1,130	0	0	0
Vice President	Han-Peng Chu	6,806	0	0	0
Vice President	I-Cheng Lin	0	0	0	0
Vice President	Fei-Fei Chuang	660	0	0	0
Vice President	Chiu-Fen Lin	1,523	0	0	0
Vice President	Shyue-Jih Ma	0	0	0	0
Deputy Vice President, Engineering Division	Chun-Chieh Chen	0	0	0	0
Deputy Vice President, Occupational Safety and Health/Risk Management Division	I-Feng Lin	22	0	0	0
Deputy Vice President, Planning Division I	Fu-An Yang	0	0	0	0
Deputy Vice President, Sales Division	Wen-Yuan Chiang	0	0	0	0
Deputy Vice President, Documentation Business Division	Meng-Chuan Chang	354	0	0	0
Deputy Vice President, Administration Division	Tze-Ling Chen	0	0	0	0
Deputy Vice President, Marine Division	Chung-Ping Huang	0	0	0	0
Assistant Vice President, Auditing Division	Yi-Ching Wu (Dismissed on 2022/05/09)	0	0	0	0
Deputy Vice President, Auditing Division	Mei-Hua Lin	495	0	0	0
Vice President, Kaohsiung Branch	Cheng-Hsien Huang	0	0	0	0
Deputy Vice President, Taichung Branch	Wei-Kai Huang	0	0	0	0
Accounting Officer	Chia-Yi Hsiao	224	0	0	0

3.7.1 Shares Trading with Related Parties: Not applicable.

3.7.2 Shares Pledge with Related Parties: Not applicable.

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

2023/04/01

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.	360,821,378	12.85%	0	0.00%	0	0%	None	None	None
Representative: Ching-Chih Chen	0	0.00%	11,505,598	0.41%	0	0%	None	None	None
Asia Pacific Logistics International Co., Ltd.	223,720,812	7.97%	0	0.00%	0	0%	None	None	None
Representative: Fur-Tian Huang	0	0.00%	0	0.00%	0	0%	None	None	None
Taiwan (Liberia) Container Express Co., Ltd.	216,192,115	7.70%	0	0.00%	0	0%	None	None	None
Representative: Hui-Ying Chen	0	0.00%	0	0.00%	0	0%	None	None	None
The Bank SinoPac as Custodian for China (Liberia) Container Express Co., Ltd.	205,395,915	7.31%	0	0.00%	0	0%	None	None	None
Banque Pictet N Cie SA	120,373,239	4.28%	0	0.00%	0	0%	None	None	None
Da Shin Investment, Inc.	69,784,001	2.48%	0	0.00%	0	0%	None	None	None
Representative: Yun-Yu Qiu	0	0.00%	0	0.00%	0	0%	None	None	None
Chun-Shin Lin	52,261,292	1.86%	784	0.00%	0	0%	None	None	None
Yeong Yi (Asia) Co., Ltd.	52,186,420	1.85%	0	0.00%	0	0%	None	None	None
Representative: Chih-Yuan Chen	18,980,758	0.67%	0	0.00%	0	0%	None	None	None
Liu He Investment, Inc.	41,716,605	1.48%	0	0.00%	0	0%	None	None	None
Representative: Yun-Yu Qiu	0	0.00%	0	0.00%	0	0%	None	None	None
Chen-Yung Foundation	40,356,251	1.43%	0	0.00%	0	0%	None	None	None
Representative: Ching-Chih Chen	0	0.00%	11,505,598	0.41%	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.

2023/04/01; Unit: Shares,%

Investing Business (note)	Investment of then Company		Investment of Directors, Supervisors, Presidents and Direct or Indirect Controlling Business		Comprehensive Investment	
	Shares	Holdings%	Shares	Holdings%	Shares	Holdings%
Wan Hai Lines (Singapore) Pte Ltd	979,399,234	100%	0	0%	979,399,234	100%
k.k. WH Corporation	500	100%	0	0%	500	100%
Wan Hai Lines (H.K.) Limited	160,000,000	100%	0	0%	160,000,000	100%
Dawin Logistics (International) Limited	144,640,000	100%	0	0%	144,640,000	100%
WAN HAI LINES (LIBERIA) LTD.	500	100%	0	0%	500	100%
TK LOGISTICS INTERNATIONAL CO., LTD	14,300,000	55%	0	0%	14,300,000	55%
BAO SHENG SHIPPING AGENCY CO., LTD.	3,000,000	70.01%	0	0%	3,000,000	70.01%
Taipei Port Container Terminal Corp.	79,315,476	15.25%	0	0%	79,315,476	15.25%
United Stevedoring Corporation	781,250	15.63%	0	0%	781,250	15.63%
Tang Cang-Cai Mep International Terminal Co., Ltd	No shares issued	21.33%	No shares issued	0%	No shares issued	21.33%
HAI PHONG INTERNATIONAL CONTAINER TERMINAL COMPANY LIMITED	No shares issued	16.5%	No shares issued	0%	No shares issued	16.5%
Wan Hai Lines (Korea) Ltd.	0	0%	80,000	100%	80,000	100%
Wan Hai Lines (M) Sdn. Bhd.	0	0%	500,000	100%	500,000	100%
Yi Chun Shipping Agencies Sdn. Bhd.	0	0%	200,000	100%	200,000	100%
Wan Hai Lines (Philis.), Inc.	0	0%	901,540	100%	901,540	100%
Wan Hai International Pte. Ltd.	0	0%	10,312,460	100%	10,312,460	100%
Wan Hai Lines (Thailand) Limited.	0	0%	49,000	49%	49,000	49%
Wan Hai (Vietnam) Ltd.	No shares issued	0%	No shares issued	100%	No shares issued	100%
Bravely International Pte. Ltd.	0	0%	28,262,221	100%	28,262,221	100%
WanHai Lines Ecuador S.A.	0	0%	100,000	100%	100,000	100%
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%
WAN HAI LINES PERU S.A.C.	0	0%	247,600	100%	247,600	100%
WAN HAI SHIPPING LIMITED	0	0%	35,000	70%	35,000	70%
Guangzhou Wan Hai Information Technology Ltd.	No shares issued	0%	No shares issued	100%	No shares issued	100%
Wan Hai Lines (India) PVT Ltd.	0	0%	10,000	100%	10,000	100%
Infinite Marine Investment Co., Ltd.	0	0%	5,550,000	100%	5,550,000	100%
Bravely (Myanmar) Transport and Logistics Company Limited.	0	0%	4,000,000	80%	4,000,000	80%
Shenzhen Uniwin International Logistics Ltd.	No shares issued	0%	No shares issued	100%	No shares issued	100%
Blue Ocean Logistics (Shanghai) 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	100%	No shares issued	100%
Shenzhen Yong Chun International Shipping Management Co., Ltd.	No shares issued	0%	No shares issued	90%	No shares issued	90%
Wan Hai Lines (UAE.) LLC.	0	0%	147	49%	147	49%
Wan Hang Tours Co., Ltd..	No shares issued	0%	No shares issued	50%	No shares issued	50%
PHUC XUAN MARITIME SERVICE CO.,LTD.	No shares issued	0%	No shares issued	49%	No shares issued	49%
Qingdao Port & Win International Logistics Co., LTD.	No shares issued	0%	No shares issued	50%	No shares issued	50%
WH Logistics Private Limited	0	0%	100,000	50%	100,000	50%
PHU HUNG MARITIME SERVICE COMPANY LIMITED	No shares issued	0%	No shares issued	50%	No shares issued	50%
WAN HAI LINES MEXICO, S.A. DE C.V.	0	0%	3,196,288	80%	3,196,288	80%

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



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 TWD 60,663,430	none	Note10

Date	Issue Price	Authorized Capital		Issued Capital		Remark		
		Shares	Amount	Shares	Amount	Source of capital	Capital paid by property, rather than cash	Others
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
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
2021.10.05	10	3,600,000,000	36,000,000,000	2,440,127,212	24,401,272,120	Capital increment by retained earning TWD 2,218,297,460	none	Note20
2022.08.04	10	3,600,000,000	36,000,000,000	2,806,146,293	28,061,462,930	Capital increment by retained earning TWD 3,660,190,810	none	Note21

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
Note20: Approved by SFB on August 5, 2021
Note21: Approved by SFB on June 30, 2022

2023/04/01

Type	Shares	Authorized Capital			Remark
		Issued on Market	Unissued	Total	
Common Stock		2,806,146,293	793,853,707	3,600,000,000	-

4.1.2 Shareholder's Composition

2023/04/01

	Government institution	Financial institution	Other Corporation	Individual	Foreign institutions and individuals	Total
Stockholder's No	3	36	254	136,892	835	138,020
Holding shares	11,913,438	40,417,566	869,640,387	707,084,360	1,177,090,542	2,806,146,293
Holding percentage	0.42%	1.44%	30.99%	25.20%	41.95%	100.00%

4.1.3 Shares' Distribution

2023/04/01

Shares Level	Stockholder's No.	Holding shares	Holding percentage
1-----999	48,313	10,231,104	0.36%
1,000-----5,000	73,279	145,126,849	5.17%
5,001-----10,000	9,179	65,710,439	2.34%
10,001-----15,000	3,001	36,939,378	1.32%
15,001-----20,000	1,279	22,667,067	0.81%
20,001-----30,000	1,101	27,241,666	0.97%
30,001-----40,000	442	15,461,769	0.55%
40,001-----50,000	281	12,750,799	0.45%
50,001----100,000	526	36,510,964	1.30%
100,001----200,000	240	33,259,678	1.19%
200,001----400,000	132	37,418,029	1.33%
400,001----600,000	58	28,990,742	1.03%
600,001----800,000	27	19,128,715	0.68%
800,001----1,000,000	18	16,040,020	0.57%
1,000,001 and above	144	2,298,669,074	81.93%
Total	138,020	2,806,146,293	100.00%

4.1.4 Main share holders

2023/04/01

Main share holders	Holding Shares	Holding percentage
Yi Chun Navigation Inc.	360,821,378	12.85%
Asia Pacific Logistics International Co., Ltd.	223,720,812	7.97%
Taiwan (Liberia) Container Express Co., Ltd.	216,192,115	7.70%
The Bank SinoPac as Custodain for China (Liberia) Container Express Co., Ltd.	205,395,915	7.31%
Banque Pictet N Cie SA	120,373,239	4.28%
Da Shin Investment, Inc.	69,784,001	2.48%
Chun-Shin Lin	52,261,292	1.86%
Yeong Yi (Asia) Co., Ltd.	52,186,420	1.85%
Liu He Investment, Inc.	41,716,605	1.48%
Chen-Yung Foundation	40,356,251	1.43%

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			2022	2021	2023/01/01-2023/04/02 (Note 8)
Market Price per share (Note 1)	Highest		205	353	83.10
	Lowest		62.10	40.60	67.40
	Average		128.51	189.34	76.02
Net Value per share (Note 2)	Before Distribution		80.40	59.13	-
	After Distribution		75.53	42.39	-
Earnings per share	Weighted Average shares		2,806,146,293	2,440,127,212	-
	Earning Per Share (Note 3)		33.17	42.35	-
Dividend per share	Cash Dividend		5	10.5	-
	Stock Dividend	Dividends from Retained Earnings	0	1.5	-
		Dividends from Capital Surplus	0	0	-
	Accumulated dividend not paid (Note 4)		0	0	-
Return on Investment	Price / Earning Ratio (Note 5)		3.87	4.47	-
	Price / Dividend Ratio (Note 6)		25.70	18.03	-
	Cash Dividend Yield Rate (Note 7)		0.04	0.06	-

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: 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.

Note5: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note6: Price / Dividend Ratio = Average Market Price / Annual Dividend per Share

Note7: Cash Dividend Yield = Annual Dividend per Share / Average Market Price

Note8: 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 0.6% 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 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, compensation for accumulated losses, the net profit after tax shall be listed as the annual retained earnings, are then carried to the 10% 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 10% 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% of total dividends.

2. Proposed Distribution of Dividend

The Company's 2022 net income after tax was TWD 93,072,097,313, after the addition of other comprehensive gain TWD 162,159,547 (2022 re-measurement of the defined benefit plans) deducted the difference between consideration and carrying amount of subsidiaries reserve TWD 18,144,422 (the items other than the income after-tax of the current period included in the undistributed amount of the current period), appropriating the 10% legal reserve TWD 9,321,611,244 and reversing the special reserve TWD 3,987,494,539 according to the relevant laws and regulations and the Company's Articles of Incorporation, and plus the unappropriated retained earnings TWD 70,631,601,157 at the beginning, there were TWD 158,513,596,890 available for distribution. It is proposed to distribute TWD 14,030,731,465 cash dividends to shareholders, which is TWD 5 per share.

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 2022 for employees' compensation is TWD 744,674,151 and directors' compensation is TWD 124,112,359. 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 2022 approved in the Board of Directors meeting:
 - (1) Recommended distribution of compensation of employees and directors: In 2022, the Company appropriated TWD 744,674,151 as employees' compensation, and TWD 124,112,359 as directors' 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 2022.
 - (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 TWD 33.05/ 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 TWD 777,558,181 as employees' compensation, and TWD 129,593,030 as directors' compensation of year 2021. 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 2017	1st Ordinary unsecured bond issuing of 2019	
			A	B
Issue date		June 26, 2017	June 18, 2019	
Par value		TWD1,000,000	TWD1,000,000	
Place of listing		At R. O. C.	At R. O. C.	
Issue price		At Par value	At Par value	
Total issue amounts		TWD2,100 million	TWD1,500 million	TWD3,300 million
Coupon rate		Fixed annual rate at 1.55%	Fixed annual rate at 0.95%	Fixed annual rate at 1.05%
Maturity date		5-year , Date of maturity : June 26, 2022	3-year , Date of maturity : June 18, 2022	5-year , Date of maturity : June 18, 2024
Guarantee institute		None	None	
Trustee		H.C.B. Trust Dept.	JIH SUN Int. Bank. Trust Dept.	
Lead manager		Yuanta Securities	Yuanta Securities	
Endorsement lawyer		Modern Law office	Modern Law office	
Endorsement accountant		KPMG	KPMG	
Redemption		on the Maturity Date	on the Maturity Date	
Outstanding amount		TWD2,100,000,000	TWD4,800,000,000	
Redemption / Call option		None	None	
Restriction covenants		None	None	
Rating institute Rating date Rating result of the bond		None	None	
Rights	The amounts of bonds converted	None	None	
	Terms and Conditions for issuance and conversion	None	None	
Terms and Conditions for issuance and conversion		None	None	
Trustee for conversion		None	None	

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

A. 2017 Wan Hai domestic ordinary corporate bonds:

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

Unit: TWD thousand

Program Item	Execution Situation		Accumulated till Dec. 31,2022	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%	

B. 2019-1 Wan Hai domestic ordinary corporate bonds:

1. Total amount of fund required: TWD 4,800,000,000.
2. Funding: issue TWD 4,800,000,000 of domestic ordinary corporate bonds.
3. Implementation status as follows:

Unit: TWD thousand

Program Item	Execution Situation		Accumulated till Dec. 31,2022	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%	

C. 2019-2 Wan Hai domestic ordinary corporate bonds:

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

Unit: TWD thousand

Program Item	Execution Situation		Accumulated till Dec. 31,2022	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%	

D. 2020-1 Wan Hai domestic ordinary corporate bonds:

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

Unit: TWD thousand

Program Item	Execution Situation		Accumulated till Dec. 31,2022	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%	



Condition of the Business Operation

5.1 Business profile

5.1.1 Scope of business

1. Marine transportation (98.23%)
2. Shipping agency (0.64%)
3. Purchase & sales of vessels and containers (0.04%)
4. Container freight station business (0.33%)
5. Leasing of vessels and containers (0.76%)

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.

2022 heralded the post-pandemic era, global economy rebound due to the pandemic did not exist anymore. The Russian Ukrainian war which broke out in February resulted in global energy and commodities price hikes, which in turn worsened inflation. The U.S. Federal Reserve implemented a tight monetary policy to curb inflation, which expanded the global financial market fluctuations. On the other hand, the Covid pandemic broke out in China's coastal provinces and cities in the second quarter, which led to a strict lockdown, which further impacted the global supply chain. IMF predicted a global economic growth of 3.2% in 2022, a sharp decline compared to the 6.0% in 2021. French Data Base Alphaliner predicted a global throughput growth of 0.9% versus a capacity growth of 4.2%. Global economy was affected by the Russian Ukrainian war and the lockdown in China and market demands slumped. Furthermore, dock operations were gradually back to normal, and dwell time decreased sharply, which improved port congestion and so supply exceeded demand in cargo space. The overall shipping industry started well but turned bad in 2022. Affected by the global inflation, consumer end demand slumped, causing ocean freight rates to fall gradually, even to the pre-pandemic levels.

Outlook for the Future: IMF predicted a global economic growth of 2.7% in 2023. Alphaliner predicted a global throughput growth of 2.7% and a fleet capacity growth of 8.2% in 2023. It is predicted that a large number of ultra-large new ships will be delivered in 2023, causing overall fleet capacity to soar. However, due to carbon emission deduction requirements set by the IMO, such as EEXI and CII etc., ship-owners and carriers are likely to speed up decommissioning old ships, so overall fleet capacity will not increase too sharply. On the other hand, as lockdown measures are gradually lifted in China, world economy is expected to improve in the second half of 2023. Wan Hai will uphold its philosophy of "steady and healthy operations", and will take timely measures according to market trends to provide more comprehensive services to our customers.

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

2. Shipping Industry Development Trends and Competitions

(1) Industry development trends:

A. The development trend for larger vessels:

The economies of scale brought by ultra-large ships can lower unit operation cost, and because more and more ports are now able to provide berthing for ultra-large vessels, upsizing ships has now become a trend. According to Alphaliner statistics, by the end of 2022 large vessels with a capacity of more than 10,000 TEU, increased to 717 ships which accounted for 40.7% of total carrying capacity of all container ships. By the end of 2023 the number of large vessels with a capacity of more than 10,000 TEU will increase to 810 and will account for 43.7% of the overall carrying capacity of all container ships. It is estimated that in 2024 the number of large vessels with a capacity of more than 10,000 TEU will increase again to 920, which will account for 45.9% of total carrying capacity of all container ships.

B. Development Trend of Green Shipping:

To achieve the goals of environment protection and sustainable development, and in response to zero carbon emission by 2050 initiated by international organizations, shipping companies not only observe carbon emission deduction in stages set by IMO, but also invest in renewable energy and do researches in bio-fuels or non-fossil alternative fuels, to lower impact on the environment and carbon emission. Moreover, in response to global regulations and to follow future trends, development of energy efficient and low pollution ship designs has now become the new shipbuilding trend.

(2) Industry competition situation

A. Shipping companies are upsizing

The shipping industry is capital-intensive, most major shipping companies are expanding the scale of their fleets and upsizing their ships to reduce unit costs, to maintain their market shares and their competitive advantages. According to Alphaliner statistics (as of December 1, 2022), total shipping capacity of the top four shipping companies of the world was 15,079,487 TEU or 57.3% of global cellular vessel capacity, and the total shipping capacity of the top ten shipping companies was 22,093,152 TEU, or 83.9% of total global capacity.

B. The Trend Towards Larger Strategic Alliances:

The world's major shipping companies have been forming strategic alliances to diversify service products and to lower operational costs. Both in the major East-West shipping routes and regional routes, companies form strategic alliance and cooperate in dispatching ships. There are currently three large shipping alliances: 1. 2M alliance formed by the two biggest shipping companies in the world, Maersk and MSC. 2. Ocean Alliance, formed by Evergreen, CMA CGM, COSC and OOCL. 3. THE Alliance formed by Hapag-Lloyd, ONE, Yang Ming and HMM.

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 2022 Wan Hai Lines invested TWD 641 million. As of 2023.04.02, the company invested TWD 213 million. Related R&D expenditures were spent on R&D and construction of the following projects:

Category	Item
Planning	(1) Research on most suitable ship type for given shipping route. (2) Research on new and second hand ship markets. (3) Adjust shipping routes in response to demands and port congestion. (4) Research on expanding the American markets. (5) Research on expanding the middle eastern, Indian and Pakistani 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 promote balance in the crew's lifestyles. (2) To optimize fuel and material management systems to enhance ship management and safety. (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. (5) Research and development on intelligent vessels. (6) Optimize ship efficiency.
Operations	(1) To optimize shipping space allocation systems. (2) To develop cold-chain tracking systems. (3) To enhance cold chain logistic expertise in cooperation with academic institutions.
Information	(1) To enhance safety and stability of fleet operation systems and back-up. (2) To enhance computing capacities and information safety of the Data Center. (3) To enhance and optimize safety of work-from-home operation platforms. (4) To strengthen safety of harbor information system.

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

The company plans to invest TWD 846 million in research and development and construction of the following items.

Category	Item
Planning	1. Research in deployment of optimized ship types for the shipping routes. 2. Optimizing existing shipping routes and developing niche markets. 3. Draw up plans for breaking old ships so as to raise overall fleet efficiency. 4. Continue research in deep cultivation of the markets in the Americas. 5. Research in reduction of carbon emissions by decreasing ship speeds. 6. Strengthening development of strategic alliances. 7. Promotion of e-commerce.
Vessels	1. Enhance fleet communication systems, management and control abilities and raise operation efficiency. 2. Develop relevant systems for management of fuel and materials and data analysis. 3. Optimize and upgrade 'Wan Hai Eagle Eye' to enhance maritime safety and risk management. 4. Develop intelligent monitoring systems for maritime safety. 5. To comply with the highest standards of EEDI phase III carbon reduction efficiency ahead of time. 6. Optimizing ship efficiency.

Category	Item
Operations	1. Optimize container stowage systems. 2. Develop cold chain tracking systems 3. Research and education and training regarding new types of refrigerators. 4. Install cloud data centers. 5. Enhance global procurement and management of mobile devices.
Information	1. To enhance safety and stability of fleet operation systems and back-up. 2. To enhance computing capacities and information safety of the Data Center. 3. To enhance and optimize safety of work-from-home operation platforms. 4. To strengthen safety of harbor information system.

5.1.4 Long-term and short-term business development plans

The short-term business development plans are to build on existing frequent and convenient services, and to make timely adjustments in docking schedules or to add new shipping routes in accordance with market changes. We will continue to develop niche markets in the near-sea areas, and to find new markets to develop in Ocean and Regional areas. On the other hand, we will upgrade our fleet to optimize the performances of our ships and to improve the quality of our services and to expand operational performances.

Our long-term goals are to fulfill our corporate social responsibilities and move towards sustainable operations by adjusting shipping route networks in compliance with market trends, improving the quality of our self-owned fleet, expanding the scope of our fleet, continuing to expand our joint ventures, and developing niche markets actively

5.2 General Situation of Market and sales

5.2.1 Operational Plan for 2022

Fleet: by the end of year 2023, Wan Hai has a total fleet of 147 vessels among which, 136 are self-owned vessels and 11 are chartered vessels.

Service Profile: Wan Hai's service can be categorized in three different types: A. Independent Service 24 strings; B. Joint Venture Services 32 strings; and C. Slot Charter 9 strings.

1. Independent Services: 24 strings

- (1) Vietnam / South China / American West Coast (AA3) deployed with eight vessels
Vietnam – South China – American West Coast
- (2) Taiwan / Central China / American West Coast (AA5) deployed with six vessels
Taiwan – Central China – American West Coast
- (3) Central China / South China / Taiwan/ Singapore / Malaysia/ American East Coast (AA7) deployed with twelve vessels
Central China – South China – Taiwan – Singapore – Malaysia – American East Coast
- (4) Vietnam/ Taiwan / North China /American East Coast (AA9) deployed with eleven vessels
Vietnam – South China – Taiwan – North China – American East Coast
- (5) Asia – South America I (AS1) deployed with eight vessels.
Hong Kong – Central China – North China – South America West Coast.
- (6) Vietnam/ South China / India (CI7) deployed with four vessels
Vietnam – South China – Singapore – Malaysia – India
- (7) South China / Philippines (CL1) deployed with one vessel
South China – Philippines
- (8) China / Thailand/ Cambodia (CTK) deployed with two vessels
South China – Thailand – Cambodia
- (9) South China / Malaysia / Haiphong (CVM) deployed with one vessel
South China – Malaysia – Haiphong
- (10) Taiwan / Fuzhou (FOC) deployed with one vessel
Taiwan – Fuzhou – Jiangyin – Xiamen
- (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 two 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 two 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 one vessel
Taiwan – Cebu – Mindanao – Hong Kong
- (22) Thailand / Belawan (TBS) deployed with two vessels
Thailand – Singapore – Indonesia
- (23) Taiwan / Hong Kong / Indonesia service (TPI) deployed with three vessels
Taiwan – Hong Kong – South China – Indonesia
- (24) Taiwan / Philippines I (TPS) deployed with one vessel
Taiwan – Philippines

2. Joint Service: 32 stings

- (1) China to Far East (AM1), joint venture with PIL, RCL, CUL and KMTC. WHL deploys two vessels, PIL deploys two vessels and RCL, CUL and KMTC each deploys one vessel.
Central China – South China – Singapore / Malaysia – Red sea area.
- (2) Far East to Red sea (AR1), joint venture with YML. WHL deploys one vessel, YML deploys six vessels.
Korea – Central China – South China – Singapore / Malaysia – Red sea area.
- (3) Taiwan / Central & South 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
- (4) China / Korea / Central & South America (AS2), joint venture with PIL and YML. WHL deploys three vessels, PIL deploys three vessels and YML deploys two vessels.
North & Central China – Korea – West Coast of Central & South America
- (5) China / Singapore / Malaysia / India (CI2), joint venture with IAL. WHL deploys four vessels and IAL deploys two vessels.
China – Singapore / Malaysia – India
- (6) China / Singapore / Malaysia / India III (CI3), joint venture with NGS, ONE, OOCL and IAL. WHL deploys one vessel, WHL and IAL jointly deploy one vessel, and NGS, OOCL and ONE each deploys one vessel.
China – Singapore / Malaysia – India – Haiphong
- (7) China to India V (CI5), joint venture with IAL, BTL, and KMTC. WHL deploys two vessels, IAL, BTL and KMTC each deploys one vessel.
China – Korea – Singapore / Malaysia – India
- (8) China to India VI (CI6), joint venture with IAL, SKR, FPL. WHL deploys two vessels, IAL, SKR and FPL each deploys one vessel.
China – Korea – Singapore / Malaysia – India
- (9) China 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

- (10) China – Philippines feeder (CPF), joint venture with Sinotrans. WHL and Sinotrans each deploys one vessel.
Central China – Philippines
- (11) China / Singapore / Malaysia / Indonesia (CS1), joint venture with CNC. WHL deploys one vessel, CNC deploys three vessels.
Taiwan – South China – Singapore / Malaysia – Indonesia
- (12) China / Singapore / Malaysia / Indonesia (CS2), joint venture with ONE and APL. WHL deploys one vessel, ONE and APL each deploys one vessel.
South China – Indonesia – Singapore / Malaysia
- (13) 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
- (14) 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
- (15) 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
- (16) China / Vietnam I (CV1), joint venture with IAL. WHL deploys two vessels and IAL deploys one vessel.
Korea – China – Vietnam
- (17) China / Vietnam III (CV3), joint venture with COSCO. WHL and COSCO each deploys one vessel.
South China – Vietnam
- (18) China / Vietnam / Thailand (CV6), joint venture with IAL. WHL and IAL each deploys one vessel.
South China – Vietnam – Thailand
- (19) Japan / China / Vietnam (JCV), joint venture with IAL. WHL deploys two vessels and IAL deploys one vessel.
Japan – China – Hong Kong / South China – Vietnam
- (20) Japan / Taiwan / Haiphong (JH2), joint venture with EMC, WHL deploys two vessels and EMC deploys one vessel.
Japan – Taiwan – Hong Kong / South China – Haiphong
- (21) Japan Kansai to Taiwan (JTH), joint venture with EMC. WHL deploys one vessel and EMC deploys one vessel.
Japan Kansai –Taiwan – Hong Kong
- (22) Taiwan to North China I (NCT), joint venture with Sinotrans. WHL and Sinotrans each deploy one vessel.
Taiwan – North China
- (23) Taiwan to North China II (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, IAL, EMC, and ONE. WHL deploys one vessel, WHL and IAL jointly deploy one vessel, COSCO deploys two vessels, and EMC/ONE each deploy one vessel.
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) Singapore / Malaysia / Chennai (SC1), joint venture with Bengal Tiger Line (BTL). WHL and BTL each deploy one vessel.
Singapore / Malaysia – Chennai (Madras)
 - (30) Singapore / Malaysia / Chittagong (SBX) joint venture with XPF. WHL and XPF each deploy one vessel.
Singapore / Malaysia – Chittagong
 - (31) Taiwan / Vietnam / Thailand (TVT), joint venture with IAL. WHL deploys one vessel, WHL/IAL deploys one vessel.
Taiwan – Vietnam – Thailand
 - (32) Taiwan / Shanghai (SHA), joint venture with Shanghai Minsheng. WHL deploys one vessel and Shanghai Minsheng deploys one vessel.
Taiwan–Shanghai
3. Fixed Slot Charter: 9 strings
- (1) China / Philippines (CPS+CPX5)
 - (2) Fuzhou to Taiwan (FT1+FT2+FT3)
 - (3) Saudi Arabia / Red sea (JJS)
 - (4) Hochiming to Cambodia (PNH)
 - (5) Singapore / Malaysia / Calcutta (CCU)
 - (6) Taiwan / Philippines (KCX)
 - (7) Singapore / Malaysia / India (SMX)
 - (8) China / Dubai / Singapore / Malaysia (CJX)
 - (9) Singapore / Malaysia / Yangon (MYX)

5.2.2 Market Analysis

1. Major service areas and ratio of market share

Container liner shipping is our major business, our service areas cover North East Asia, Mainland China, South East Asia, India and Pakistan, Middle East and the Americas.

(1) North East Asia Markets

In 2022, Japan suffered from high prices and an unstable financial market due to soaring energy prices, sharp Japanese Yen depreciation because of loose monetary policy and the high price of imported goods. South Korea was also affected by international political and economic situations such as the Russian Ukrainian war, China U.S. conflict, and soaring energy prices, which led to soaring inflation, raising base rates, and private debt burden increased, and the economy was sluggish. IMF estimated an economic growth of 1.7% for Japan and 2.6% for South Korea in 2022 and forecasted 1.6% for Japan and 2.0% for South Korea in 2023, and that their economic growth will slow down. After operating in Northeast Asia for an extended period of time, Wan Hai has established deep roots in the region. Wan Hai will keep track of economic developments and market trends in Northeast Asia to meet market demands and to be more competitive. Apart from actively adjusting existing routes, we also proactively exchange freight space with joint venture partners. This indicates our flexible use of strategies and the implementation of our customer-oriented business philosophy.

(2) Mainland China Markets

China's economic performance in 2022 was just passable due to strict lockdown measures and the zero covid policy. But Shanghai was locked down in the end of March, 2022, causing many factories to close or stop production, which affected the supply chain, although the lockdown was lifted in the end of May, but subsequently many cities were locked down due to the pandemic and China's economy suffered greatly. At the end of 2022 the Chinese government suddenly loosened all anti-covid measures, and though the short-term economic growth was not ideal, but an improvement was forecasted for the first half of 2023, IMF predicted that China's economy growth would be 4.4%, better than the 3.2% of 2022. Wan Hai has an extensive network of service locations in China and enjoys a competitive advantage. Wan Hai is actively researching strategic shipping routes to connect Chinese markets, and will grasp market trends to satisfy operational needs and to provide our customers with more convenient and speedy services.

(3) South East Asian Markets

In 2022, due to strict anti-covid measures and the zero covid policy of China, part of the supply chain was transferred to South East Asian countries, and their economic growth in 2022 was outstanding, especially Vietnam and the Philippines. IMF predicted that the average economic growth for five ASEAN countries, namely Indonesia, Malaysia, the Philippines, Thailand and Vietnam, in 2022 would be 5.3%, 1.9% higher than the 3.4% of 2021. Economic growth in 2023 was predicted to be 4.9%. The economic performance of the South East Asian markets in 2023 is expected to remain outstanding. Wan Hai has cultivated the South East Asian regional shipping routes for many years, and in response to market demands, we flexibly adjust shipping routes, and for providing diversified services. We exchange freight spaces and enter into joint operations with other shipping companies, to provide faster and more comprehensive freight services to be more competitive in the South East Asian markets and increase our market shares.

(4) Indian, Pakistan and the Middle East Markets

India maintains its trends of high economic and global export growth due to favorable government policies and transfer of global supply chain. Moreover domestic demands also revitalized after the pandemic, adding momentum to the Indian economy. IMF predicted India's economic growth in 2022 would be 6.8%, and expected to maintain 6.1% in 2023. The average economic growth for the Middle Eastern Region is predicted to be 5.0% in 2022. OPEC decided to steadily increase oil production, and international oil prices are high, so the economic performances of OPEC countries are outstanding.

To enhance Wan Hai's services from Asia to India, Pakistan and the Middle East, and to tie in with diversified trading in Gulf countries, we form joint operations with other shipping companies to expand shipping routes between the Far Eastern and Indian, Pakistani and Middle Eastern markets, and branch route services, and form a comprehensive network to reduce costs, raise efficiency and increase market shares.

(5) The Americas

Due to inflation, U.S. consumptive power is poor, and inventories of retailers remain at high levels causing them to postpone or cancel orders, which in turn, affects the entire supply chain, slows down the U.S. economic growth, and results in a sharp decrease in global trade and stagnation in manufacturing. IMF predicted U.S. economic growth for 2022 was only 1.6% and economic growth for 2023 is predicted at a mere 1.0%. USA is the major consumer country in the world, and Wan Hai will flexibly adjust shipping route services between Asia and the US in consideration of market trends. Latin American countries were also affected by inflation and complicated political and economic situations in 2022 and economic growth was sluggish. IMF predicted an economic growth of 3.5% for Latin American and Caribbean countries in 2022 and 1.7% in 2023. To strengthen our competition advantages in the South American west coast countries, we form joint ventures with other shipping companies, and according to market demands we provide new shipping routes and adjust freight spaces flexibly, to provide more comprehensive services to our customer.

2. Supply and Demand of the Market and Growth Prospects:

Increase in covid-19 vaccination rate had gradually got the pandemic under control, and severe illnesses and deaths also obviously decreased. But highly contagious variants kept popping up, causing the pandemic in some countries to worsen repeatedly. If those countries still resort to mandatory shut-downs as preventive measures, the outlook for economic recovery may be adversely affected. However, demand is still high, and the supply and demand imbalance situation due to labor, material shortages, and port congestion, has not yet improved. The demand for shipping space is still quite high. The RCEP agreement, which became effective in January, 2022, involves 15 member countries, including 10 ASEAN countries (Singapore, Malaysia, Thailand, the Philippines, Indonesia, Brunei, Vietnam, Laos, Myanmar, and Cambodia), and China, Japan, South Korea, New Zealand, Australia. It is a free trade agreement covering the world's largest economies and biggest populations, when member countries begin to exempt mutual tariffs in the future, trading between these countries will become more convenient, and hopefully will increase a steady demand for shipping spaces.

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.

5.2.3 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.

5.2.4 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.

5.2.5 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

5.2.6 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.

5.2.7 Sales volume of last 2 years

	2022	2021
Consolidated Revenue(TWD)	258.95 billion	228 billion
Operating Capacity (TEU)	4,460 thousand	4,790 thousand
Vessels in Operation (owned & chartered)	145 (112 & 33)	149 (90 & 59)

5.3 Human Resources Statistics

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

Location \ Year		2022	2021	2023 as of Apr. 2 nd
No. of Employees	Offices	3,304	3,083	3,258
	Terminals	1,816	1,516	1,767
	Total	5,120	4,599	5,025
Average Age		38.3	37.8	37.6
Average Years of Service		8.6	8.5	9.1
Level of Education	Ph. D Degree	0.04%	0.04%	0.39%
	Master's Degree	7.15%	6.74%	7.46%
	College Degree	55.34%	50.55%	54.69%
	Associate Degree	28.70%	23.14%	28.85%
	High School	11.85%	9.81%	11.79%
Below High School		8.24%	9.72%	8.48%

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 sanitary 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 Prevention 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).
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. We increased the vessel carbon intensity index to indicate actual operation efficiency of our vessels, and after annual inspections from 2023/01/01, we perform an annual rating so as to comply with IMO requirements.
- (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) To protect the marine environment, the company voluntarily complies with the HKC requirement to maintain an Inventory of Hazardous Materials (Part 1) for its entire fleet. Class Societies are invited to carry out audit and issue a Statement of Compliance (SoC) to certify compliance with the HKC for each vessel.

2. The estimated capital expenditure of environmental protection for the next three years:
 - (1) 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.
 - (2) We installed AMP shore power systems to reduce carbon emission from numerous berthed vessels and to contribute to environment protection.
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.

Please refer to company website: <https://esg.wanhai.com/wanhai/download>
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 account with the BLI. 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 1,243 classes were run in 2022, with a total of 34,244 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	376.5	103	426
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 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 seminar for employees- (1) BCG problem-solved skill in a total of 5 lessons (online courses) (2) Develop personal strength in a total of 6 lessons (online course) (3) Computer skill about EXCEL in a total of 6 lessons (online course) (4) Computer skill about POWER BI in a total of 3 lessons (online course) (5) Computer skill about PPT in a total of 2 lessons (online course) (6) Computer skill about WORD in a total of 3 lessons (online course)	1,290	32,840	2,091
Professional training for supervisors	Series courses for middle-level managers and executive level managers: <Physical Course> 1.A Macroscopic Vision of Sustainable Development of Global Enterprises - From Vision 2050 to Action 2022 2.Performance interview skills <Online Course> 1.CHEERS Master Course - A must-learn for supervisors, 13 lectures on psychological attack to drive the organization to take responsibility	9.5	488	92
Management Trainee Program	This year, we will conduct reserve cadre training, with a total of 35 training courses: 1. There are 27 professional courses, covering areas such as homework, finance, terminal affairs, legal affairs, marketing, overseas experience sharing, etc. 2. There are 8 other courses, including business English, conference English, supervisor's responsibilities and roles, recruitment interview skills, etc.	60	24	142
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: ISSB, Corporate Governance and Management 4. Information technology courses. 5. For the first-time supervisor courses. 6. Legal and Insurance Webinar	4,076	789	1,434
TOTAL		5,812	34,244	4,185

5.5.2 Losses suffered due to labor-management disputes during the most recent year and up to the date of printing of this annual report:

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) Professional ethics: 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

Our safety and health trainings for employees are not effected by the pandemic, and continued to be carried out either physically or on-line. At the same time, we also provide supplementary health care such as health education counseling and information regarding safety and health courses, so as to provide suitable safety and health management to our employees.

The company follows 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, the company 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. Information Communication Safety Management

Explain the information security risk management framework, information security policy, specific management plan and resources invested in information security management, etc.

The key points of the company's information security protection are as follows:

1. The company's information security protection focuses are as follows:

- (1) Formulation and revision of information security policies,
- (2) Planning information security architecture,
- (3) Response to critical cyber security incidents,
- (4) cyber security defense mechanism and emergency response plan review,
- (5) Supervise the overall implementation of information security,
- (6) Information security publicity and education training.

The company implements various information management systems in accordance with information security policies and information security management measures to maintain the confidentiality, integrity, and availability of information systems to ensure the safe and stable operation of IT systems and network equipment to achieve sustainable operations purpose and undertake the following responsibilities.

- (1) Account management – management of personnel accounts, authority management and system operation behavior.
- (2) Access control – control measures for personnel access to internal and external systems and data transmission channels.
- (3) External threats – proactively detect internal and external potential weaknesses, poisoning alarms and protective measures, and improve instant warning capabilities.
- (4) System Availability – The available state of the system and the handling measures and backup restoration when the service is interrupted.
- (5) Communication system security – blocking and avoiding unnecessary connections to enhance access control security.
- (6) Development and maintenance of information systems – formulate system development security specifications and necessary protection.

2. Information Security Governance

- (1) Company information security policy - Formulate information security policies and ensure the scope of the company's information security management and promote related information security business operations in accordance with the procedures in the information security management measures.
- (2) Formulate the company's internal information security operating procedures - formulate detailed information security management operating procedures or methods based on this area to ensure overall information security and operation smoothly. Our company also obtained AEO (Authorized Economic Operator) certification in 2016, to provide business partners with a safe and stable high-quality service.
- (3) Our company has purchased cyber security insurance with 5 million US dollars.
- (4) Continue to strengthen information security.
- (5) We passed/obtained the ISO27001 certification for the year of 2022 on Jan 13, 2023, Certification valid period is from Jan 13, 2023 to Oct. 31, 2025.

3. Effectiveness of information security protection in 2022

Training Hours of Information Security Professionals	264 hours
the Information Security Committee holds a regular meeting on information security	2 times
Establish and revise information security-related norms and policies	25 times
Information security notices/graphic propaganda	14 times
Annual information security online education and training	210 hours
2022 information security project execution completion rate	100%
Suppliers sign information security clauses and Non-disclosure agreement signing rate	100%
Annual social engineering test mail sent	14,000 times
Information security personnel obtain professional information security certificates	7
Completion rate of education, training and promotion of unqualified personnel in social engineering mail test	100%
Number of information security training for new recruits/accomplishment rate	100%

4. List the solutions to the losses and impacts caused by cyber security incidents up to the annual report's date. If it cannot estimated, the reason must be explained:
As of the annual report's publish date, the company has not suffered any losses due to cyber security incidents.

5.7 Significant Contracts

Agreement	Counterparty	Period			Major Contents	Restrictions
		From		To		
Joint Venture	EVERGREEN MARINE CORP. LTD. HAPAG-LLOYD AKTIENGESELLSCHAFT	2006/04/30	-	90 days pre-notice	Far East to India	no
Joint Venture	BENGAL TIGER LINE PTE LTD. EVERGREEN MARINE CORP. LTD.	2019/03/06	-	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.	2013/05/03	-	90 days pre-notice	Asia to West Coast of South America	no
Joint Venture	PACIFIC INTERNATIONAL LINES (PTE) LTD. YANG MING MARINE TRANSPORT CORP.	2022/07/13		90 days pre-notice	Asia to West Coast of South America	no
Joint Venture	NEW GOLDEN SEA SHIPPING PTE. LTD. INTERASIA LINES, LTD. ORIENT OVERSEAS CONTAINER LINE LTD. OCEAN NETWORK EXPRESS	2019/04/23	-	60 days pre-notice	Far East to India	no
Joint Venture	OCEAN NETWORK EXPRESS HAPAG-LLOYD AKTIENGESELLSCHAFT YANG MING MARINE TRANSPORT CORP.	2018/04/06	-	90 days pre-notice	Far East to Red Sea	no
Joint Venture	KOREA MARINE TRANSPORT CORPORATION PACIFIC INTERNATIONAL LINES (PTE) LTD. CHINA UNITED LINES LTD. RCL FEEDER PTE LTD.	2022/03/30	-	90 days pre-notice	Far East to Middle East	no
Joint Venture	INTERASIA LINES, LTD. ORIENT OVERSEAS CONTAINER LINE LTD.	2019/04/11	-	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. EVERGREEN MARINE CORP. LTD. OCEAN NETWORK EXPRESS INTERASIA LINES, LTD.	2020/01/07	-	90 days pre-notice	Far East to India & Pakistan	no
Joint Venture	INTERASIA LINES, LTD. SEALAND MAERSK ASIA PTE. LTD.	2020/05/15	-	60 days pre-notice	China to Southeast Asia	no
Joint Venture	YANG MING MARINE TRANSPORT CORP. SEALAND MAERSK ASIA PTE. LTD.	2020/12/08	-	60 days pre-notice	China to Southeast Asia	no
Joint Venture	INTERASIA LINES, LTD. KOREA MARINE TRANSPORT CORPORATION 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. SINOKOR MERCHANT MARINE CO.,LTD. HEUNG A LINE 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
Charter	HAPAG-LLOYD AKTIENGESELLSCHAFT	2022/05/04	-	90 days pre-notice	Asia to East Coast of America	no
Joint Venture	APL CO. PTE LTD.	2014/12/28	-	90 days pre-notice	Taiwan to Southeast Asia	no
Charter		2018/06/09	-	2022/01/20	Southeast Asia area	no
Charter	BENGAL TIGER LINE PTE LTD.	2017/12/25	-	30 days pre-notice	Southeast Asia area	no
Charter		2021/11/28	-	60 days pre-notice	China to East India	no
Charter		2022/04/27	-	30 days pre-notice	Taiwan to Southeast area	no
Swap	COSCO SHIPPING LINES CO., LTD.	2013/05/03	-	90 days pre-notice	Asia to West Coast of South America	no
Charter		2020/03/10	-	2022/05/31	China to Middle East area	no
Charter	CHINA UNITED LINES LTD.	2009/02/10	-	2022/08/05	Taiwan Cross- Strait service	no
Charter		2014/07/09	-	2022/08/20	Taiwan Cross- Strait service	no
Charter		2015/10/18	-	2022/08/11	Taiwan Cross- Strait service	no
Charter		2020/10/30	-	2022/08/26	Taiwan to Southeast area	no
Swap	CHENG LIE NAVIGATION CO. LTD.	2018/10/30	-	2022/08/03	Intra East Asia	no

Agreement	Counterparty	Period			Major Contents	Restrictions
		From		To		
Joint Venture	EVERGREEN MARINE CORP. LTD.	2002/09/01	-	120 days pre-notice	Japan to South China	no
Swap		2013/05/03	-	90 days pre-notice	Asia to the West Coast of America	no
Swap		2017/01/22	-	30 days pre-notice	Intra East Asia	no
Joint Venture		2017/09/13	-	60 days pre-notice	Japan to South China & Vietnam	no
Joint Venture	GLOBAL FEEDER SHIPPING PTE LTD.	2016/05/13	-	90 days pre-notice	Middle East	no
Swap		2016/09/30	-	60 days pre-notice	Middle East	no
Charter		2020/03/30	-	30 days pre-notice	Middle East	no
Joint Venture	INTERASIA LINES, LTD.	2010/05/06	-	90 days pre-notice	Japan/China to Southeast Asia	no
Joint Venture		2011/09/11	-	90 days pre-notice	Japan to Southeast Asia	no
Charter		2013/09/05	-	45 days pre-notice	Japan to Southeast Asia	no
Charter		2013/09/22	-	45 days pre-notice	Southeast Asia to India	no
Charter		2014/09/05	-	45 days pre-notice	Korea to Southeast Asia	no
Charter		2015/10/30	-	45 days pre-notice	China to Southeast Asia	no
Charter		2022/05/03	-	45 days pre-notice	Intra Southeast Asia	no
Joint Venture		2017/01/16	-	60 days pre-notice	Japan to Vietnam	no
Joint Venture		2019/04/10	-	60 days pre-notice	China to Southeast Asia	no
JV		2020/02/27	-	2022/12/25	China to Southeast Asia	no
Charter		2017/11/27	-	45 days pre-notice	Japan to Southeast Asia	no
Charter		2018/07/10	-	45 days pre-notice	Japan to Southeast Asia	no
Charter		2018/09/01	-	45 days pre-notice	Northeast Asia to Southeast Asia	no
Charter		2019/04/11	-	90 days pre-notice	Japan to Singapore & Malaysia	no
Joint Venture		2017/02/23	-	60 days pre-notice	Far East to India	no
Joint Venture		2020/07/24	-	45 days pre-notice	Taiwan to Southeast Asia	no
Charter		2019/09/11	-	45 days pre-notice	Southeast Asia to India	no
Charter		2019/10/24	-	45 days pre-notice	Korea to Southeast Asia	no
Charter		2019/12/03	-	90 days pre-notice	Japan to Southeast Asia	no
Swap		2021/08/26	-	30 days pre-notice	South China to Philippine	no
Charter	KOREA MARINE TRANSPORT CORPORATION	2018/05/11	-	2022/07/07	Northeast Asia to Southeast Asia	no
Swap	MINSHENG SHIPPING CO., LTD.	2005/04/28	-	60 days pre-notice	Taiwan Cross-Strait service	no
Swap	NEW GOLDEN SEA SHIPPING PTE.LTD.	2017/07/14	-	60 days pre-notice	China to Southeast Asia	no
Joint Venture		2018/03/29	-	60 days pre-notice	South China to Southeast Asia	no
Swap		2019/12/06	-	60 days pre-notice	Intra Asia	no
Charter		2020/12/09	-	30 days pre-notice	China to Southeast Asia	no
Charter	NEW PORT CYPRESS JOINT STOCK COMPANY	2015/10/04	-	30 days pre-notice	Southeast Asia	no
Charter	SOVEREIGN BASE LOGISTICS HOLDINGS CO. LTD.	2011/05/08	-	2022/03/14	Southeast Asia	no
Swap	OCEAN NETWORK EXPRESS	2020/10/15	-	2022/07/14	Japan to Southeast Asia	no
Swap		2018/05/24	-	2022/04/21	India to Thailand	no
Swap		2018/08/05	-	30 days pre-notice	Southeast Asia	no
Swap		2018/04/01	-	90 days pre-notice	Japan to Singapore & Malaysia	no
Joint Venture	SINOTRANS CONTAINER LINES CO., LTD..	2005/05/12	-	90 days pre-notice	Taiwan Cross-Strait Service	no
Joint Venture		2012/01/04	-	90 days pre-notice	Taiwan Cross-Strait Service	no
Joint Venture		2017/01/03	-	60 days pre-notice	East China to Philippine	no
Swap		2019/01/25	-	30 days pre-notice	Taiwan Cross-Strait Service	no
Charter		2019/06/28	-	30 days pre-notice	China to Southeast Asia	no
Joint Venture	SINOKOR MERCHANT MARINE CO.,LTD.	2019/09/19	-	2021/10/28	Korea to Southeast Asia	no
Charter	SHANGHAI JINJIANG SHIPPING GROUP CO. LTD.	2019/06/07	-	30 days pre-notice	Taiwan Cross-Strait Service	no
Charter	SMART POINT SHIPPING LTD.	2016/07/06	-	30 days pre-notice	Taiwan Cross-Strait service	no
Charter	SITC CONTAINER LINES CO., LTD.	2019/06/28	-	30 days pre-notice	East China to Southeast Asia	no
Charter		2019/06/28	-	30 days pre-notice	South China to Southeast Asia	no
Swap		2019/08/01	-	30 days pre-notice	South China to Southeast Asia	no
Joint Venture	X-PRESS FEEDERS	2020/11/03	-	60 days pre-notice	Southeast Asia to India	no
Charter		2022/06/06	-	30 days pre-notice	Midde East area	no
Charter		2022/07/03		30 days pre-notice	China to Middle East	no
Charter	ORIENT OVERSEAS CONTAINER LINE LTD.	2020/10/31		2022/06/25	Southeast Asia	no
Charter	YANG MING MARINE TRANSPORT CORP.	2017/07/07	-	90 days pre-notice	Asia to West Coast of South America	no
Swap		2018/10/23	-	60 days pre-notice	Asia to Southeast Asia	no

5.7.2 Long –Term Loan

Name of contract	Party	Contract Period	Primary content	Financial covenant
Bank Mortgage Loan	Mega International Commercial Bank Foreign Department	2017/10/23~2022/10/23	The principal shall be repaid in 15 successive quarterly installments.	-
Bank Mortgage Loan	Land Bank of Taiwan Chang An Branch	2018/04/12~2023/04/12	The principal shall be repaid in 17 successive quarterly installments.	-
Bank Mortgage Loan	First Commercial Bank Jian Cheng Branch	2018/06/12~2023/06/12	The principal shall be repaid in 10 successive semiannual installments.	-
Bank Mortgage Loan	Mizuho Bank Taipei Branch	2019/01/24~2024/01/24	The principal shall be repaid in 10 successive semiannual installments.	-
Bank Mortgage Loan	Mega International Commercial Bank Foreign Department	2019/02/11~2024/02/11	The principal shall be repaid in 15 successive quarterly installments.	-
Bank Mortgage Loan	Bank of China Taipei Branch	2019/07/23~2024/07/23	The principal shall be repaid in 8 successive semiannual installments.	-
Bank Mortgage Loan	Hua Nan Bank Cheng Tung Branch	2019/11/18~2024/11/18	The principal shall be repaid in 8 successive semiannual installments.	-
Bank Mortgage Loan	First Commercial Bank Jian Cheng Branch	2019/12/03~2024/12/03	The principal shall be repaid in 10 successive semiannual installments.	-
Bank Mortgage Loan	Chang Hwa Bank Chilin Branch	2020/06/29~2025/06/29	The principal shall be repaid in 6 successive semiannual installments.	-
Bank Mortgage Loan	Land Bank of Taiwan Chang An Branch	2020/10/08~2040/10/08	The principal shall be repaid in 216 successive monthly installments.	-
Bank Mortgage Loan	Land Bank of Taiwan Chang An Branch	2021/05/04~2041/05/04	The principal shall be repaid in 216 successive monthly installments.	-
Bank Mortgage Loan	First Commercial Bank Jian Cheng Branch	2021/05/27~2026/05/27	The principal shall be repaid in 10 successive semiannual installments.	-
Bank Mortgage Loan	E.Sun Bank Taipei Branch	2021/06/25~2026/06/25	The principal shall be repaid in 10 successive semiannual installments.	-
Bank Mortgage Loan	Land Bank of Taiwan Chang An Branch	2021/07/20~2026/07/20	The principal shall be repaid in 17 successive quarterly installments.	-
Bank Mortgage Loan	First Commercial Bank Jian Cheng Branch	2021/10/15~2026/10/15	The principal shall be repaid in 10 successive semiannual installments.	-
Bank Mortgage Loan	The Shanghai Commercial & Savings Bank East Taipei Branch	2022/02/18~2027/02/18	The principal shall be repaid in 16 successive quarterly installments.	-
Bank Mortgage Loan	Hua Nan Bank Cheng Tung Branch	2022/03/31~2027/03/31	The principal shall be repaid in 8 successive semiannual installments.	-
Bank Mortgage Loan	Bank of China Taipei Branch	2022/05/09~2027/05/09	The principal shall be repaid in 8 successive semiannual installments.	-
Bank Mortgage Loan	Mega International Commercial Bank Foreign Department	2022/06/28~2027/06/28	The principal shall be repaid in 15 successive quarterly installments.	-
Bank Mortgage Loan	Mega International Commercial Bank Foreign Department	2022/07/22~2027/07/22	The principal shall be repaid in 15 successive quarterly installments.	-
Bank Mortgage Loan	Chang Hwa Bank Chilin Branch	2022/06/24~2042/06/24	The principal shall be repaid in 40 successive semiannual installments.	-
Commercial Paper	China Bills Finance Corporation	2018/06/15~2022/06/10	The principal shall be repaid a time.	-
Commercial Paper	International Bills Finance Corporation	2018/06/15~2022/06/10	The principal shall be repaid a time.	-
Commercial Paper	China Bills Finance Corporation	2020/09/15~2022/09/14	The principal shall be repaid a time.	-
Commercial Paper	Ta Ching Bills Finance Corporation	2020/12/14~2022/12/13	The principal shall be repaid a time.	-
Commercial Paper	International Bills Finance Corporation	2020/12/29~2022/12/28	The principal shall be repaid a time.	-
Commercial Paper	China Bills Finance Corporation	2021/01/15~2025/01/14	The principal shall be repaid a time.	-
Commercial Paper	Mega Bills Finance Corporation	2021/01/21~2025/01/20	The principal shall be repaid a time.	-
Commercial Paper	China Bills Finance Corporation	2022/03/28~2026/03/27	The principal shall be repaid a time.	-
Commercial Paper	Ta Ching Bills Finance Corporation	2022/09/08~2025/09/08	The principal shall be repaid a time.	-
Bank Credit Loan	Taipei Star Bank Chang An Branch	2017/12/21~2022/12/21	The principal shall be repaid in 16 successive quarterly installments.	-

Name of contract	Party	Contract Period	Primary content	Financial covenant
Bank Credit Loan	First Commercial Bank Jiang Cheng Branch	2019/02/11~2024/02/11	The principal shall be repaid in 10 successive semiannual installments.	-
Bank Credit Loan	Standard Chartered Bank Dunbei Branch	2022/08/08~2024/07/20	The principal shall be repaid a time.	-
Bank Credit Loan	Yunta Commercial Bank Business Department	2022/08/15~2025/08/15	The principal shall be repaid in 4 installments.	-
Bank Credit Loan	Land Bank of Taiwan Chang An Branch	2022/08/15~2025/08/15	The principal shall be repaid in 8 successive quarterly installments.	-
Bank Credit Loan	Jihsun Bank Xinyi Branch	2022/09/20~2025/09/19	The principal shall be repaid a time.	-
Bank Credit Loan	Far Eastern International Bank Business Department	2022/12/12~2024/01/27	The principal shall be repaid a time.	-
Bank Mortgage Loan	Taiwan Cooperative Bank Cheng-Tung Branch	2012/07/20~2022/07/20	The principal shall be repaid in 20 successive semiannual installments.	-
Bank Mortgage Loan	Mega International Commercial Bank Singapore Branch	2019/12/19~2026/12/19	The principal shall be repaid in 21 successive quarterly installments.	-
Bank Mortgage Loan	Land Bank of Taiwan Chang An Branch	2012/04/12~2022/04/12	The principal shall be repaid in 28 successive quarterly installments.	-
Bank Mortgage Loan	Land Bank of Taiwan Chang An Branch	2013/08/14~2023/08/14	The principal shall be repaid in 28 successive quarterly installments.	-
Bank Mortgage Loan	Japan Bank for International Cooperation/Citi Bank	2020/11/30~2033/04/28	The principal shall be repaid in 24 successive semiannual installments.	Financial Covenants
Bank Mortgage Loan	Mega International Commercial Bank Singapore Branch	2021/03/01~2028/03/01	The principal shall be repaid in 21 successive quarterly installments.	-
Bank Mortgage Loan	Land Bank of Taiwan Singapore Branch	2021/03/01~2028/03/01	The principal shall be repaid in 21 successive quarterly installments.	-
Bank Mortgage Loan	E.Sun Bank Singapore Branch	2022/03/11~2029/03/09	The principal shall be repaid in 28 successive quarterly installments.	-
Bank Mortgage Loan	Hua Nan Bank Cheng Tung Branch	2022/06/28~2029/06/28	The principal shall be repaid in 12 successive semiannual installments.	-
Bank Mortgage Loan	Taishin International Bank co.,ltd	2022/09/26~2029/09/26	The principal shall be repaid in 21 successive quarterly installments.	-



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 (Note 1)					2023 as of Mar. 31 (Note 2)
		2022	2021	2020	2019	2018	
Current Assets		194,889,426	132,697,578	31,336,570	27,514,862	23,652,827	-
Property, Plant and Equipment		114,914,338	82,634,574	54,166,521	43,728,724	43,419,203	-
Right-of-Use		18,207,190	18,245,877	7,727,240	5,097,810	-	-
Intangible Assets		40,351	75,808	81,857	77,322	95,730	-
Other Assets		37,051,993	24,026,988	15,285,430	11,185,534	9,869,590	-
Total Assets		365,103,298	257,680,825	108,597,618	87,604,252	77,037,350	-
Current Liabilities	Before distribution	48,366,437	48,060,731	24,749,262	16,722,195	20,827,805	-
	After distribution	(Note 3)	73,682,067	26,967,560	18,496,833	22,171,272	-
Non-current Liabilities		90,765,787	65,047,654	39,676,014	34,533,592	21,392,140	-
Total Liabilities	Before distribution	139,132,224	113,108,385	64,425,276	51,255,787	42,219,945	-
	After distribution	(Note 3)	138,729,721	66,643,574	53,030,425	43,563,412	-
Equity attributable to owners of parent		225,602,942	144,275,026	43,902,409	36,104,182	34,584,452	-
Common Stock		28,061,464	24,401,273	22,182,975	22,182,975	22,182,975	-
Capital surplus		1,271,775	1,271,775	1,271,775	1,271,775	1,261,681	-
Retained Earnings	Before distribution	186,524,058	122,589,473	23,687,262	14,169,113	11,950,496	-
	After distribution	(Note 3)	96,968,137	21,468,964	12,394,475	11,607,029	-
Other Equity		9,745,645	(3,987,495)	(3,239,603)	(1,519,681)	(810,700)	-
Treasury Stock		0	0	0	0	0	-
Non-Controlling Interest		368,132	297,414	269,933	244,283	232,953	-
Total stockholders'	Before distribution	225,971,074	144,572,440	44,172,342	36,348,465	34,817,405	-
	After distribution	(Note 3)	118,951,104	41,954,044	34,573,827	33,473,938	-

Note 1: The summarized financial data for 2018~2022 have been certified by CPA.

Note 2: There is no financial data for 2023Q1 certified or reviewed by CPA as of date of publication.

Note 3: Retained earnings distribution has not been resolved by the Shareholder's Meeting.

6.1.2 Summarized consolidated comprehensive income statements

Unit: TWD thousand

Item \ Year	Financial data in the past five years (Note 1)					2023 as of Mar. 31 (Note 2)
	2022	2021	2020	2019	2018	
Operating revenue	258,953,171	228,005,453	81,880,182	72,951,183	66,778,676	-
Gross profit	126,429,981	134,652,600	17,581,367	7,230,018	5,002,376	-
Operating income	117,923,423	127,913,831	12,781,658	2,851,286	989,001	-
Non-operating income & expense	6,055,956	1,280,909	1,468,337	1,703,907	788,306	-
Net income before income tax	123,979,379	129,194,740	14,249,995	4,555,193	1,777,307	-
Profit after tax from continuing operations	93,128,881	103,417,228	11,357,488	3,587,706	1,137,238	-
Losses from discontinued segments	0	0	0	0	0	-
Profit (Loss) from this period	93,128,881	103,417,228	11,357,488	3,587,706	1,137,238	-
Other comprehensive profit and loss (Net value after tax)	13,906,475	(769,977)	(1,748,561)	(706,100)	849,956	-
Total Comprehensive profit and loss from this period	107,035,356	102,647,251	9,608,927	2,881,606	1,987,194	-
Net earnings attributable to owners of parent	93,072,097	103,342,908	11,316,981	3,573,703	1,117,906	-
Net earnings attributable to non-controlling interest	56,784	74,320	40,507	14,003	19,332	-
Total comprehensive profit and loss attributable to owners of parent	106,967,397	102,590,915	9,572,865	2,863,197	1,967,988	-
Total comprehensive profit and loss attributable to non-controlling interest	67,959	56,336	36,062	18,409	19,206	-
Earnings per share (Note 3)	33.17	36.83	4.03	1.27	0.40	-

Note 1: The summarized financial data for 2018-2022 have been certified by CPA.

Note 2: There is no financial data for 2023Q1 certified or reviewed by CPA as of date of publication.

Note 3: Base on retroactive adjustment calculation.

6.1.3 Summarized balance sheets

Unit: TWD thousand.

Item \ Year		Financial data in the past five years (Note 1)					2023 as of Mar. 31
		2022	2021	2020	2019	2018	
Current Assets		94,277,826	71,336,110	26,510,110	20,708,950	17,064,593	N/A
Property, Plant and Equipment		50,738,133	33,657,439	20,976,137	17,953,542	14,683,088	
Right-of-Use		20,705,054	120,322,046	74,302,608	85,001,414	-	
Intangible Assets		38,926	74,245	80,514	76,285	94,240	
Other Assets		177,153,111	120,269,262	45,047,625	37,258,492	34,814,941	
Total Assets		342,913,050	345,659,102	166,916,994	160,998,683	66,656,862	
Current Liabilities	Before distribution	36,924,225	50,798,787	25,909,864	19,695,635	15,462,430	
	After distribution	(Note 2)	76,420,123	28,128,162	21,470,273	16,805,897	
Non-current Liabilities		80,385,883	150,585,290	97,104,721	105,198,866	16,609,980	
Total Liabilities	Before distribution	117,310,108	201,384,077	123,014,585	124,894,501	32,072,410	
	After distribution	(Note 2)	227,005,413	125,232,883	126,669,139	33,415,877	
Common Stock		28,061,464	24,401,273	22,182,975	22,182,975	22,182,975	
Capital surplus		1,271,775	1,271,775	1,271,775	1,271,775	1,261,681	
Retained Earnings	Before distribution	186,524,058	122,589,473	23,687,262	14,169,113	11,950,496	
	After distribution	(Note 2)	96,968,137	21,468,964	12,394,475	10,607,029	
Other Equity		9,745,645	(3,987,495)	(3,239,603)	(1,519,681)	(810,700)	
Treasury Stock		0	0	0	0	0	
Total stockholders' equity	Before distribution	225,602,942	144,275,025	43,902,409	36,104,182	34,584,452	
	After distribution	(Note 2)	118,653,690	41,684,111	34,329,544	33,240,985	

Note 1: The summarized financial data for 2018~2022 have been certified by CPA.

Note 2: Retained earnings distribution has not been resolved by the Shareholder's Meeting.

6.1.4 Summarized comprehensive income statements

Unit: TWD thousand

Item \ Year	Financial data in the past five years (Note 1)					2023 as of Mar. 31
	2022	2021	2020	2019	2018	
Operating revenue	127,041,698	116,005,228	61,915,516	59,102,119	53,934,045	N/A
Gross profit	55,723,001	58,788,261	9,187,405	3,378,077	345,724	
Operating income	51,289,331	54,757,204	6,534,039	1,147,748	(1,611,199)	
Non-operating income & expense	71,954,241	73,928,675	7,540,399	3,293,183	3,281,587	
Net income before income tax	123,243,572	128,685,879	14,074,438	4,440,931	1,670,390	
Profit after tax from continuing operations	93,072,097	103,342,908	11,316,981	3,573,703	1,117,906	
Losses from discontinued segments	0	0	0	0	0	
Profit (Loss) from this period	93,072,097	103,342,908	11,316,981	3,573,703	1,117,906	
Other comprehensive profit and loss (Net value after tax)	13,895,300	(751,993)	(1,744,116)	(710,506)	850,082	
Total Comprehensive profit and loss from this period	106,967,397	102,590,915	9,572,865	2,863,197	1,967,988	
Earnings per share (Note 2)	33.17	36.83	4.03	1.27	0.40	

Note 1: The summarized financial data for 2018-2022 have been certified by CPA.

Note 2: Base on retroactive adjustment calculation.

6.1.5 CPA and Audit results for the past 5 years

Year	CPA name	Audit results
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.
2021	Kuo Rou Lan Chen Jun-Kuang	Unqualified opinion.
2022	Kuo Rou Lan Chen Jun-Kuang	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(Note 1)					2023 as of Mar. 31 (Note 2)
		2022	2021	2020	2019	2018	
Financial structure (%)	Debt ratio	38.11	43.89	59.32	58.51	54.80	-
	Ratio of long-term capital to property, plant and equipment	275.63	253.67	154.80	162.09	129.46	-
Solvency	Current ratio (%)	402.94	276.10	126.62	164.54	113.56	-
	Quick ratio (%)	389.37	266.50	116.89	151.34	105.95	-
	Times interest earned	84.09	178.00	28.02	7.58	4.14	-
Operating Performance	Accounts receivable turnover (turns)	42.06	41.18	27.81	28.39	22.80	-
	Average collection period	8.67	8.86	13.12	12.85	16.00	-
	Inventory turnover (turns)	-	-	-	-	-	-
	Accounts payable turnover (turns)	11.21	9.45	7.79	8.34	8.50	-
	Average days in sales	-	-	-	-	-	-
	Property, plant and equipment turnover (turns)	2.62	3.33	1.67	1.67	1.55	-
	Total assets turnover (turns)	0.83	1.24	0.83	0.89	0.87	-
Profitability	Return on total assets (%)	30.29	56.79	12.01	5.03	2.07	-
	Return on equity (%)	50.27	109.58	28.21	10.08	3.30	-
	Ratio to issued capital of pre-tax income (%)	441.81	529.46	64.24	20.53	8.01	-
	Profit ratio (%)	35.96	45.36	13.87	4.92	1.70	-
	Earnings per share (\$)	33.17	36.83	4.03	1.27	0.40	-
Cash flow (%)	Cash flow ratio	279.39	275.91	70.98	47.97	24.03	-
	Cash flow adequacy ratio	224.30	224.09	96.63	99.52	126.32	-
	Cash reinvestment ratio	29.98	52.93	12.44	5.59	3.61	-
Leverage	Operating leverage	1.27	1.18	2.11	5.91	3.98	-
	Financial leverage	1.01	1.01	1.04	1.32	2.33	-

Reasons for financial ratios of 2022 increased/decreased more than 20% comparing to 2021:

1. Current ratio & quick ratio increased since current assets increased.
2. Times interest earned decreased since finance costs increased.
3. Property, plant and equipment turnover & total assets turnover decreased since property, plant and equipment and total assets increased.
4. Return on total assets & return on equity decreased since total assets and equity increased.
5. Profit margin decreased since operating costs increased.
6. Cash reinvestment ratio decreased since cash dividends increased.

Note 1: The financial data for 2018~2022 have been certified by CPA

Note 2: There is no financial data for 2023Q1 certified or reviewed by CPA as of date of publication

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 (Note 1)					2023 as of Mar.31
		2022	2021	2020	2019	2018	
Financial structure (%)	Debt ratio	34.21	58.26	73.70	77.57	48.12	N/A
	Ratio of long-term capital to property, plant and equipment	603.07	876.06	672.23	787.05	348.66	
Solvency	Current ratio (%)	255.33	140.43	102.32	105.14	110.36	
	Quick ratio (%)	249.55	138.30	96.98	97.35	103.06	
	Times interest earned	63.23	65.47	9.79	3.51	5.68	
Operating Performance	Accounts receivable turnover (turns)	71.72	67.66	59.53	60.79	33.77	
	Average collection period	5.08	5.39	6.13	6.00	10.80	
	Inventory turnover (turns)	-	-	-	-	-	
	Accounts payable turnover (turns)	6.63	5.23	7.50	9.00	9.69	
	Average days in sales	-	-	-	-	-	
	Property, plant and equipment turnover (turns)	3.01	4.25	3.18	3.62	3.90	
	Total assets turnover (turns)	0.37	0.45	0.38	0.52	0.82	
Profitability	Return on total assets (%)	27.49	40.95	7.68	4.38	2.14	
	Return on equity (%)	50.33	109.84	28.29	10.11	3.26	
	Ratio to issued capital of pre-tax income (%)	439.19	527.37	63.45	20.02	7.53	
	Profit ratio (%)	73.26	89.08	18.28	6.05	2.07	
	Earnings per share (\$)	33.17	36.83	4.03	1.27	0.40	
Cash flow (%)	Cash flow ratio	157.20	126.46	54.27	51.29	1.10	
	Cash flow adequacy ratio	171.00	233.62	129.45	83.65	58.41	
	Cash reinvestment ratio	10.56	32.65	15.40	12.48	(1.47)	
Leverage	Operating leverage	1.47	1.28	2.83	11.54	(6.63)	
	Financial leverage	1.04	1.04	1.32	(1.84)	0.82	

Reasons for financial ratios of 2022 increased/decreased more than 20% comparing to 2021:

1. Debt ratio decreased since lease liabilities decreased.
2. Ratio of long-term capital to property, plant and equipment decreased since property, plant and equipment increased.
3. Current ratio & Quick ratio increased since current assets increased.
4. Accounts payable turnover increased since operating costs increased.
5. Property, plant and equipment turnover decreased since property, plant and equipment increased.
6. Return on total assets & return on equity decreased since total assets and equity increased.
7. Cash flow ratio increased since current liabilities decreased.
8. Cash flow adequacy ratio & cash reinvestment ratio decreased since cash dividends increased.

Note 1: The financial data for 2018~2022 have been certified by CPA.

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 2022

6.3.1 Audit Committee's Review Report for Fiscal Year 2022 (Consolidated)

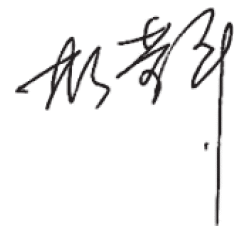
The Board of Directors has prepared the Company's consolidated financial statements for 2022 and consolidated business report for 2022. Of which, the Company's consolidated financial statements for 2022 have been audited by the CPA firm of KPMG through entrustment by the Board of Directors, and an audit 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 2023

WAN HAI LINES LTD.

Chair of the Audit committee:

Rung-Nian Lai



Mar.13, 2023

6.3.2 Audit Committee's Review Report for Fiscal Year 2022

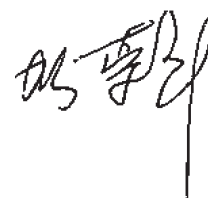
The Board of Directors has prepared the Company's financial statements for 2022, business report and earnings distribution. Of which, the Company's financial statements for 2022 have been audited by the CPA firm of KPMG through entrustment by the Board of Directors, and an audit report with unqualified 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 2023

WAN HAI LINES LTD.

Chair of the Audit committee:

Rung-Nian Lai



Mar.13, 2023

6.4 Consolidated Financial Statements for Fiscal Year 2022

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, 2022 and 2021, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2022 and 2021 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 developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former standing Interpretations Committee (“SIC”) endorsed and issued into effect 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 Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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)(a) “ Uncertainty associated with the assumptions and estimations for revenue recognition” and Note(6)(v) “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.

Other Matter

Wan Hai Lines Ltd. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2022 and 2021, 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, IFRIC, SIC endorsed and issued into effect 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 auditor's 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Chun Kuang Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2023

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.

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, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (notes (6)(f), (v) and (7))	\$ 258,953,171	100	228,005,453	100
5000	Operating costs (notes (6)(g) and (7))	132,523,190	51	93,352,853	41
	Gross profit	126,429,981	49	134,652,600	59
	Operating expenses:				
6200	Total administrative expenses	8,612,289	3	6,973,835	3
6450	Expected credit loss (gain) (note (6)(f))	-	-	5,374	-
	Total operating expenses	8,612,289	3	6,979,209	3
6500	Net other income (expenses) (note (6)(x))	105,731	-	240,440	-
	Income from operations	117,923,423	46	127,913,831	56
	Non-operating income and expenses (notes (6)(h), (y), (7) and (8)):				
7100	Interest income	2,350,371	1	82,315	-
7010	Other income	403,569	-	320,721	-
7020	Other gains and losses	4,473,270	2	1,411,188	1
7050	Finance costs	(1,492,030)	(1)	(729,914)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	320,776	-	196,599	-
	Total non-operating income and expenses	6,055,956	2	1,280,909	1
7900	Profit before tax	123,979,379	48	129,194,740	57
7950	Less: Income tax expenses (note (6)(s))	30,850,498	12	25,777,512	11
	Net Profit	93,128,881	36	103,417,228	46
	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 (note (6)(r))	189,144	-	(10,323)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(274,625)	-	370,229	-
8349	Less: Income tax related to components of other comprehensive income that may not be reclassified subsequently (note (6)(s))	(26,984)	-	6,222	-
	Total items that may not be reclassified subsequently to profit and loss	(112,465)	-	366,128	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation	14,279,088	5	(1,169,976)	(1)
8368	Gains (losses) on hedging instrument (note (6)(e))	(245,601)	-	33,484	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(s))	(14,547)	-	387	-
	Total items that may be reclassified subsequently to profit and loss	14,018,940	5	(1,136,105)	(1)
	Other comprehensive income (net of tax)	13,906,475	5	(769,977)	(1)
8500	Total comprehensive income	\$ 107,035,356	41	102,647,251	45
	Profit (loss), attributable to:				
8610	Owners of the parent company	\$ 93,072,097	36	103,342,908	46
8620	Non-controlling interests	56,784	-	74,320	-
		\$ 93,128,881	36	103,417,228	46
	Comprehensive income attributable to:				
8710	Owners of the parent company	\$ 106,967,397	41	102,590,915	45
8720	Non-controlling interests	67,959	-	56,336	-
		\$ 107,035,356	41	102,647,251	45
9750	Basic earnings per share (New Taiwan Dollar) (note (u))	\$ 33.17		36.83	
9850	Diluted earnings per share (New Taiwan Dollar) (note (u))	\$ 33.05		36.77	

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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										Other Equity Items		
	Stock	Retained Earnings				Foreign Currency Translation Differences Arising from Foreign Operations	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
		Capital Surplus	Legal reserve	Special reserve	Retained Earnings - Unappropriated		Translation	value through other comprehensive income	value through other comprehensive income				
Balance at January 1, 2021		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
Net income	-	-	-	-	103,342,908	-	-	-	-	-	103,342,908	74,320	103,417,228
Other comprehensive income (loss)	-	-	-	-	(4,101)	(1,151,605)	(1,151,605)	370,229	33,484	-	(751,993)	(17,984)	(769,977)
Total comprehensive income (loss)	-	-	-	-	-	-	-	370,229	33,484	-	102,590,915	56,336	102,647,251
Appropriation of retained earnings:													
Legal reserve	-	-	1,129,279	-	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	1,719,921	(1,719,921)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,218,298)	-	-	-	-	-	(2,218,298)	-	(2,218,298)
Stock dividends of ordinary share	2,218,298	-	-	-	(2,218,298)	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(28,855)	(28,855)
Balance at 2021.12.31	24,401,273	1,271,775	8,354,970	3,239,603	110,994,900	(4,617,000)	-	445,677	183,828	-	144,275,026	297,414	144,572,440
Net income	-	-	-	-	93,072,097	-	-	-	-	-	93,072,097	56,784	93,128,881
Other comprehensive income (loss)	-	-	-	-	162,160	14,253,366	(274,625)	(274,625)	(245,601)	-	13,895,300	11,175	13,906,475
Total comprehensive income (loss)	-	-	-	-	-	-	-	(274,625)	(245,601)	-	106,967,397	67,959	107,035,356
Appropriation of retained earnings:													
Legal reserve	-	-	10,333,881	-	(10,333,881)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	747,891	(747,891)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(25,621,336)	-	-	-	-	-	(25,621,336)	-	(25,621,336)
Stock dividends of ordinary share	3,660,191	-	-	-	(3,660,191)	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(18,145)	-	-	-	-	-	(18,145)	10,508	(7,637)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(7,749)	(7,749)
Balance at December 31, 2022	28,061,464	1,271,775	18,688,851	3,987,494	163,847,713	9,636,366	171,052	(61,773)	225,602,942	368,132	225,971,074		

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WAN HAI LINES LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 123,979,379	129,194,740
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	21,300,304	13,784,877
Amortization expense	51,689	56,402
Expected credit loss (gain)	-	5,374
Net (gain) loss on financial assets at fair value through profit or loss	687,672	(1,274,831)
Interest expense	1,492,030	729,914
Interest revenue	(2,350,371)	(82,315)
Dividend income	(402,107)	(319,224)
Share of income of associates and joint ventures accounted for using equity method	(320,776)	(196,599)
Gain on disposal of property, plant and equipment	(105,731)	(240,440)
Loss (gain) on unrealized foreign exchange gain	1,386,895	82,967
Others	(6,070)	(5,451)
Total adjustments to reconcile profit (loss)	21,733,535	12,540,674
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(820,816)	(141,405)
Contract assets	5,852,424	(6,304,673)
Notes receivable	30,126	(20,246)
Accounts receivable (including related parties)	2,519,843	(3,773,026)
Other receivables	(88,711)	396,572
Inventories	(1,174,858)	(1,968,658)
Receivables from agents	405,335	(659,617)
Other current assets	(628,928)	(242,861)
Total changes in operating assets, net	6,094,415	(12,713,914)
Changes in operating liabilities, net:		
Accounts payable (including related parties)	876,701	2,991,970
Other payables	144,404	1,987,966
Payables to agents	(50,335)	10,752
Other current liabilities	(1,256,839)	91,204
Accrued pension liabilities	(43,844)	(59,719)
Total changes in operating liabilities, net	(329,913)	5,022,173
Total changes in operating assets and liabilities	5,764,502	(7,691,741)
Total adjustments	27,498,037	4,848,933
Cash inflow generated from operations	151,477,416	134,043,673
Income taxes paid	(16,347,572)	(1,437,141)
Net cash provided by operating activities	135,129,844	132,606,532
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(62,855)	(163,017)
Acquisition of financial assets at amortized cost	-	(63,717)
Acquisition of investments accounted for using equity method	(2,418)	-
Acquisition of property, plant and equipment	(35,726,579)	(34,338,701)
Proceeds from disposal of property, plant and equipment	185,491	334,132
Acquisition of intangible assets	(16,169)	(49,842)
Acquisition of investment property	(4,565)	(45,332)
Other non-current assets	(13,572,908)	(8,384,486)
Interest received	2,194,950	80,193
Dividends received	605,098	443,620
Net cash used in investing activities	(46,399,955)	(42,187,150)
Cash flows from financing activities:		
Decrease in short-term loans	(30,000)	(20,000)
Repayments of bonds	(3,600,000)	(3,800,000)
Proceeds from long-term loans	26,278,985	18,267,783
Repayment of long-term loans	(11,737,095)	(6,307,447)
Guarantee deposits received	181,418	412,802
Payments of lease liabilities	(12,872,232)	(7,339,116)
Cash dividends paid	(25,621,336)	(2,218,298)
Retroactive adjustment due to issuance of new shares for a merger	(7,749)	(20,133)
Acquisition of ownership interests in subsidiaries	(7,637)	(8,722)
Interest paid	(1,412,282)	(733,225)
Net cash used in financing activities	(28,827,928)	(1,766,356)
Foreign exchange rate effects	8,848,416	(1,417,111)
Net increase in cash and cash equivalents	68,750,377	87,235,915
Cash and cash equivalents, beginning of period	103,001,818	15,765,903
Cash and cash equivalents, end of period	\$ 171,752,195	103,001,818

Seeing accompanying notes to financial statements.

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December 31, 2022 and 2021

(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 Sung Chiang 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 13, 2023.

(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. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- 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"

- (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, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

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- (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”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the 2020 amendments ¹ , new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

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”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

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(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 is 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 controls 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.

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.

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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
			2022.12.31	2021.12.31	
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	Bao Sheng Shipping Agency Co., Ltd. (BS)	Agency services for transportation affair and contracting ocean shipping and related services	70.01 %	70.01 %	
The Company	Dawin Logistics (International) Ltd. (Dawin)	Transportation and storage services	100.00 %	- %	Dawin was originally fully owned by WHL Hong Kong. However, due to corporate restructuring, WHL Hong Kong sold its entire shares in Dawin to the Company in July 2022.
The Company	Wan Hai Lines (H.K.) Ltd. (WHL Hong Kong)	Transportation and storage services	100.00 %	- %	WHL Hong Kong was originally fully owned by WHL Singapore. However, due to corporate restructuring, WHL Singapore sold its entire shares in WHL Hong Kong to the Company in November 2022.
The Company	Wan Hai Lines (Liberia) Ltd. (WHL Liberia)	Vessel rental service	100.00 %	- %	
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 (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 %	

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Name of investor	Name of subsidiary	Principal activity	Shareholding %		Note
			2022.12.31	2021.12.31	
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) Limited. (WHL Thailand)	International freight transportation and agency services for transport affairs	49.00 %	49.00 %	The Company did not directly or indirectly hold over one-half of the voting rights of WHL-Thailand; however, the subsidiary WHL Singapore occupies three of the five seats on the board of WHL-Thailand. As a result, WHL Singapore has a direct control over WHL-Thailand.
WHL Singapore 、 WHL INTL	WanHai Lines Ecuador S.A. (WHL Ecuador)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	The Company acquired the non-controlling interest in January 2021, increasing its equity from 51% to 100%.
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. (WHL Shipping)	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 %	
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.(IM)	Investment	100.00 %	100.00 %	

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Name of investor	Name of subsidiary	Principal activity	Shareholding %		Note
			2022.12.31	2021.12.31	
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 %	
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	100.00 %	49.00 %	The Company acquired the non-controlling interest in April 2022, increasing its equity from 49% to 100%. The Company did not directly or indirectly hold over one-half of the voting rights shares of Clipper; however, the subsidiary Shenzhen Uniwin occupies four of the five seats on the board of Clipper. As a result, Shenzhen Uniwin has a direct control over Clipper.
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.

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.

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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.

(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.

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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.

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.

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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.

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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.

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.

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12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months 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 asset 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 charged 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.

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.

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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.

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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.

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.

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(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.

(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.

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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 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 straight-line 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	23 ~ 56 years
2) Vessel equipment	1 ~ 25 years
3) The major component of vessels: docking repair assets	2.5 years
4) Containers	5 ~ 10 years
5) Privileged wharf equipment	2 ~ 15 years
6) Other equipment	3 ~ 15 years

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

(m) Leases

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.

(i) As a lessee

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.

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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, buildings, containers and other equipment 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.

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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;
- 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.

(ii) As a lessor

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

Goodwill arising from the acquisition of a subsidiary is measured at cost less accumulated impairment loss.

Expenses related to research activities are recognized as profit or loss incurred.

Development expenditures are made only when they can be reliably measured, the technical or commercial viability of the product or process has been achieved, it is probable that future economic benefits will flow to the Company, and the Company intends and has sufficient resources to complete the development and use or sell the asset be capitalized.

Other development expenditures are recognized in profit or loss as incurred. After original recognition, capitalized development expenditure is measured at its cost less accumulated amortization and accumulated impairment.

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.

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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)Software	2~5 years
2)Trademarks	10 years

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

(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.

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(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 exceeded 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.

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.

(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.

(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.

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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.

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.

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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.

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.

(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.

(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.

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(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) 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

	<u>2022.12.31</u>	<u>2021.12.31</u>
Cash	\$ 117,492	120,721
Savings accounts	69,925,416	43,995,057
Time deposits	<u>101,709,287</u>	<u>58,886,040</u>
Cash and cash equivalents in statement of cash flows	<u>\$ 171,752,195</u>	<u>103,001,818</u>

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

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

	<u>2022.12.31</u>	<u>2021.12.31</u>
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Stocks listed on domestic markets	\$ 6,382,530	6,249,968
Emerging stocks on domestic markets	11,690	11,108
Total	<u>\$ 6,394,220</u>	<u>6,261,076</u>

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

2. As of December 31, 2022 and 2021, the Group's financial assets were not pledged as collateral.

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

	<u>2022.12.31</u>	<u>2021.12.31</u>
Equity investments at fair value through other comprehensive income		
Stocks listed on domestic markets	\$ 3,630,772	3,812,966
Stocks listed on foreign markets	682,312	718,420
Stocks unlisted on domestic markets	<u>565,589</u>	<u>479,305</u>
Total	<u>\$ 4,878,673</u>	<u>5,010,691</u>

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.

For the years ended December 31, 2022 and 2021, no strategic investments were disposed, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

The Group has acquired 20.29% ordinary shares in Da Nang Port Joint Stock Company (Da Nang Port JSC), and the main activities of Da Nang JSC are to provide wharf services. Since the Group only occupied one of the seven seats in the Board of Directors, and did not participate in any daily operation as well as policy-making processes of the Group, the Group did not have significant influence on Da Nang Port JSC.

2. As of December 31, 2022 and 2021, the financial assets of the Group had not been pledged as collateral.

(d) Financial assets at amortized cost

	<u>2022.12.31</u>	<u>2021.12.31</u>
Current	<u>\$ 70,790</u>	<u>63,717</u>

Financial assets at amortized cost are restricted bank deposits that do not meet the requirement of cash equivalents

The Group's financial assets at amortized cost were not pledged as collateral.

The Group's degree of exposure to credit risk and currency risk, please refer to note 6(aa).

(e) Financial instruments used for hedging

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

	<u>2022.12.31</u>	<u>2021.12.31</u>
Cash flow hedge:		
Financial liabilities used for hedging:		
Current lease liabilities	\$ 628,486	985,592
Non-current lease liabilities	<u>1,370,731</u>	<u>2,576,487</u>
Total	<u>\$ 1,999,217</u>	<u>3,562,079</u>

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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		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
		2022.12.31	2021.12.31		
Freight revenue (USD)	Lease liabilities	\$ 1,140,432	2,525,174	2022~2026	2022~2026
WHL terminal revenue (JPY)	Lease liabilities	858,785	1,036,905	2022~2028	2022~2028

Items	2022	2021
Amounts recognized as other comprehensive income	\$ <u>(245,601)</u>	<u>33,484</u>

For the years ended December 31, 2022 and 2021, 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)(t).

(f) Notes receivable and accounts receivable

	2022.12.31	2021.12.31
Notes receivable	\$ 42,478	72,604
Accounts receivable	4,838,838	7,358,681
Less: Allowance for doubtful receivables	(1,683)	(1,683)
	\$ <u>4,879,633</u>	<u>7,429,602</u>

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 was determined as follows:

	2022.12.31		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 3,930,260	0%~0.0019%	-
Overdue 0~30 days	860,488	0%~0.0242%	14
Overdue 31~120 days	79,363	0%~0.1070%	17
Overdue 121~365 days	7,254	0%~12.1763%	-
Overdue more than 365 days	3,951	0%~100%	1,652
	\$ <u>4,881,316</u>		<u>1,683</u>

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	2021.12.31		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 5,155,970	0%~0.0006%	-
Overdue 0~30 days	2,136,730	0%~0.0007%	-
Overdue 31~120 days	124,871	0%~0.002%	-
Overdue 121~365 days	9,309	0%~0.003%	-
Overdue more than 365 days	4,405	0%~100%	1,683
	\$ 7,431,285		1,683

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

	For the years ended December 31,	
	2022	2021
Beginning balance	\$ 1,683	358
Impairment losses recognized	-	5,374
Impairment losses reversed	-	(4,049)
Ending balance (equal to beginning balance)	\$ 1,683	1,683

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

Notes and accounts receivables of the Group had not been pledged as collateral.

(g) Inventories

	2022.12.31	2021.12.31
Light marine diesel oil	\$ 742,439	386,371
Heavy marine diesel oil	3,989,422	3,202,284
Fresh lubricating oil	427,627	267,033
Subtotal	5,159,488	3,855,688
Less: Allowance for inventory valuation and obsolescence losses	(128,942)	-
Total	\$ 5,030,546	3,855,688

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For the years ended December 31, 2022, the write-down of inventories to the net realizable value each amounting to \$125,508 thousand was recognized as losses on inventory valuation and obsolescence under operating costs.

For the years ended December 31, 2021, the write-downs of the inventories to net receivable value amounting to \$13,344 thousand, respectively, were recognized as gains on inventory value recoveries under operating costs due to the previous reason wherein the net realizable value of inventories was no longer lower than its costs.

As of December 31, 2022 and 2021, the Group's inventories were not pledged as collateral.

(h) 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:

	<u>2022.12.31</u>	<u>2021.12.31</u>
Associates	\$ 1,257,120	1,065,800
Joint venture	<u>195,608</u>	<u>183,646</u>
	<u><u>\$ 1,452,728</u></u>	<u><u>1,249,446</u></u>

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 USD 6,459 thousand in cash. The Group occupied one seat in the Board of Directors of HICT, 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 associates using equity method included in the consolidated financial statements were as follows:

	<u>2022.12.31</u>	<u>2021.12.31</u>
The carrying amount of individually non-significant associates' equity	<u><u>\$ 1,257,120</u></u>	<u><u>1,065,800</u></u>
	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Attributable to the Group:		
Profit (loss) from continuing operations	\$ 283,563	167,459
Total comprehensive income	<u><u>\$ 283,563</u></u>	<u><u>167,459</u></u>

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2. Joint venture

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

	<u>2022.12.31</u>	<u>2021.12.31</u>
The carrying amount of individually non-significant joint venture equity	\$ <u>195,608</u>	<u>183,646</u>
	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Attributable to the Group:		
Profit (loss) from continuing operations	\$ 37,213	29,140
Total comprehensive income	\$ <u>37,213</u>	<u>29,140</u>

3. Collateral

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

(i) Acquisition of non-controlling interests

In April 2022, the Group increased its interest in Clipper International Shipping Agency Ltd. from 49% to 100% by acquiring the equity interest in Clipper International Shipping Agency Ltd. The Group did not carry out any transactions with non-controlling interests for the year ended December 31, 2022.

The Company did not directly or indirectly hold over one-half of the voting shares of Clipper by April 2022; however, the subsidiary Shenzhen Uniwin International Logistics Ltd. occupies four of the five seats on the Board of Clipper International Shipping Agency Ltd. As a result, Shenzhen Uniwin has a direct control over Clipper, so Clipper is one of the subsidiaries listed in the consolidated financial statements.

Changes in ownership interest of the Group in Clipper International Shipping Agency Ltd. had the following effects on the owners' equity attributable to the parent company:

The book value of non-controlling interest acquired	\$ (10,508)
Value of consideration transferred to non-controlling interest	<u>(7,637)</u>
Difference between the actual price and book value of subsidiary equity acquisition	\$ <u>(18,145)</u>

In January 2021, the Group increased the interest from 51% to 100% to acquire WanHai Lines Ecuador S.A..

Changes in ownership interest resulting from acquiring WanHai Lines Ecuador S.A. which affect the owners' equity in the parent company were summarized as follows:

The book value of non-controlling interest acquired	\$ 8,722
Value of consideration transferred to non-controlling interest	<u>(8,722)</u>
Difference between the actual price and book value of subsidiary equity acquisition	\$ <u>-</u>

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(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2022 and 2021, were as follows:

		Land	Buildings	Vessels	Containers	Other equipment	Privileged wharf equipment	Total
Cost:								
Balance at January 1, 2022	\$	2,230,286	2,141,939	89,697,978	42,117,673	2,542,738	2,738,472	141,469,086
Additions		-	16,033	32,126,167	1,986,502	354,622	73,556	34,556,880
Reclassification		-	-	216,216	-	17,816	199,232	433,264
Disposals		-	-	(348,965)	(481,356)	(110,930)	(7,071)	(948,322)
Effect of movements in exchange rates		3,979	89,495	9,815,268	-	57,423	2,349	9,968,514
Balance at December 31, 2022	\$	<u>2,234,265</u>	<u>2,247,467</u>	<u>131,506,664</u>	<u>43,622,819</u>	<u>2,861,669</u>	<u>3,006,538</u>	<u>185,479,422</u>
Balance at January 1, 2021	\$	2,230,863	2,164,184	72,070,455	27,654,227	2,017,603	2,691,909	108,829,241
Additions		-	507	19,913,295	14,829,314	542,637	46,339	35,332,092
Reclassification		-	-	-	-	68,349	3,804	72,153
Disposals		-	-	(1,077,057)	(365,868)	(46,116)	(1,078)	(1,490,119)
Effect of movements in exchange rates		(577)	(22,752)	(1,208,715)	-	(39,735)	(2,502)	(1,274,281)
Balance at December 31, 2021	\$	<u>2,230,286</u>	<u>2,141,939</u>	<u>89,697,978</u>	<u>42,117,673</u>	<u>2,542,738</u>	<u>2,738,472</u>	<u>141,469,086</u>
Depreciation and impairment loss:								
Balance at January 1, 2022	\$	-	546,242	41,644,263	13,970,736	1,219,633	1,453,638	58,834,512
Depreciation		-	52,039	5,111,121	2,967,616	283,364	173,794	8,587,934
Disposals		-	-	(348,365)	(404,603)	(105,211)	(6,624)	(864,803)
Effect of movements in exchange rates		-	34,839	3,943,636	-	27,851	1,115	4,007,441
Balance at December 31, 2022	\$	<u>-</u>	<u>633,120</u>	<u>50,350,655</u>	<u>16,533,749</u>	<u>1,425,637</u>	<u>1,621,923</u>	<u>70,565,084</u>
Balance at January 1, 2021	\$	-	505,874	39,825,782	11,968,137	1,067,780	1,295,147	54,662,720
Depreciation		-	50,768	3,440,773	2,317,818	212,415	160,341	6,182,115
Disposals		-	-	(1,037,767)	(315,219)	(45,582)	(988)	(1,399,556)
Effect of movements in exchange rates		-	(10,400)	(584,525)	-	(14,980)	(862)	(610,767)
Balance at December 31, 2021	\$	<u>-</u>	<u>546,242</u>	<u>41,644,263</u>	<u>13,970,736</u>	<u>1,219,633</u>	<u>1,453,638</u>	<u>58,834,512</u>
Carrying amounts:								
Balance at December 31, 2022	\$	<u>2,234,265</u>	<u>1,614,347</u>	<u>81,156,009</u>	<u>27,089,070</u>	<u>1,436,032</u>	<u>1,384,615</u>	<u>114,914,338</u>
Balance at January 1, 2021	\$	<u>2,230,863</u>	<u>1,658,310</u>	<u>32,244,673</u>	<u>15,686,090</u>	<u>949,823</u>	<u>1,396,762</u>	<u>54,166,521</u>
Balance at December 31, 2021	\$	<u>2,230,286</u>	<u>1,595,697</u>	<u>48,053,715</u>	<u>28,146,937</u>	<u>1,323,105</u>	<u>1,284,834</u>	<u>82,634,574</u>

As of December 31, 2022 and 2021, 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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(k) Right-of-use assets

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

	<u>Wharfs</u>	<u>Buildings</u>	<u>Containers</u>	<u>Others</u>	<u>Vessel Equipment</u>	<u>Total</u>
Cost:						
Balance as of January 1, 2022	\$ 4,899,550	334,437	3,970,746	77,759	18,295,343	27,577,835
Additions	11,169	15,935	1,751,100	33,871	7,762,177	9,574,252
Decreases	(27,979)	(13,965)	(1,597,152)	(26,305)	(6,787,202)	(8,452,603)
Remeasurement	11,963	22,665	8,296	-	2,905,925	2,948,849
Effect of changes in foreign exchange rates	924	22,155	55,952	2,463	2,158,841	2,240,335
Balance as of December 31, 2022	<u>\$ 4,895,627</u>	<u>381,227</u>	<u>4,188,942</u>	<u>87,788</u>	<u>24,335,084</u>	<u>33,888,668</u>
Balance as of January 1, 2021	\$ 4,903,290	283,794	3,078,058	77,916	1,248,992	9,592,050
Additions	-	29,526	840,462	6,867	17,743,192	18,620,047
Decreases	-	(14,315)	(2,123)	(5,645)	(552,086)	(574,169)
Remeasurement	(2,201)	40,848	54,349	131	-	93,127
Effect of changes in foreign exchange rates	(1,539)	(5,416)	-	(1,510)	(144,755)	(153,220)
Balance as of December 31, 2021	<u>\$ 4,899,550</u>	<u>334,437</u>	<u>3,970,746</u>	<u>77,759</u>	<u>18,295,343</u>	<u>27,577,835</u>
Accumulated depreciation and impairment losses:						
Balance as of January 1, 2022	\$ 1,408,683	172,642	1,405,292	39,918	6,305,423	9,331,958
Depreciation	477,455	74,147	872,108	20,656	11,231,905	12,676,271
Decreases	(16,709)	(12,611)	(716,738)	(25,424)	(6,433,339)	(7,204,821)
Effect of changes in foreign exchange rates	316	12,637	5,972	1,079	858,066	878,070
Balance as of December 31, 2022	<u>\$ 1,869,745</u>	<u>246,815</u>	<u>1,566,634</u>	<u>36,229</u>	<u>11,962,055</u>	<u>15,681,478</u>
Balance as of January 1, 2021	\$ 933,464	120,637	684,948	26,793	98,968	1,864,810
Remeasurement	475,432	68,464	722,467	19,277	6,285,579	7,571,219
Decreases	-	(14,271)	(2,123)	(5,597)	(30,672)	(52,663)
Effect of changes in foreign exchange rates	(213)	(2,188)	-	(555)	(48,452)	(51,408)
Balance as of December 31, 2021	<u>\$ 1,408,683</u>	<u>172,642</u>	<u>1,405,292</u>	<u>39,918</u>	<u>6,305,423</u>	<u>9,331,958</u>
Carrying amount:						
Balance as of December 31, 2022	<u>\$ 3,025,882</u>	<u>134,412</u>	<u>2,622,308</u>	<u>51,559</u>	<u>12,373,029</u>	<u>18,207,190</u>
Balance as of January 1, 2021	<u>\$ 3,969,826</u>	<u>163,157</u>	<u>2,393,110</u>	<u>51,123</u>	<u>1,150,024</u>	<u>7,727,240</u>
Balance as of December 31, 2021	<u>\$ 3,490,867</u>	<u>161,795</u>	<u>2,565,454</u>	<u>37,841</u>	<u>11,989,920</u>	<u>18,245,877</u>

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(1) 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 2 to 10 years. Some 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, 2022	\$ 2,957,267	887,958	3,845,225
Purchases	-	4,565	4,565
Effect of changes in foreign exchange rates	14,325	21,045	35,370
Balance at December 31, 2022	<u>\$ 2,971,592</u>	<u>913,568</u>	<u>3,885,160</u>
Balance at January 1, 2021	\$ 2,959,343	845,576	3,804,919
Purchases	-	45,332	45,332
Effect of changes in foreign exchange rates	(2,076)	(2,950)	(5,026)
Balance at December 31, 2021	<u>\$ 2,957,267</u>	<u>887,958</u>	<u>3,845,225</u>
Depreciation and impairment losses:			
Balance at January 1, 2022	\$ -	65,431	65,431
Depreciation	-	36,099	36,099
Effect of changes in foreign exchange rates	-	2,473	2,473
Balance at December 31, 2022	<u>\$ -</u>	<u>104,003</u>	<u>104,003</u>
Balance at January 1, 2021	\$ -	34,166	34,166
Depreciation	-	31,543	31,543
Effect of changes in foreign exchange rate	-	(278)	(278)
Balance at December 31, 2021	<u>\$ -</u>	<u>65,431</u>	<u>65,431</u>
Carrying amount:			
Balance at December 31, 2022	<u>\$ 2,971,592</u>	<u>809,565</u>	<u>3,781,157</u>
Balance at January 1, 2021	<u>\$ 2,959,343</u>	<u>811,410</u>	<u>3,770,753</u>
Balance at December 31, 2021	<u>\$ 2,957,267</u>	<u>822,527</u>	<u>3,779,794</u>
Fair value:			
Balance at December 31, 2022		\$	<u>4,436,925</u>
Balance at December 31, 2021		\$	<u>4,348,772</u>

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The fair value of investment properties in America at December 31, 2022 and 2021, 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 value 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, 2022 and 2021 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 inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3.

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 ranges of yields applied to the net annual rentals used to determine the fair value of properties in the year of 2022 and 2021 were as follows:

Location	2022	2021
America	6.5%~7.25%	6%~6.5%
Taiwan	1.73%~2.22%	1.58%~2.18%

The investment properties are commercial real estates which were bought for operation planning in Taiwan and America in 2020, 2019, and 2017. That property has been currently leasing out for rental income, and no contingent rents are charged. The rent revenue is \$71,612 thousand and \$65,733 thousand for the year 2022 and 2021, respectively.

The details of investment property that has been pledged as collateral for long-term borrowings and financing lines on December 31, 2022, please refer to note (8).

(m) Intangible assets

The costs of intangible assets, amortization, and impairment loss of the Group in 2022 and 2021 were as follows:

	Computer software	Trademarks	Total
Costs:			
Balance at January 1, 2022	\$ 161,886	4,043	165,929
Additions	16,169	-	16,169
Disposals	(32,236)	(17)	(32,253)
Effect of movement in exchange rates	420	-	420
Balance at December 31, 2022	<u>\$ 146,239</u>	<u>4,026</u>	<u>150,265</u>

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	Computer software	Trademarks	Total
Balance at January 1, 2021	\$ 158,530	4,057	162,587
Additions	49,774	68	49,842
Reclassification	580	-	580
Disposals	(46,390)	(82)	(46,472)
Effect of movement in exchange rates	(608)	-	(608)
Balance at December 31, 2021	<u>\$ 161,886</u>	<u>4,043</u>	<u>165,929</u>
Amortization and impairment loss:			
Balance at January 1, 2022	\$ 88,352	1,769	90,121
Amortization for the year	51,286	403	51,689
Disposals	(32,235)	(18)	(32,253)
Effect of movement in exchange rates	357	-	357
Balance at December 31, 2022	<u>\$ 107,760</u>	<u>2,154</u>	<u>109,914</u>
Balance at January 1, 2021	\$ 79,306	1,424	80,730
Amortization for the year	55,975	427	56,402
Disposals	(46,390)	(82)	(46,472)
Effect of movement in exchange rates	(539)	-	(539)
Balance at December 31, 2021	<u>\$ 88,352</u>	<u>1,769</u>	<u>90,121</u>
Carrying amounts:			
Balance at December 31, 2022	<u>\$ 38,479</u>	<u>1,872</u>	<u>40,351</u>
Balance at December 31, 2021	<u>\$ 73,534</u>	<u>2,274</u>	<u>75,808</u>
Balance at January 1, 2021	<u>\$ 79,224</u>	<u>2,633</u>	<u>81,857</u>

1. Recognition of amortization and impairment

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

	2022	2021
Operating costs	<u>\$ 34,385</u>	<u>27,764</u>
Operating expense	<u>\$ 17,304</u>	<u>28,638</u>

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(n) Short-term borrowings

The borrowings were summarized as follows:

	2022.12.31	2021.12.31
Unsecured bank loans	\$ -	30,000
Unused short-term credit lines	\$ 5,945,048	4,903,206
Range of interest rates	-	1.26%~1.40%

1. Issuance and repayment of short-term borrowings

For the years ended December 31, 2022 and 2021, the proceeds from short-term borrowings amounted to \$2,540,000 thousand and \$1,330,000 thousand, respectively, and the repayments amounted to \$2,570,000 thousand and \$1,350,000 thousand, respectively.

2. Collateral for bank loan

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

(o) Long-term borrowings

The borrowings were summarized as follows:

	Expiration date	2022.12.31	2021.12.31
Unsecured bank loans — USD	2024/02/11	\$ 276,525	466,678
Unsecured bank loans — TWD	2024/01/27 ~ 2025/09/19	8,500,000	500,000
Secured bank loans — USD	2023/04/12-2029/09/26	23,886,376	15,256,743
Secured bank loans — TWD	2040/10/08 ~ 2042/06/24	4,156,741	3,013,000
Secured bank loans — JPY	2033/04/28	5,932,224	6,675,905
Commercial paper	2025/01/14-2026/03/27	4,500,000	4,810,000
Less: Discount on commercial paper		(2,089)	(948)
Current portion		(6,491,887)	(4,425,040)
Total		\$ 40,757,890	26,296,338
Unused long-term credit lines		\$ 17,326,438	25,130,760
Range of interest rates		0.28%~5.95%	0.20%~1.11%

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

1. Issuance and repayment of long-term borrowings

For the years ended December 31, 2022 and 2021, the proceeds from long-term borrowings amounted to \$26,278,985 thousand and \$18,267,783 thousand, respectively, and the repayment amounted to \$11,737,095 thousand and \$6,307,447 thousand, respectively.

2. Collateral for long-term borrowings

For the collateral for long-term borrowings, please refer to note 8. The Group applied for credit lines from banks, but had not pledged any asset as collateral, and the assets will be pledged as collateral at the time of drawdown. As of December 31, 2022, the unused long-term credit lines are \$2,066,688 thousand.

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3. Financial ratio covenant

A subsidiary, Wan Hai Lines (Singapore) Pte Ltd., entered into loan 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.

(p) Bonds payable

2022.12.31				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bond-2019 first domestic bond issue	TWD	1.05%	2024/06/18	\$ 3,300,000
Unsecured bond-2019 second domestic bond issue	TWD	0.97%~1.07%	2024/10/07-2026/10/07	3,200,000
Unsecured bond-2020 first domestic bond issue	TWD	0.97%	2025/10/23	2,500,000
Total				<u>\$ 9,000,000</u>
Current				\$ -
Non-current				<u>9,000,000</u>
Total				<u>\$ 9,000,000</u>

2021.12.31				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bond—2017 first domestic bond issue	TWD	1.55%	2022/06/26	\$ 2,100,000
Unsecured bond—2019 first domestic bond issue	TWD	0.95%~1.05%	2022/06/18-2024/06/18	4,800,000
Unsecured bond—2019 second domestic bond issue	TWD	0.97%~1.07%	2024/10/07-2026/10/07	3,200,000
Unsecured bond-2020 first domestic bond issue	TWD	0.97%	2025/10/23	2,500,000
Total				<u>\$ 12,600,000</u>
Current				\$ 3,600,000
Non-current				<u>9,000,000</u>
Total				<u>\$ 12,600,000</u>

1. 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.

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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.

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.

2. 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.

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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.

3. 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.

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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.

4. Unsecured bond-2020 first domestic bond issue

The Company issued an unsecured corporate bond in October 2020. 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.

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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.

(q) Lease liabilities

The amounts of lease liabilities were as follows:

	2022.12.31	2021.12.31
Current	\$ 9,595,321	9,367,151
Non-current	\$ 8,811,049	8,899,803

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

As of December 31, 2022 and 2021, the Group's lease liabilities recognized as current financial liabilities for hedging were \$628,486 thousand and \$985,592 thousand; non-current financial liabilities for hedging were \$1,370,731 thousand and \$2,576,487 thousand; current lease liabilities were \$8,966,835 thousand and \$8,381,559 thousand; non-current lease liabilities were \$7,440,318 thousand and \$6,323,316 thousand, respectively.

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The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	\$ <u>509,964</u>	<u>333,534</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>9,775</u>	<u>12,287</u>
Expenses relating to short-term leases	\$ <u>4,000,367</u>	<u>4,712,746</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>509,649</u>	<u>580,484</u>

The amounts recognized in statement of cash flow were as follows:

	2022	2021
Total cash outflow for leases	\$ <u>17,901,987</u>	<u>12,978,167</u>

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 1 to 20 years, and of containers for 1 to 11 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 18 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 other 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, usually for a period of 1 to 4.5 years. Some lease payments are subject to market prices and exchange rate fluctuations, others are typically short-term. 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 machinery or equipment for its operating needs, usually for a period of 1 to 10 years. Some leases are typically short-term or low-value assets that the Group has decided to apply recognition exemptions, and not to recognize right-of-use assets and lease liabilities.

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(r) Employee benefits

1. Defined benefit plans

The reconciliation of the Group's present value of defined benefit obligation and fair value of plan assets was as follows:

	2022.12.31	2021.12.31
Present value of defined benefit obligation	\$ 1,260,813	1,414,464
Fair value of plan assets	(855,422)	(776,085)
Recognized liabilities for defined benefit obligations	<u><u>\$ 405,391</u></u>	<u><u>638,379</u></u>

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 \$855,422 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:

	2022	2021
Defined benefit obligation at January 1	\$ 1,414,464	1,399,646
Current service costs and interest cost	59,548	59,944
Remeasurement on the net defined benefit liability		
— Actuarial loss (gain) arising from changes in financial assumptions	(129,973)	18,917
Benefit paid	(83,226)	(64,043)
Defined benefit obligation at December 31	<u><u>\$ 1,260,813</u></u>	<u><u>1,414,464</u></u>

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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:

	2022	2021
Fair value of plan assets at January 1	\$ 776,085	711,871
Interest income	4,089	3,828
Remeasurement on the net defined benefit liability		
— Return on plan assets (excluding current interest)	59,171	8,594
Contribution paid by employer	65,954	65,368
Benefit paid	(49,877)	(13,576)
Fair value of plan assets at December 31	<u><u>\$ 855,422</u></u>	<u><u>776,085</u></u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company was as follows:

	2022	2021
Current service costs	\$ 52,553	52,899
Net interest of net liabilities (assets) for defined benefit obligation	2,906	3,217
	<u><u>\$ 55,459</u></u>	<u><u>56,116</u></u>
Operating costs	\$ 54,141	53,216
Operating expenses	1,318	2,900
	<u><u>\$ 55,459</u></u>	<u><u>56,116</u></u>

5) Actuarial assumptions

The following are the Group's principal actuarial assumptions:

	2022	2021
Discount rate	1.48 %	0.51 %
Future salary increase rate	3.00 %	3.00 %

The Group will pay to the defined benefit plans which amounted to \$66,428 thousand within 1 year after the report day of 2022.

The weighted-average lifetime of the defined plans is 2~17 years.

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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, 2022		
Discount rate	\$ (54,656)	58,778
Future salary increasing rate	51,468	(48,495)
December 31, 2021		
Discount rate	(65,883)	67,178
Future salary increasing rate	58,277	(58,418)

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 2022 and 2021.

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 \$67,180 thousand and \$60,645 thousand for the years ended December 31, 2022 and 2021, respectively.

The foreign Group's pension cost under the local law were \$63,698 thousand and \$57,752 thousand for the years ended December 31, 2022 and 2021.

(s) Income taxes

1. Income tax expense

The amount of income tax was as follows:

	2022	2021
Current income tax expense:		
Current period	\$ 19,253,120	10,941,220
Adjustment for prior periods	44,211	53,168
	<u>19,297,331</u>	<u>10,994,388</u>
Deferred tax expense (benefit):		
Origination and reversal of temporary differences	11,553,167	14,783,124
Income tax expense	<u>\$ 30,850,498</u>	<u>25,777,512</u>

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For the years ended December 31, 2022 and 2021, no income taxes were recognized in equity and other comprehensive income.

The amount of income tax recognized in other comprehensive income for 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	\$ <u>26,984</u>	<u>(6,622)</u>
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	\$ <u>14,547</u>	<u>(387)</u>

The reconciliation of income tax and profit before tax for 2022 and 2021 was as follows:

	<u>2022</u>	<u>2021</u>
Profit excluding income tax	\$ <u>123,979,379</u>	<u>129,194,740</u>
Income tax using the Company's domestic tax rate	\$ 39,425,178	38,772,148
Change in tax rate	(2,181)	376
Permanent difference	2,965,116	46,964
Tax-exempt income	(14,261,661)	(13,084,673)
Tax incentive	3,354	(11,060)
Recognition of previously unrecognized tax losses	(255)	(235)
Current-year losses for which unrecognized deferred tax asset was recognized	1,968	-
Change in unrecognized temporary difference	1,955	1,469
Under (Over) provision in prior periods	44,129	53,282
Additional tax on undistributed earnings Others	2,672,224	-
Others	<u>671</u>	<u>(759)</u>
Total	\$ <u>30,850,498</u>	<u>25,777,512</u>

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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 2022 and 2021 were as follows:

	Investment (loss) gain under the equity method	Deferred depreciation expense	Others	Total
Deferred Tax Liabilities:				
Balance at January 1, 2022	\$ 17,770,922	1,292,907	1,947	19,065,776
Debit (Credit) Income statement	10,440,064	339,711	626,378	11,406,153
Foreign currency translation difference for foreign operations	-	1,588	139	1,727
Balance at December 31, 2022	<u>\$ 28,210,986</u>	<u>1,634,206</u>	<u>628,464</u>	<u>30,473,656</u>
Balance at January 1, 2021	\$ 3,118,490	1,036,180	2,656	4,157,326
Debit (Credit) Income statement	14,652,432	257,407	(914)	14,908,925
Foreign currency translation difference for foreign operations	-	(680)	205	(475)
Balance at December 31, 2021	<u>\$ 17,770,922</u>	<u>1,292,907</u>	<u>1,947</u>	<u>19,065,776</u>
	Defined Benefit Plans	Loss Carryforward	Others	Total
Deferred Tax Assets:				
Balance at January 1, 2022	\$ 65,822	-	188,217	254,039
(Debit) Credit Income statement	(12,928)	-	(134,086)	(147,014)
(Debit) Credit Other Comprehensive Income	(26,984)	-	(14,547)	(41,531)
Foreign currency translation difference for foreign operations	544	-	735	1,279
Balance at December 31, 2022	<u>\$ 26,454</u>	<u>-</u>	<u>40,319</u>	<u>66,773</u>
Balance at January 1, 2021	\$ 74,263	303,284	49,022	426,569
(Debit) Credit Income statement	(13,405)	(303,284)	139,205	(177,484)
(Debit) Credit Other Comprehensive Income	6,222	-	387	6,609
Foreign currency translation difference for foreign operations	(1,258)	-	(397)	(1,655)
Balance at December 31, 2021	<u>\$ 65,822</u>	<u>-</u>	<u>188,217</u>	<u>254,039</u>

3. Examination and Approval

The Company's income tax returns through 2020 were examined and approved by the tax authority.

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(t) Capital and other equity

As of December 31, 2022 and 2021, the Company's authorized capital consisted both of 3,600,000 thousand shares, amounting to \$36,000,000 thousand and \$36,000,000 thousand, with par value of \$10 (New Taiwan dollars) per share. All of the issued shares were ordinary shares, consisting of 2,806,146 thousand shares and 2,440,127 thousand shares, respectively, and the funds had been received.

The Company for the years ended December 31, 2022 and 2021 Reconciliation of outstanding shares:

(in thousands)	Ordinary shares	
	2022	2021
Balance at January 1, 2022	2,440,127	2,218,297
Share dividends	366,019	221,830
Balance at December 31, 2022	2,806,146	2,440,127

1. Issuance of ordinary shares

A resolution was passed during the general meeting of the shareholders held on May 26, 2022, for the issuance of 366,019 thousand new shares with unappropriated retained earnings of \$3,660,191 thousand. The Company has received approval from the Financial Supervisory Commission on June 30, 2022, for this capital increase, with July 26, 2022, as the base date of the capital increase. The relevant statutory registration procedures have been completed.

A resolution was passed during the general meeting of the shareholders held on July 20, 2021, for the issuance of 221,830 thousand new shares with unappropriated retained earnings of \$2,218,298 thousand. The Company has received approval from the Financial Supervisory Commission on August 5, 2021, for this capital increase, with September 13, 2021, as the base date of the capital increase. The relevant statutory registration procedures have been completed.

2. Capital surplus

The balance of capital surplus was as follows:

	2022.12.31	2021.12.31
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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3. 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 is still a remaining balance, the Group shall allocate upward of 10% of it, and is allowed to combine with the beginning unappropriated retained earnings, through the Board of Directors to take the Group's capital needs, capital budgets and other factors into account, and also to give consideration to the interests of shareholders and the Group's long-term financial planning, submits the dividend and bonus distribution proposal to be approved by shareholders' meeting, then the amount will be distributed.

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

By appropriating the distributable earnings, the Group will record the net deduction of other shareholders' equity in the current year and recognize an equivalent amount of special reserve from the after tax net profit in the period, plus items other than the after tax net profit in the period that are included in the undistributed current period earning and the undistributed prior period earnings. When distributing the 2021 and 2020 annual earning in 2022 and 2021, respectively, the items other than the income after-tax of the current period shall be added to the income after-tax of the current period and included in the undistributed amount of the current period. The amount of the appropriated earnings and the unappropriated earnings of the previous period shall be added to the special reserve. For the deduction amount of other shareholders' equity accumulated in the previous period, the special reserve shall not be distributed from the undistributed surplus in the previous period. If there is a subsequent reversal in the amount of the deduction of other shareholders' equity, the earnings may be appropriated according to the reversal.

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3) Earnings distribution

The earnings distribution for 2021 and 2020 was decided by the general meeting of shareholders held on May 26, 2022 and July 20, 2021, respectively. The relevant dividend distribution to shareholders was as follows:

	2021		2020	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 10.50	25,621,336	1.00	2,218,298
Shares	1.50	3,660,191	1.00	2,218,298
Total	\$	<u>29,281,527</u>		<u>4,436,596</u>

4. Other equity (net after 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, 2022	\$ (4,617,000)	445,677	183,828	297,414
Net profit (loss)	-	-	-	56,784
Foreign currency translation differences	14,253,366	-	-	11,175
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(274,625)	-	-
Gains (losses) from changes in the fair value of the hedging instrument:				
-Exchange rate risk for anticipated transactions	-	-	(198,261)	-
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	-	-	(47,340)	-
Cash dividends from subsidiaries paid to non-controlling interest	-	-	-	(7,749)
Subsidiaries buy back non-controlling interest	-	-	-	10,508
Balance at December 31, 2022	<u>\$ 9,636,366</u>	<u>171,052</u>	<u>(61,773)</u>	<u>368,132</u>
Balance at January 1, 2021	\$ (3,465,395)	75,448	150,344	269,933
Net profit (loss)	-	-	-	74,320
Foreign currency translation differences	(1,151,605)	-	-	(17,984)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	370,229	-	-
Gains (losses) from changes in the fair value of the hedging instrument:				
-Exchange rate risk for anticipated transactions	-	-	189,105	-
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	-	-	(155,621)	-
Cash dividends from subsidiaries paid to non-controlling interest	-	-	-	(20,133)
Subsidiaries buy back non-controlling interest	-	-	-	(8,722)
Balance at December 31, 2021	<u>\$ (4,617,000)</u>	<u>445,677</u>	<u>183,828</u>	<u>297,414</u>

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(u) Earnings per share

The calculation of basic earnings per share and diluted earnings per share were as follows:

	2022	2021
Basic earnings per share		
Profit attributable to common shareholders	\$ 93,072,097	103,342,908
Weighted-average number of common shares (retrospective adjustments)	2,806,146	2,806,146
Basic earnings per share (In Dollars of New Taiwan Dollars)	\$ 33.17	36.83
Diluted earnings per share		
Profit attributable to common shareholders (adjusted for the effects of all dilutive potential common shares)	\$ 93,072,097	103,342,908
Weighted-average number of common shares (Basic) (retrospective adjustments)	2,806,146	2,806,146
Effects of employee stock compensation	10,163	4,560
Weighted average number of common shares (adjusted for the effects of all dilutive potential common shares)	2,816,309	2,810,706
Diluted earnings per share (In Dollars of New Taiwan Dollars)	\$ 33.05	36.77

(v) Revenue from contracts with customers

1. Disaggregation of revenue

	2022	2021
Primary geographical markets:		
Asia	\$ 76,002,756	64,525,543
the Middle East, India, Red Sea	37,755,372	37,506,897
United States, South America	145,195,043	125,973,013
	\$ 258,953,171	228,005,453
Main service line:		
Freight	\$ 254,476,947	222,069,998
Rentals	1,959,101	2,850,337
WHL terminal	852,764	851,229
Other service	1,664,359	2,233,889
	\$ 258,953,171	228,005,453

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2.Contract balances

	2022.12.31	2021.12.31	2021.1.1
Notes receivable	\$ 42,478	72,604	52,358
Accounts receivable	4,838,838	7,358,681	3,589,704
Less: allowance for doubtful receivables	(1,683)	(1,683)	(358)
Total	<u>\$ 4,879,633</u>	<u>7,429,602</u>	<u>3,641,704</u>
Contract assets	<u>\$ 1,983,098</u>	<u>7,835,522</u>	<u>1,530,849</u>
Contract liabilities (recognized as other current liabilities)	<u>\$ 625,808</u>	<u>305,976</u>	<u>241,658</u>

For details on accounts receivable and allowance for impairment, please refer to note 6(f).

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.

(w) Remuneration of employees and directors

According to the Group's Articles, once the Group has annual profit, it should appropriate no less than 0.6% of the profit to its employees and no higher than 1% to its directors as remuneration. However, if the Group has accumulated deficits, the profit should be reversed to offset the deficit.

For the years ended December 31, 2022 and 2021, the Group estimated its employee remuneration amounting to \$744,674 thousand and \$777,558 thousand, respectively, and the estimated amount of the remunerations to directors' were \$124,122 thousand and \$129,593 thousand, respectively. 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 2022 and 2021. Related information would be available at the Market Observation Post System website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2022 and 2021.

(x) Other gain and losses

	2022	2021
Gains on disposals of property and equipment	<u>\$ 105,731</u>	<u>240,440</u>

(y) Non-operating income and expenses

1. Interest income

The details of interest income were as follows:

	2022	2021
Interest income from bank deposits	\$ 2,350,060	82,302
Other interest income	311	13
	<u>\$ 2,350,371</u>	<u>82,315</u>

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2. Other revenue

The details of other revenue were as follows:

	2022	2021
Dividend revenue	\$ 402,107	319,224
Other revenue	1,462	1,497
	<u>\$ 403,569</u>	<u>320,721</u>

3. Other gains and losses

The details of other gains and losses for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Foreign exchange gains	\$ 4,908,819	47,137
Gain (loss) on financial assets at fair value through profit or loss	(687,672)	1,274,831
Other gains	252,123	89,220
	<u>\$ 4,473,270</u>	<u>1,411,188</u>

4. Finance costs

The details of finance costs for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Interest expense:		
Bank loans	\$ 825,305	208,905
Bonds payable	114,003	167,808
Commercial paper	42,758	19,667
Lease liabilities	509,964	333,534
	<u>\$ 1,492,030</u>	<u>729,914</u>

(z) 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(f). Other financial assets at amortized cost includes other receivables, receivables from agents and time deposits etc.

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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, 2021. There are no significant expected losses on other receivables and the financial assets at amortized cost by assessment.

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, 2022							
Non-derivative financial liabilities							
Secured bank loans	\$ 33,975,341	38,384,665	3,393,713	3,886,461	7,932,330	15,360,661	7,811,500
Unsecured bank loans	8,776,525	9,038,992	160,953	408,527	4,684,723	3,784,789	-
Commercial paper	4,497,911	4,611,762	19,499	21,674	43,348	4,527,241	-
Account payables (including related parties)	12,269,193	12,269,193	12,269,193	-	-	-	-
Other payables	5,028,694	5,028,694	5,028,694	-	-	-	-
Payables to agents	87,802	87,802	87,802	-	-	-	-
Bonds payable	9,000,000	9,250,930	34,650	57,290	4,591,940	4,567,050	-
Lease liabilities (partial recognized as financial liabilities for hedging)	18,406,370	19,240,436	6,140,036	3,569,620	5,057,994	3,203,728	1,269,058
Guarantee deposits received (recognized as other current liabilities and non-current guarantee deposits received)	1,414,942	1,414,942	1,414,942	-	-	-	-
	<u>\$ 93,456,778</u>	<u>99,327,416</u>	<u>28,549,482</u>	<u>7,943,572</u>	<u>22,310,335</u>	<u>31,443,469</u>	<u>9,080,558</u>
December 31, 2021							
Non-derivative financial liabilities							
Short-term borrowings	\$ 30,000	30,033	30,033	-	-	-	-
Secured bank loans	24,945,648	26,153,072	2,132,843	2,320,268	4,735,045	9,644,826	7,320,090
Unsecured bank loans	966,678	979,783	112,259	111,884	168,974	586,666	-
Commercial paper	4,809,052	4,871,205	11,017	12,068	2,831,964	2,016,156	-
Account payables (including related parties)	11,378,608	11,378,608	11,378,608	-	-	-	-
Other payables	5,973,102	5,973,102	5,973,102	-	-	-	-
Payables to agents	138,137	138,137	138,137	-	-	-	-
Bonds payable	12,600,000	12,989,670	3,681,450	57,290	91,940	9,158,990	-
Lease liabilities (partial recognized as financial liabilities for hedging)	18,266,954	18,942,441	5,367,143	4,088,601	4,575,240	3,291,594	1,619,863
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	1,233,524	1,233,524	1,233,524	-	-	-	-
	<u>\$ 80,341,703</u>	<u>82,689,575</u>	<u>30,058,116</u>	<u>6,590,111</u>	<u>12,403,163</u>	<u>24,698,232</u>	<u>8,939,953</u>

The Group did 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:

Functional currency	Exchange rate	Foreign currency	2022.12.31	
			Foreign currency (in thousands)	Carrying amount (in thousands of TWD)
<u>Financial assets</u>				
<u>Monetary items</u>				
TWD	30.73	USD	\$ 2,520,017	77,427,511
CNY	6.95	USD	34,941	1,073,557
HKD	7.80	USD	23,833	732,274
VND	23,590	USD	7,978	245,125
TWD	0.23	JPY	11,732,449	2,727,806
USD	0.01	JPY	10,429,888	2,424,959
TWD	4.42	CNY	493,979	2,182,621
HKD	1.12	CNY	280,660	1,240,082
TWD	0.89	THB	328,548	292,259
TWD	6.97	MYR	30,189	210,334
<u>Non-monetary items</u>				
USD	0.00004	VND	532,385,000	693,410
<u>Financial liabilities</u>				
<u>Monetary items</u>				
TWD	30.73	USD	669,118	20,558,640
CNY	6.95	USD	16,606	510,226
TWD	0.23	JPY	7,326,243	1,703,358
USD	0.01	JPY	25,514,737	5,932,200
TWD	4.42	CNY	161,563	713,857
HKD	1.12	CNY	280,290	1,238,445
TWD	3.94	HKD	188,728	743,677
TWD	0.89	THB	459,489	408,737

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Functional currency	Exchange rate	Foreign currency	2021.12.31	
			Foreign currency (in thousands)	Carrying amount (in thoudands of TWD)
<u>Financial assets</u>				
<u>Monetary items</u>				
TWD	27.66	USD	\$ 1,505,896	41,645,553
HKD	7.80	USD	201,084	5,560,968
VND	22,805	USD	17,988	497,453
SGD	1.35	USD	8,927	246,863
PEN	3.99	USD	8,094	223,836
TWD	0.24	JPY	25,308,389	6,079,245
USD	0.01	JPY	15,568,665	3,739,698
TWD	4.34	CNY	786,915	3,416,079
HKD	1.22	CNY	746,304	3,239,784
TWD	3.55	HKD	140,581	498,520
<u>Non-monetary items</u>				
USD	0.00004	VND	588,637,000	713,824
<u>Financial liabilities</u>				
<u>Monetary items</u>				
TWD	27.66	USD	872,945	24,141,298
HKD	7.80	USD	35,875	992,123
TWD	0.24	JPY	7,706,100	1,851,057
USD	0.01	JPY	27,792,331	6,675,905
TWD	4.34	CNY	149,891	650,690
HKD	1.22	CNY	1,129,844	4,904,771
TWD	3.55	HKD	240,656	853,403
TWD	0.83	THB	573,914	475,625
TWD	0.37	INR	1,131,322	419,843

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, 2022 and 2021, would have increased (decreased) the net profit before tax by \$587,023 thousand and \$321,277 thousand, respectively; the cash flow hedge would have increased (decreased) the equity by \$19,992 thousand and \$35,621 thousand, respectively. This analysis assumes that all other variables remain constant, and is performed on the same basis for the years ended December 31, 2022 and 2021.

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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, 2022 and 2021, foreign exchange gains (including realized and unrealized portions) amounted to \$4,908,819 thousand and \$47,137 thousand, respectively.

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 \$378,196 thousand and \$201,764 thousand, respectively, for the years ended December 31, 2022 and 2021 with all other variable factors remaining constant. This is mainly due to the Group's borrowings at variable rates.

5. Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the comprehensive income as illustrated below:

	For the years ended December 31,			
	2022		2021	
	Other comprehensive income after tax	Net income (loss)	Other comprehensive income after tax	Net income (loss)
Prices of securities at the reporting date				
Increasing 1%	\$ 43,131	51,154	45,314	50,089
Decreasing 1%	(43,131)	(51,154)	(45,314)	(50,089)

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, 2022				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
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	\$ 6,382,530	6,382,530	-	-	6,382,530
Non-derivative financial assets mandatorily measured at fair value through profit or loss — domestic emerging stocks	11,690	11,690	-	-	11,690
Subtotal	<u>6,394,220</u>	<u>6,394,220</u>	<u>-</u>	<u>-</u>	<u>6,394,220</u>
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	3,630,772	3,630,772	-	-	3,630,772
Foreign listed stocks	682,312	682,312	-	-	682,312
Unquoted equity instrument measured at fair value	565,589	-	-	565,589	565,589
Subtotal	<u>4,878,673</u>	<u>4,313,084</u>	<u>-</u>	<u>565,589</u>	<u>4,878,673</u>
Financial assets at amortized cost					
Cash and cash equivalents	171,752,195	-	-	-	-
Current financial assets at amortized cost	70,790	-	-	-	-
Notes receivable	42,478	-	-	-	-
Accounts receivable	4,837,155	-	-	-	-
Other receivables	1,252,991	-	-	-	-
Receivables from agents	1,468,239	-	-	-	-
Guarantee deposits paid (recognized as other current assets and other non-current assets)	370,615	-	-	-	-
Subtotal	<u>179,794,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 191,067,356</u>	<u>10,707,304</u>	<u>-</u>	<u>565,589</u>	<u>11,272,893</u>

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		December 31, 2022				
		Book value	Fair value			
			Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost						
Accounts payable	\$	12,269,193	-	-	-	-
Other payables		5,028,694	-	-	-	-
Lease liabilities (including financial liabilities for hedging)		18,406,370	-	-	-	-
Payables to agents		87,802	-	-	-	-
Bonds payable (including current portion)		9,000,000	-	-	-	-
Long-term borrowings (including current portion)		47,249,777	-	-	-	-
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)		1,414,942	-	-	-	-
Total	\$	93,456,778	-	-	-	-
		December 31, 2021				
		Book value	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss						
Non-derivative financial assets mandatorily measured at fair value through profit or loss—domestic listed stocks	\$	6,249,968	6,249,968	-	-	6,249,968
Non-derivative financial assets mandatorily measured at fair value through profit or loss—domestic emerging stocks		11,108	11,108	-	-	11,108
Subtotal		6,261,076	6,261,076	-	-	6,261,076
Financial assets at fair value through other comprehensive income						
Domestic listed stocks		3,812,966	3,812,966	-	-	3,812,966
Foreign listed stocks		718,420	718,420	-	-	718,420
Unquoted equity instrument measured at fair value		479,305	-	-	479,305	479,305
Subtotal		5,010,691	4,531,386	-	479,305	5,010,691

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	December 31, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at amortized cost					
Cash and cash equivalents	\$ 103,001,818	-	-	-	-
Financial assets at amortized cost-current	63,717	-	-	-	-
Notes receivable	72,604	-	-	-	-
Accounts receivable	7,356,998	-	-	-	-
Other receivables	1,026,753	-	-	-	-
Receivable from agents	1,873,574	-	-	-	-
Guarantee deposits paid (recognized as other current assets and other non-current assets)	225,209	-	-	-	-
Subtotal	113,620,673	-	-	-	-
Total	<u>\$ 124,892,440</u>	<u>10,792,462</u>	<u>-</u>	<u>479,305</u>	<u>11,271,767</u>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 30,000	-	-	-	-
Accounts payable	11,378,608	-	-	-	-
Other payables	5,973,102	-	-	-	-
Lease liabilities (including financial liabilities for hedging)	18,266,954	-	-	-	-
Payable to agents	138,137	-	-	-	-
Bonds payable (including current portion)	12,600,000	-	-	-	-
Long-term borrowings (including current portion)	30,721,378	-	-	-	-
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	1,233,524	-	-	-	-
Total	<u>\$ 80,341,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 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.

3) For the years ended December 31, 2022 and 2021, there were no transferring of fair value hierarchy.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	<u>Unquoted equity instruments</u>
Opening balance, January 1, 2022	\$ 479,305
Total gains and losses recognized:	
In other comprehensive income	86,284
Ending balance, December 31, 2022	<u><u>\$ 565,589</u></u>
Opening balance, January 1, 2021	\$ 450,120
Total gains and losses recognized:	
In other comprehensive income	29,185
Ending balance, December 31, 2021	<u><u>\$ 479,305</u></u>

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For the years ended December 31, 2022 and 2021, 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:

	<u>2022</u>	<u>2021</u>
Total gains and losses recognized:		
In other comprehensive income, and presented in “unrealized gains or losses from financial assets at fair value through other comprehensive income”	\$ 86,284	29,185

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 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.

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income – Unlisted equity investments	Comparable trading company method	· Liquidity-adjusted discount rate (28% on December 31, 2022 and 2021) · Price-to-book ratio (0.77 and 0.70 on December 31, 2022 and 2021, respectively) · EBITDA multiplier (8.22 and 10.30 on December 31, 2022 and 2021, 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.

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For fair value measurements in Level 3, changing one or more of the variables would have the following effects:

	Input	Positive and negative changes	Other comprehensive income	
			Favorable	Unfavorable
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Unlisted equity investment	Discount rate	1%	\$ 7,855	(7,855)
Unlisted equity investment	Price-to-book ratio multiplier	1%	5,557	(5,557)
Unlisted equity investment	EBITDA multiplier	1%	104	(104)
			<u>\$ 13,516</u>	<u>(13,516)</u>
December 31, 2021				
Financial assets at fair value through other comprehensive income				
Unlisted equity investment	Discount rate	1%	\$ 6,657	(6,657)
Unlisted equity investment	Price-to-book ratio multiplier	1%	4,671	(4,671)
Unlisted equity investment	EBITDA multiplier	1%	124	(124)
			<u>\$ 11,452</u>	<u>(11,452)</u>

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.

(aa) 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 risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

2. Risk management framework

The Company's "Policy and Procedures for Risk Management" (hereinafter referred to as the "Policy and Procedures") have been established by the Audit Committee and the Board of Directors in May 2021, and serve as the highest guiding principles and procedures for the Company's risk management. The Policies and Procedures clearly define the Company's management goals, organizational structure and responsibilities, and management procedures to effectively identify, measure, and control all various risks of the Company. In this way, the Company may contain the risks incurred from business operation in an acceptable range, to ensure the continuity of operation and protect the rights and interests of stakeholders.

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In accordance with the Policy and Procedures, each department had established a risk management team in 2021, which is led by the respective department head, to be responsible for the risk management implementation in daily operations. The Strategy Research Unit (SRU) of the President Office will coordinate and review the suitability and adequacy of the risk management implemented by each team. The SRU is also responsible for submitting a risk management report to the Audit Committee and the Board of Directors annually.

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 an 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 \$23,271,486 thousand and \$30,033,966 thousand, as of December 31, 2022 and 2021.

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.

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 32.77% 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.

(ab) 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:

	2022.12.31	2021.12.31
Total liabilities	\$ 139,132,224	113,108,385
Less: Cash and cash equivalents	<u>(171,752,195)</u>	<u>(103,001,818)</u>
Net debt	<u>\$ (32,619,971)</u>	<u>10,106,567</u>
Total equity	\$ 225,971,074	144,572,440
Less: Hedging reserve	<u>61,773</u>	<u>(183,828)</u>
Adjusted equity	<u>\$ 226,032,847</u>	<u>144,388,612</u>
Debt-to-equity ratio	<u>(14.43)%</u>	<u>7.00 %</u>

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(ac) 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, 2022 and 2021 were as follows:

1. Acquired right-of-use assets through leasing, please refer to notes (6)(k).

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	2022.1.1	Cash flows	Others	Foreign exchange movement	2022.12.31
Long-term borrowings	\$ 30,721,378	14,540,749	-	1,987,650	47,249,777
Short-term borrowings	30,000	(30,000)	-	-	-
Bonds payable	12,600,000	(3,600,000)	-	-	9,000,000
Lease liabilities (partial recognized as financial liabilities for hedging)	18,266,954	(12,872,232)	13,011,648	-	18,406,370
Total liabilities from financing activities	<u>\$ 61,618,332</u>	<u>(1,961,483)</u>	<u>13,011,648</u>	<u>1,987,650</u>	<u>74,656,147</u>

			Non-cash changes		
	2021.1.1	Cash flows	Others	Foreign exchange movement	2021.12.31
Long-term borrowings	\$ 19,430,526	11,959,527	-	(668,675)	30,721,378
Short-term borrowings	50,000	(20,000)	-	-	30,000
Bonds payable	16,400,000	(3,800,000)	-	-	12,600,000
Lease liabilities (partial recognized as financial liabilities for hedging)	7,731,745	(7,339,116)	17,874,325	-	18,266,954
Total liabilities from financing activities	<u>\$ 43,612,271</u>	<u>800,411</u>	<u>17,874,325</u>	<u>(668,675)</u>	<u>61,618,332</u>

(7) Related-Party Transactions

(a) Names and relationship with related parties

Name of related party	Relationship with the Company
ALPHA TOTAL SOLUTION PTE. LTD.	Subsidiary of APLI
HAI PHONG INTERNATIONAL CONTAINER TERMINAL COMPANY LTD. (HAI PHONG)	An associate
Hyaline Shipping (HK) Co., Ltd. (Hyaline)	Same director with the Group
INTERASIA LINES (M) SDN. BHD.(IAL (M))	Related party in substance
INTERASIA LINES SINGAPORE PTE. LTD. (IAL (S))	Related party in substance
PHU HUNG MARITIME SERVICE COMPANY LIMITED (PHU HUNG)	Joint Venture
PHUC XUAN MARITIME SERVICE CO., LTD. (Phuc Xuan)	Joint Venture
TRANSTOTAL AGENCIA MARITIMA S.A. (TAM S.A.)	Related party in substance

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Name of related party	Relationship with the Company
Wan Hai Lines (Japan), Ltd. (WHL Japan)	Same director with the Group
Wan Hai Lines (UAE) LLC. (WHL UAE)	An associate
Apezgo Digital Information Co., Ltd.	Subsidiary of APLI
Formosa Wonderworld Co., Ltd.	Related party in substance
New World Container services Corporation	Subsidiary of APLI
Taipei Port Container Terminal Corp. (Taipei Port)	Corporate director of the Group
Ennea Solar Energy LLC.	Related party in substance
An Chun Tally Co., Ltd.	Related party in substance
ASIA PACIFIC LOGISTICS INTERNATIONAL CO., LTD. (APLI)	Related party in substance
AP PETROLEUM BUSINESS CO., LTD	Subsidiary of APLI
AP INTERNATIONAL TRAVEL SERVICE CO., LTD.	Subsidiary of APLI
JOHNSON CHECKER CO., LTD	Related party in substance
Express Container Terminal Corp. (ECTC)	Related party in substance
QINGDAO PORT AND WIN INTERNATIONAL LOGISTICS CO., LTD.	Joint Venture
CHIEN LAI ENTERPRISE CO., LTD	Related party in substance
Taian Insurance Co., Ltd.	Related party in substance
Sunshine Shihlin Dev Co., Ltd.	Related party in substance
New Safety Transportation Corp. (NSaTC)	Related party in substance
Shin Sheng Transportation Co., Ltd. (Shin Sheng)	Related party in substance
Tan Cang-Cai Mep International Terminal Co., Ltd. (Tan Cang-Cai Mep)	An associate
New Sincere Transportation Corp. (NSTC)	Related party in substance
Wan Chun International Corp. (WCIC)	Subsidiary of ECTC
Interasia Lines Taiwan, Ltd.	Related party in substance
Universal Checker Co., Ltd.	Related party in substance
Wan Hai Charity Foundation	Related party in substance
TAI SOUNDS CO. LTD.	Subsidiary of APLI
Tai Chuan Investments Co., Ltd.	Related party in substance
SUNNYFIELD SHIHLIN CO., LTD.	Related party in substance
Shihlin Paper Co., Ltd.	Related party in substance

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(b) Significant transactions with related parties

1. Sales to related parties:

	2022	2021
Other related parties	\$ 3,549,718	3,280,978
Joint venture	23,503	13,592
	<u>\$ 3,573,221</u>	<u>3,294,570</u>

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:

	2022	2021
Associate	\$ 575,373	312,251
Joint venture	3,757	1,903
Other related parties	5,360,884	5,036,201
	<u>\$ 5,940,014</u>	<u>5,350,355</u>

The transaction terms with related parties were not significantly different from those with 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 and other assets

Receivables of the Group from related parties were as follows :

Item	Related party categories	2022.12.31	2021.12.31
Accounts receivable	Other related parties	\$ 239,197	193,258
Other receivables	Other related parties	4,465	39,060
Receivables from agents	Other related parties — WHL Japan	833,926	1,310,422
Receivables from agents	Associate	-	34,693
Other current assets	Other related parties	4,752	-
		<u>\$ 1,082,340</u>	<u>1,577,433</u>

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4. Payables to related parties and other liabilities

Payables of the Group to related parties were as follows:

Item	Related party categories	2022.12.31	2021.12.31
Accounts payable	Other related parties	\$ 278,665	263,959
Accounts payable	Joint venture	5,712	6,806
Other payables	Other related parties	6,272	7,148
Payables to agents	Associate	7,508	-
Other current liabilities	Other related parties	22	13,409
		<u>\$ 298,179</u>	<u>291,322</u>

5. Other related-party transactions

For the years ended December 31, 2022 and 2021, the Group received payments of claims from other related parties amounting to \$3,639 thousand and \$1,722 thousand, respectively.

For the years ended December 31, 2022, the Group paid \$61 thousand, in claims to other related parties.

For the years ended December 31, 2022 and 2021, the Group received payments of manpower support service from other related parties amounting to \$19,200 thousand and \$18,896 thousand, respectively.

For the years ended December 31, 2022 and 2021, the Group received the payments of rent revenue from other related parties amounting to \$620 thousand and \$527 thousand, respectively.

For the years ended December 31, 2022 and 2021, the Group's miscellaneous purchases, etc. from other related parties amounting to \$27,171 thousand and \$46,623 thousand, respectively.

6. Leasing

The Group rented office buildings from its related parties to be used as its offices, and 10-18 years lease contracts were signed. The rental fees were determined based on nearby office rental rates, therefore, the total value of the contracts was \$18,465 thousand. For the years ended December 31, 2022 and 2021, the Group recognized the amount of \$447 thousand and \$457 thousand as interest expense, respectively. As of December 31, 2022 and 2021, the balance of lease liabilities amounted to \$10,431 thousand and \$11,022 thousand, respectively.

The Group rented containers from its other related parties, 1.5-11 years lease contracts were signed. The rental fees were determined based on market price, therefore, the total value of the contract was \$72,990 thousand. For the years ended December 31, 2022 and 2021, the Group recognized the amount of \$1,009 thousand and \$892 thousand as interest expense, respectively. As of December 31, 2022 and 2021, the balance of lease liabilities amounted to \$46,384 thousand and \$41,480, respectively.

(c) Key management personnel remuneration

Key management personnel remuneration comprised:

	2022	2021
Short-term employee benefits	\$ 206,671	212,480
Post-employment benefits	227	181
	<u>\$ 206,898</u>	<u>212,661</u>

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(8) Pledged Assets

The carrying values of pledged assets were as follows:

Assets	Objective	2022.12.31	2021.12.31
Time deposits (recognized in other current assets)	Registration of container storage and \$ truck lease contract	5,921	5,528
Time deposits (recognized in other non-current assets)	Refundable deposits of harbor bureau and lease contract for wharf	142,505	104,505
Guarantee deposit paid (recognized in other non-current assets)	Lease contract for wharf, building lease contract and lawsuit	222,189	115,176
Containers (recognized in Property, plant and equipment)	Long-term loans	16,009,271	11,169,759
Vessel equipment (recognized in Property, plant and equipment)	Long-term loans	25,395,776	23,897,774
Land and Buildings (recognized in Property, plant and equipment)	Long-term loans	2,188,048	2,200,645
Land and Buildings (recognized in investment property)	Long-term loans	2,897,544	1,519,953
		<u><u>\$ 46,861,254</u></u>	<u><u>39,013,340</u></u>

(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 renewed lease period is 20 years, from March 2008 to March 2028. As of December 31, 2022, the lease deposit amounting to JPY 255,775,000 (approximately TWD 59,468 thousand), which is recognized as other non-current assets.

The Group cooperated with the Kaohsiung Harbor Bureau to lease wharfs No. 63 and 64 in August 1994 and renewed the contract in December 2016, for a total of eight-year lease term. The Group has paid the guarantee deposit of \$40,000 thousand, which is recognized as other non-current assets.

The Group officially signed a contract with Kaohsiung Harbor Bureau to lease wharfs No. 79, 80 and 81 in January 2022, the lease period is from July 2023 to June 2043, for a total of twenty-year lease term, and \$6,613,421 thousand will be recognized as right-of-use asset. The Group has paid the guarantee deposit of \$38,000 thousand, which is recognized as other non-current assets.

The Group cooperated with the Taichung Harbor Bureau to lease wharfs No. 34 and 35 in December 1999, and renewed the contract in August 2018 for a total of fifteen-year lease term. The Group has paid the guarantee deposit of \$33,400 thousand, which is recognized as other non-current assets.

Since February 2006, the Group has leased the hinterland of West 29 wharf to West 32 wharf from the Keelung Harbor Bureau. The lease term is 30 years from the day after the completion of the joint venture construction of warehouse facilities and acceptance by the Harbor Bureau.

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(b) Vessel construction contract

In January 2021, the Group signed a contract with JAPAN MARINE UNITED CORPORATION and NIHON SHIPYARD CO., LTD. for the construction of twelve 3,013 TEUs container ships at a total price of approximately USD 565,200 thousand (equivalent to TWD 15,786,000 thousand) for long-term development and fleet allocation considerations. As of December 31, 2022, the Group has prepaid \$3,183,725 thousand as prepayments for equipment (recognized as other non-current assets) and 6 ships has been transferred.

In March 2021, the Group signed a contract with HYUNDAI HEAVY INDUSTRIES CO. LTD. for the construction of five 13,200 TEUs container ships at a total price of approximately USD 562,034 thousand (equivalent to TWD 16,034,817 thousand) in response to operational needs. As of December 31, 2022, the Group has prepaid the amount of \$6,211,085 thousand (recognized as other non-current assets).

In May 2021, the Group signed a contract with SAMSUNG HEAVY INDUSTRIES CO., LTD. for the construction of four 13,100 TEUs container ships and four 13,100 TEUs container ships at a total price of USD 445,600 thousand (equivalent to TWD 12,414,416 thousand) and approximately USD 474,000 thousand to USD 500,000 thousand (equivalent to TWD 13,082,400 thousand to TWD 13,800,000 thousand), respectively, in response to operational needs. As of December 31, 2022, the Group has prepaid the amount of \$5,772,717 thousand (recognized as other non-current assets.) and 2 ships has been transferred.

In June 2021, the Group signed a contract with NIHON SHIPYARD CO., LTD. and JAPAN MARINE UNITED CORPORATION for the construction of twelve 3,055 TEUs container ships at a total price of approximately JPY 60,840,000 thousand to JPY 64,800,000 thousand (equivalent to TWD 15,291,072 thousand to TWD 16,286,349 thousand) in response to operational needs. As of December 31, 2022, the Group has prepaid \$2,310,789 thousand as prepayments for equipment (recognized as other non-current assets).

In March 2022, the Group signed a contract with SAMSUNG HEAVY INDUSTRIES CO., LTD. for the construction of five 13,100 TEUs container ships at a total price of approximately USD 659,000 thousand to USD 700,000 thousand (equivalent to TWD 18,814,450 thousand to TWD 19,985,000 thousand) in response to operational needs. As of December 31, 2022, the Group has prepaid \$6,479,288 thousand as prepayments for equipment (recognized as other non-current assets).

(c) Vessel purchase contract

For the year ended December 31, 2022 and 2021, the Group signed a contract to purchase 8 and 9 second-hand container ships at a total price of USD 462,500 thousand and USD 291,800 thousand, respectively (approximately TWD 14,210,313 thousand and TWD 8,069,729 thousand, respectively), as of December 31, 2022, 13 ships have been transferred, and the Group has prepaid \$1,972,545 thousand as prepayments for equipment (recognized as other non-current assets).

(d) As of December 31, 2022, the total amount claimed for damages to the Group is approximately TWD 301,940 thousand, and the related cases are under negotiation or under trial, some of the lawsuits have been included in the accounts according to the court trial status..

(10) Losses Due to Major Disasters: None.

(11) Significant Subsequent Events: None.

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(12) Others

- (a) Employee benefits, depreciation, depletion, and amortization expenses, categorized as operating cost or expense, were as follows:

By item	By function	2022			2021		
		Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits							
Salary		4,789,933	4,270,280	9,060,213	3,100,553	3,954,563	7,055,116
Labor and health insurance		32,436	327,280	359,716	28,867	272,633	301,500
Pension		72,524	113,813	186,337	69,547	104,966	174,513
Remuneration of directors		-	144,869	144,869	-	151,411	151,411
Others employee benefits		250,506	119,751	370,257	188,023	111,009	299,032
Depreciation		20,944,964	355,340	21,300,304	13,500,401	284,476	13,784,877
Amortization		34,386	17,303	51,689	27,764	28,638	56,402

(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, 2022:

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	3,072,500	3,072,500	-	-	1	-	Note 4	-	Promissory note	3,072,500	90,241,177	90,241,177
0	The Company	WHL Liberia	Other receivables related	Yes	3,379,750	3,379,750	3,072,500	5.43%	1	-	Note 3	-	Promissory note	3,379,750	90,241,177	90,241,177
1	WHL Singapore	Yi Chun	Other receivables related	Yes	96,600	61,450	27,653	1.62-6.05%	1	-	Note 4	-	Promissory note	61,450	68,143,466	68,143,466

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:

- 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.
- Individual funding loan limits for short-term borrower cannot exceed 40 percent of the Company's net worth.
- The individual loaned amount between the foreign companies whose voting shares are wholly owned by the Company directly or indirectly, or the amount that the foreign companies whose voting shares are wholly owned by the Company directly or indirectly loaned 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	Amount of Property pledged on guarantees and endorsements	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)										
0	The Company	WHL Singapore	2	451,205,884	90,396,531	69,598,327	55,705,711	-	30.85 %	451,205,884	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 200% of the net worth of the company providing guarantees.

Note 3: Eliminated in the consolidated financial statements.

3. Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In thousands of TWD/shares)

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	13,922,880	634,187	1.56 %	634,187	1.56 %	
	Formosa Plastics Corporation	-	"	376,288	32,662	0.01 %	32,662	0.01 %	
	Formosa Chemicals & Fibre Corporation	-	"	245,480	17,306	- %	17,306	- %	
	Tainan Spinning Co., Ltd.	-	"	12,124,898	203,698	0.73 %	203,698	0.73 %	
	TAIYEN BIOTECH CO., LTD	-	"	1,108,000	35,955	0.55 %	35,955	0.55 %	
	China Steel Corporation	-	"	2,291,162	68,277	0.01 %	68,277	0.01 %	
	Delta Electronics, Inc.	-	"	4,880,000	1,398,120	0.19 %	1,398,120	0.19 %	
"	Hon Hai Precision Ind. Co., Ltd.	-	"	77,440	7,736	- %	7,736	- %	

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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	Notes
				Number of shares	Book value	Percentage of shares	Market value	during the period	
The Company	Taiwan Semiconductor Manufacturing Co., Ltd	-	Financial assets at fair value through profit or loss-current	1,401,000	628,349	0.01 %	628,349	- %	
"	Transcend Information, Inc.	-	"	89,111	5,881	0.02 %	5,881	0.02 %	
"	Amtran Technology Co., Ltd.	-	"	970,243	9,702	0.12 %	9,702	0.12 %	
"	Yang Ming Marine Transport Corp.	-	"	957,526	62,718	0.03 %	62,718	0.03 %	
"	China Airlines Ltd.	-	"	27,453,862	521,623	0.46 %	521,623	0.46 %	
"	Chinese Maritime Transport Ltd.	-	"	435,050	18,076	0.22 %	18,076	0.22 %	
"	Mega Financial Holding Co., Ltd.	-	"	20,392,012	618,898	0.15 %	618,898	0.15 %	
"	Taishin Financial Holding Co., Ltd.	-	"	18,351,695	277,111	0.15 %	277,111	0.18 %	
"	First Financial Holding Co., Ltd.	-	"	19,862,672	526,361	0.15 %	526,361	0.15 %	
"	The Eslite Spectrum Corporation	-	"	1,078,000	65,758	2.27 %	65,758	2.27 %	
"	Shih Wei Navigation Co., Ltd.	-	"	775,888	19,475	0.21 %	19,475	0.24 %	
"	Taiwan Cooperative Financial Holding Co., Ltd.	-	"	33,409,132	868,637	0.24 %	868,637	0.24 %	
"	Taiwan Secom Co., Ltd.	-	"	3,620,000	362,000	0.80 %	362,000	0.80 %	
"	<u>Domestic Emerging stocks:</u>								
"	TIGERAIR TAIWAN CO., LTD.	-	Financial assets at fair value through profit or loss-current	378,309	11,690	0.09 %	11,690	0.09 %	
"	<u>Domestic listed stocks:</u>								
"	Shihlin Paper Corporation	Related party in substance	Financial assets at fair value through other comprehensive income-non-current	10,462,088	521,012	4.02 %	521,012	4.02 %	
"	Chunghwa Telecom Co., Ltd.	-	"	27,520,000	3,109,760	0.35 %	3,109,760	0.35 %	
"	<u>Domestic unlisted stocks:</u>								
"	Taipei Port Container Terminal Corp.	Related party in substance	Financial assets at fair value through other comprehensive income-non-current	79,315,476	555,677	15.25 %	555,677	15.25 %	
"	United Stevedoring Corporation	-	"	781,250	9,912	15.63 %	9,912	15.63 %	
"	<u>Foreign listed stocks:</u>								
WHL Singapore	Da Nang Port Joint Stock Company	-	Financial assets at fair value through other comprehensive income-non-current	20,090,000	682,312	20.29 %	682,312	20.29 %	

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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	Taiwan Semiconductor Manufacturing Co., Ltd.	Current financial assets at fair value through profit or loss	-	-	529,000	325,335	872,000	475,737	-	-	-	-	1,401,000	628,349

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: 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	Taipei Port	Corporate director of the company	Container fee, terminal handling charges	844,790	1.18 %	30 days	-	-	(9)	- %	
The Company	Tan Cang-Cai Mep International Terminal Co., Ltd.	Associate	Terminal handling charges, container fee, charges for port of call	315,303	0.44 %	30 days	-	-	-	- %	
The Company	HAI PHONG	Associate	Terminal handling charges, container fee, charges for port of call	204,684	0.29 %	30 days	-	-	-	- %	
The Company	WHL-Vietnam	Subsidiary	Commission fee	516,902	0.72 %	30 days	-	-	(177,957)	2.14 %	Note 2
The Company	WHL Singapore	Subsidiary	Charter hire income, container rental revenue, commission revenue, shipping agent revenue, joint venture revenue	(7,481,121)	5.89 %	30 days	-	-	-	- %	Note 2
The Company	WHL Singapore	Subsidiary	Charter hire cost, oil expense, joint venture cost	19,432,634	27.55 %	30 days	-	-	(386,706)	4.65 %	Note 2
The Company	WHL Hongkong	Subsidiary	Commission fee	2,026,430	2.84 %	30 days	-	-	(439,157)	5.28 %	Note 2
The Company	WHL Malaysia	Subsidiary	Commission fee	195,376	0.27 %	30 days	-	-	-	- %	Note 2
The Company	TK Logistics International Co., Ltd.	Subsidiary	Container fee, labor fee, terminal handling charge	138,051	0.19 %	30 days	-	-	(13,269)	0.16 %	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)	
The Company	WHL Thailand	Subsidiary	Commission fee	220,133	0.31 %	30 days	-	-	(333,380)	4.01 %	Note 2
The Company	WHL-Korea	Subsidiary	Commission fee	194,663	0.27 %	30 days	-	-	-	- %	Note 2
The Company	WHL-India	Subsidiary	Commission fee	275,877	0.39 %	30 days	-	-	-	- %	Note 2
The Company	WHL (Japan)	Same director with the company	Commission fee	824,236	1.16 %	30 days	-	-	-	- %	
The Company	Hyaline	Same director with the company	Commission fee	601,264	0.84 %	30 days	-	-	-	- %	
The Company	IAL Singapore	Related party in substance	Joint venture revenue, container rental revenue, shipping agent revenue, charter hire income	(1,918,394)	1.51 %	30 days	-	-	124,579	1.95 %	
The Company	IAL Singapore	Related party in substance	Joint venture cost, container rental cost	992,836	1.39 %	30 days	-	-	-	- %	
The Company	Interasia Lines Taiwan	Related party in substance	Loading and unloading revenue	(129,038)	0.10 %	30 days	-	-	23,698	0.37 %	
The Company	NSTC	Related party in substance	Tow charge	565,977	0.79 %	30 days	-	-	(44,122)	0.53 %	
The Company	APLI	Related party in substance	Container fee	338,239	0.47 %	30 days	-	-	(15,430)	0.19 %	
The Company	WCIC	Related party in substance	Turnkey fee, Loading and unloading revenue	177,181	0.25 %	30 days	-	-	(15,061)	0.18 %	
The Company	NSaTC	Related party in substance	Tow charge, container fee	114,951	0.16 %	30 days	-	-	(11,098)	0.13 %	
The Company	New World Container services Corporation	Related party in substance	Container fee	137,623	0.19 %	30 days	-	-	(10,969)	0.13 %	
The Company	Johnson Checker	Related party in substance	Container management fee	145,960	0.20 %	30 days	-	-	(13,755)	0.17 %	
WHL Singapore	The Company	Subsidiary	Charter hire cost, container rental cost, commission fee, shipping agent expense, joint venture cost	7,481,121	8.08 %	30 days	-	-	-	- %	Note 2
WHL Singapore	The Company	Subsidiary	Oil revenue, charter hire income, joint venture revenue	(19,838,048)	11.77 %	30 days	-	-	386,706	70.46 %	Note 2
WHL Hongkong	The Company	Subsidiary	Commission income	(2,026,430)	95.44 %	30 days	-	-	439,157	- %	Note 2
WHL Malaysia	The Company	Subsidiary	Commission income	(195,376)	99.92 %	30 days	-	-	-	- %	Note 2
WHL Thailand	The Company	Subsidiary	Commission income	(220,133)	77.43 %	30 days	-	-	-	- %	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)	
TK Logistics International Co., Ltd.	The Company	Subsidiary	Container revenue, service revenue, terminal handling revenue	(138,051)	- %	30 days	-	-	13,269	- %	Note 2
WHL Vietnam	The Company	Subsidiary	Commission income	(516,902)	100.00 %	30 days	-	-	177,957	67.47 %	Note 2
WHL India	The Company	Subsidiary	Commission income	(275,877)	100.00 %	30 days	-	-	-	- %	Note 2
WHL Korea	The Company	Subsidiary	Commission income	(194,663)	98.91 %	30 days	-	-	-	- %	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)	Clipper	Subsidiary	729,538	- %	-	-	729,538	-
The Company (Note 2)	Shenzhen Uniwin International Logistics Ltd.	Subsidiary	157,578	- %	-	-	144,113	-
The Company (Note 2)	WHL-USA	Subsidiary	257,882	- %	-	-	217,273	-
The Company (Note 2)	WHL (Japan)	Same director with the Company	833,926	- %	-	-	813,689	-
The Company (Note 2)	WHL Malaysia	Subsidiary	132,052	- %	-	-	132,052	-
The Company (Note 2)	IAL Singapore	Related party in substance	124,579	- %	-	-	124,579	-
The Company (Note 3)	WHL Singapore	Subsidiary	29,189,955	- %	-	-	29,189,955	-
The Company (Note 3)	WHL Liberia	Subsidiary	3,077,072	- %	-	-	-	-
WHL-Singapore (Note 2)	The Company	Subsidiary	386,706	- %	-	-	386,706	-
WHL-Hongkong (Note 2)	The Company	Subsidiary	439,157	- %	-	-	439,157	-
WHL-Thailand (Note 2)	The Company	Subsidiary	333,380	- %	-	-	333,380	-
WHL-Vietnam (Note 2)	The Company	Subsidiary	177,957	- %	-	-	177,957	-
Bao Sheng Shipping Agency Co.,Ltd. (Note 2)	The Company	Subsidiary	173,541	- %	-	-	147,522	-

Note 1: Eliminated in the consolidated financial statements.

Note 2: Including note receivable, accounts receivable, contract assets and receivable from agent.

Note 3: Other receivable.

9. Derivative transactions: None.

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10. Business relationships and significant inter-company transactions:

Number	Name of the company	Name of the counter-party	Existing relationship with the counter-party	Transaction details during 2022			
				Account name	Amount	Terms of trading	Percentage of the total consolidated revenue or total assets
0	The Company	WHL-Singapore	1	Other Receivable	29,189,955	No significant differences	0.08 %
0	The Company	WHL-Singapore	1	Charter hire income, container rental revenue, commission revenue, shipping agent revenue, joint venture revenue	(7,481,121)	No significant differences	2.89 %
0	The Company	WHL-Singapore	1	Charter hire cost, oil expense, joint venture cost	19,432,634	No significant differences	7.50 %

Note 1: numbers denote the following:

- 0 represents the Company.
- Subsidiaries are listed by names and numbered starting with 1.

Note 2: relationship with the listed companies:

- The Company to subsidiary
- Subsidiary to the Company
- 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.

(b) Information on investees

For the year ended December 31, 2022, 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 Holding Percentage	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, chartering of ships, and international transportation and shipping agency services	21,983,099	21,983,099	979,399,234	100.00 %	162,632,156	100.00 %	78,606,893	67,981,233	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 %	23,466	100.00 %	1,278	1,278	Subsidiary (Note 3)
"	Tan Cang-Cai Mep International Terminal Co., Ltd.	Vietnam	Managing wharf and containers	259,917	259,917	-	21.33 %	456,232	21.33 %	371,599	79,262	Equity method (Note 1)
"	T.K. Logistics International Co., Ltd.	Taiwan	Managing container terminals and storage facilities	143,000	143,000	14,300,000	55.00 %	170,166	55.00 %	42,135	23,181	Subsidiary (Note 2 · 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 %	40,196	70.01 %	5,041	3,530	Subsidiary (Note 3)
"	Hai Phong International Container Terminal Co., Ltd.	Vietnam	Managing wharf and containers	598,211	598,211	-	16.50 %	767,116	16.50 %	1,051,298	173,464	Equity method (Note 1)
"	Dawin Logistics (International) Ltd.	Hong Kong	Managing container, storage and logistics services	850,746	-	144,640,000	100.00 %	929,887	100.00 %	160,972	76,821	Subsidiary (Note 3)
"	Wan Hai Lines (H.K.) Limited	Hong Kong	Transportation and shipping agency services	1,259,282	-	160,000,000	100.00 %	115,769	100.00 %	2,523,233	(1,096,029)	Subsidiary (Note 2 · 3)
"	Wan Hai Lines (Liberia) Ltd.	Liberia	Vessel rental service	1,222,000	-	500	100.00 %	1,391,157	100.00 %	51,220	160,469	Subsidiary (Note 2 · 3)

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Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Peak Holding Percentage	Net income (loss) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value				
WHL-Singapore	Wan Hai Lines (H.K.) Limited	Hong Kong	Transportation and shipping agency services	-	695,246	-	- %	-	100.00 %	2,523,233	2,571,829	Indirect subsidiary (Note 3 · 5)
"	Wan Hai Lines (Phils.) Inc.	Philippines	Transportation and shipping agency services	5,991	5,991	901,540	100.00 %	14,271	100.00 %	(2,082)	(2,082)	Indirect subsidiary (Note 3)
"	Wan Hai Lines (M) Sdn. Bhd	Malaysia	Transportation and shipping agency services	4,613	4,613	500,000	100.00 %	81,337	100.00 %	26,765	26,765	Indirect subsidiary (Note 3)
"	Yi Chun Shipping Agencies Sdn. Bhd	Malaysia	ODD operations	1,845	1,845	200,000	100.00 %	22,741	100.00 %	5,601	5,601	Indirect subsidiary (Note 3)
"	Wan Hai Lines (Korea) Ltd.	Korea	Transportation and shipping agency services	11,019	11,019	80,000	100.00 %	81,421	100.00 %	58,657	58,657	Indirect subsidiary (Note 3)
"	Wan Hai International Pte. Ltd.	Singapore	Transportation and shipping agency services	239,979	239,979	10,312,460	100.00 %	747,503	100.00 %	94,588	94,588	Indirect subsidiary (Note 3)
"	Wan Hai Lines (Thailand) Limited	Thailand	Transportation and shipping agency services	4,732	4,732	49,000	49.00 %	-	49.00 %	117,025	57,342	Indirect subsidiary (Note 3)
"	WAN HAI (VIETNAM) LTD.	Vietnam	Transportation and shipping agency services	8,691	8,691	-	100.00 %	381,100	100.00 %	365,033	365,033	Indirect subsidiary (Note 1 · 3)
"	HE CHUN LOGISTICS CO., LTD	Vietnam	ODD operations	60,857	60,857	-	100.00 %	114,317	100.00 %	53,257	53,257	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 %	64,197	99.00 %	59,715	59,118	Indirect subsidiary (Note 3)
"	WanHai Lines Ecuador S.A.	Ecuador	Transportation and shipping agency services	10,246	10,246	99,000	99.00 %	31,813	99.00 %	26,652	26,385	Indirect subsidiary (Note 3)
"	Bravely International Pte. Ltd.	Singapore	Transportation and investment	625,026	625,026	28,262,221	100.00 %	70,559	100.00 %	(3,820)	(3,820)	Indirect subsidiary (Note 3)
"	WAN HAI LINES (USA) LTD.	America	Transportation and shipping agency services	437,514	437,514	284,381	100.00 %	510,532	100.00 %	11,444	11,444	Indirect subsidiary (Note 3)
"	PHUC XUAN MARITIME SERVICE CO.,LTD.	Vietnam	Container yard business	9,186	9,186	-	49.00 %	39,470	49.00 %	60,952	29,867	Equity method (Note 1)
"	WAN HAI SHIPPING LIMITED	Myanmar	Transportation and shipping agency services	1,075	1,075	35,000	70.00 %	812	70.00 %	(15)	(10)	Indirect subsidiary (Note 3)
WHL INTL.	WanHai Lines Ecuador S.A.	Ecuador	Transportation and shipping agency services	178	178	1,000	1.00 %	321	1.00 %	26,652	267	Indirect subsidiary (Note 3)
"	Wan Hai Lines (UAE) LLC.	Dubai	Transportation and shipping agency services	1,365	1,365	147	49.00 %	33,772	49.00 %	62,932	30,837	Equity method
"	Infinite Marine Investment Co., Ltd.	Cayman	Investment	173,463	173,463	5,550,000	100.00 %	5,490	100.00 %	(465)	(465)	Indirect subsidiary (Note 3)
"	Wan Hai Lines (India) PVT Ltd.	India	Transportation and shipping agency services	69	69	10,000	100.00 %	483,711	100.00 %	119,463	119,463	Indirect subsidiary (Note 3)
"	Wan Hai Lines Peru S.A.C.	Peru	Transportation and shipping agency services	20	20	2,476	1.00 %	648	1.00 %	59,715	597	Indirect subsidiary (Note 3)
WHL Hongkong	Dawin Logistics (International) Ltd.	Hong Kong	Managing container, storage and logistics services	-	570,480	-	- %	-	100.00 %	160,972	84,151	Indirect subsidiary (Note 3 · 4)
Bravely International Pte. Ltd.	Bravely (Myanmar) Transport and Logistics Company Limited	Myanmar	Managing container, storage and logistics services	127,584	127,584	4,000,000	80.00 %	62,683	80.00 %	(2,723)	(2,178)	Indirect subsidiary (Note 3)

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				Ending balance	Beginning balance	Shares	Ratio of shares	Book value				
Wan Hai Lines (USA) LTD.	Wan Hai Lines (Arizona) LLC.	America	House rental and management	359,760	359,760	-	100.00 %	410,849	100.00 %	8,291	8,291	Indirect subsidiary (Note 1 - 3)
Wan Hai Lines (India) PVT Ltd.	WH LOGISTICS PRIVATE LIMITED	India	Management container, storage and logistic service	395	395	100,000	100.00 %	244	50.00 %	(82)	(41)	Equity method
HE CHUN	PHU HUNG MARITIME SERVICE COMPANY LIMITED	Vietnam	Container yard business	2,418	-	-	50.00 %	9,104	50.00 %	12,851	6,425	Equity method (Note 1)

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: Dawin was originally fully owned by WHL Hong Kong. However, due to corporate restructuring, WHL Hong Kong sold its entire shares in Dawin to the Company in July 2022.

Note 5: WHL Hong Kong was originally fully owned by WHL Singapore. However, due to corporate restructuring, WHL Singapore sold its entire shares in WHL Hong Kong to the Company in November 2022.

(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)	-	-	-	-	1,136	100.00 %	100.00 %	1,136	23,957	-
Shenzhen Uniwin International Logistics Ltd.	Freight transportation and acting as agent for transport affairs	644,016	(1)	-	-	-	-	141,605	100.00 %	100.00 %	141,605	766,997	-
Clipper International Shipping Agency Ltd.	International shipping agency services	4,295	(1)	-	-	-	-	50,828	100.00 %	100.00 %	74,022	75,069	-
Blue Ocean Logistics (Shanghai) Ltd.	Containers, storage and international transportation services	32,596	(1)	-	-	-	-	22,321	100.00 %	100.00 %	22,321	118,446	-
Shenzhen Yong Chun International Shipping Management Co., Ltd.	International shipping management	29,068	(1)	-	-	-	-	3,711	90.00 %	90.00 %	3,340	33,482	-
Wan Hang Tours Co., Ltd.	General sales and entertainment project management	287,330	(1)	-	-	-	-	(25,404)	50.00 %	50.00 %	(12,702)	103,375	-
Qingdao port and Win International Logistics Co., Ltd.	Container yard station	50,188	(1)	-	-	-	-	27,327	50.00 %	50.00 %	13,664	43,415	-

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	135,361,765

Note: The Company's investments in Mainland China were mostly from the investees' self-owned capital in indirect subsidiaries.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Significant transactions:

As of December 31, 2022, 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:

Shareholder's Name	Shareholding	Shares	Percentage
Yi Chun Navigation Inc.		360,821,378	12.85 %
Asia Pacific Logistics International Co., Ltd.		223,720,812	7.97 %
Taiwan (Liberia) Container Express Co., Ltd.		216,192,115	7.70 %
The Bank SinoPac as Custodian for China (Liberia) Container Express Co., Ltd.		205,395,915	7.31 %

Note 1: The information of major shareholders in this table is based on the last business day of each quarter, and is calculated based on the shareholders holding more than 5% of the Company's common shares that have been issued without physical registration. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration due to different bases of preparation and calculation.

Note 2: If the above information is a shareholder's delivery of shares to the trust, it is disclosed by the trustee's opening of a trust account with individual sub-accounts of the trustors. As for shareholders who are required to report holding more than 10% of the insider ownership in accordance with the Securities and Exchange Act, their shareholding includes their own shareholding plus the shares they have delivered to the trust, and with the right to decide on the use of the trust property, etc. For information on insider ownership reporting, please refer to the Market Observation Post System website.

(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.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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.

<u>By region</u>	<u>2022</u>	<u>2021</u>
Revenue from external customers:		
Asia	\$ 76,002,756	64,525,543
the Middle East, India, Red sea	37,755,372	37,506,897
America, South America	<u>145,195,043</u>	<u>125,973,013</u>
Total	<u>\$ 258,953,171</u>	<u>228,005,453</u>
<u>By region</u>	<u>2022.12.31</u>	<u>2021.12.31</u>
Non-current assets:		
Asia	\$ 162,988,919	117,669,181
India	124,136	270,667
America	<u>337,948</u>	<u>309,542</u>
Total	<u>\$ 163,451,003</u>	<u>118,249,390</u>

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 non-current assets of rights arising from an insurance contract.

(d) Information about Major Customers:

The Group's revenue from a single customer did not reach 10% of the consolidated operating income.

6.5 Financial Statements for Fiscal Year 2022

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, 2022 and 2021, 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, 2022 and 2021, and its financial performance and its cash flows for the year ended December 31, 2022 and 2021 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 Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 auditor's 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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 statement. 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 Chun-Kuang Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2023

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 HAILINES LTD.

BALANCE SHEETS

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022.12.31		2021.12.31			2022.12.31		2021.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 46,412,434	13	40,113,588	12	2126 Current financial liabilities for hedging (notes 6(e) and 6(p))	628,486	-	985,592	-
1110 Current financial assets at fair value through profit or loss (note 6(b))	6,394,220	2	6,261,076	2	2170 Accounts payable (note 7))	7,242,768	2	14,262,175	4
1137 Current financial assets at amortized cost (note 6(d))	70,790	-	63,717	-	2200 Other payables (note 7))	2,354,308	1	3,466,154	1
1150 Notes receivable, net (notes 6(f) and 6(u))	38,767	-	69,697	-	2230 Current tax liabilities (note 6(r))	13,007,874	4	10,257,551	3
1170 Accounts receivable, net (notes 6(f), 6(v) and 7))	1,439,173	-	1,991,562	1	2280 Current lease liabilities (notes 6(p) and 7))	7,835,647	3	13,757,890	4
1140 Current contract assets (note 6(o))	1,957,093	1	7,835,522	2	2320 Current portion of long-term loans (notes 6(o), 6(o) and 8))	4,324,850	1	6,478,817	2
1200 Other receivables, net (note 7))	32,774,530	10	8,870,244	3	2350 Payables to agents (note 7))	1,071,319	-	1,387,425	-
1330 Inventories, net (note 6(g))	1,495,150	-	800,139	-	2300 Other current liabilities (notes 6(o) and 7))	458,973	-	203,182	-
1475 Receivables from agents (note 7))	2,951,729	1	4,703,644	1		36,924,225	11	50,798,786	14
1479 Other current assets, others (notes 7), (8) and 9))	743,940	-	626,921	-	Non-Current liabilities:				
	94,277,826	27	71,336,110	21	2511 Non-current financial liabilities for hedging (notes 6(e) and 6(p))	1,370,731	-	2,576,487	1
Non-current assets:					2530 Bonds payable (note 6(o))	9,000,000	3	9,000,000	3
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	4,196,361	1	4,292,271	1	2540 Long-term borrowings (notes 6(n) and 8))	27,996,481	8	15,043,038	4
1550 Investments accounted for using equity method, net (note 6(h))	166,526,145	49	109,900,767	32	2570 Deferred tax liabilities (note 6(r))	30,433,084	9	19,032,573	6
1600 Property, plant and equipment (notes 6(i), (8) and 9))	50,738,133	15	33,657,439	9	2580 Non-current lease liabilities (notes 6(p) and 7))	11,388,248	3	104,536,417	30
1755 Rights-of-use assets (note 6(j))	20,705,054	6	120,322,046	35	2640 Accrued pension liabilities-non current (note 6(q))	176,323	-	379,071	-
1760 Investment property, net (notes 6(k) and 8))	3,453,809	1	3,482,654	1	2645 Guarantee deposits received	21,016	-	17,704	-
1780 Intangible assets (note 6(l))	38,926	-	74,245	-		80,385,883	23	150,585,290	44
1900 Other non-current assets (notes 6(e), (8) and 9))	2,976,796	1	2,593,570	1	Total liabilities	117,310,108	34	201,384,076	58
	248,635,224	73	274,322,992	79	Equity (notes 6(s) and 6(v)):				
					3100 Common stock	28,061,464	8	24,401,273	7
					3200 Capital surplus	1,271,775	-	1,271,775	-
					3310 Retained earnings:				
					Legal reserve	18,688,851	6	8,354,970	2
					Special reserve	3,987,494	1	3,239,603	1
					3350 Retained earnings-unappropriated	163,847,713	48	110,994,900	33
						186,524,058	55	122,589,473	36
					Other equity interest:				
					Exchange differences on translation of foreign financial statements	9,636,366	3	(4,617,000)	(1)
					3411 Unrealized gains (losses) on financial assets at fair value through other comprehensive income	171,052	-	445,677	-
					3420				
					3450 Gains (losses) on hedging instruments (note 6(e))	(61,773)	-	183,828	-
					Total equity	9,745,645	3	(3,987,495)	(1)
					Total liabilities and equity	225,602,942	66	144,275,026	42
Total assets	\$ 342,913,050	100	\$ 345,659,102	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, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (notes (6)(u) and (7))	\$ 127,041,698	100	116,005,228	100
5000	Operating costs (notes (6)(g) and (7))	71,318,697	56	57,216,967	49
	Gross profit	55,723,001	44	58,788,261	51
	Operating expenses:				
6200	Total administrative expenses	4,522,191	4	4,073,299	4
6450	Expected credit loss (gain) (note (6)(f))	-	-	1,325	-
	Total operating expenses	4,522,191	4	4,074,624	4
	Other income (expenses):				
6500	Net other income (expenses) (note (6)(w))	88,521	-	43,567	-
	Income from operations	51,289,331	40	54,757,204	47
	Non-operating income and expenses (notes (6)(h) and (6)(x)):				
7100	Interest income	605,257	1	53,261	-
7010	Other income	364,584	-	284,012	-
7020	Other gains and losses	5,561,646	4	1,475,066	1
7050	Finance costs	(1,980,455)	(1)	(1,995,956)	(2)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	67,403,209	53	74,112,292	64
	Total non-operating income and expenses	71,954,241	57	73,928,675	63
7900	Profit before tax	123,243,572	97	128,685,879	110
7950	Less: Income tax expenses (note (6)(r))	30,171,475	24	25,342,971	22
	Net Profit	93,072,097	73	103,342,908	88
	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	134,921	-	(31,109)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(158,765)	-	301,470	-
8331	Gains (losses) on the remeasurements of defined benefit plans, subsidiaries, associates and joint ventures accounted for using equity method	54,223	-	20,786	-
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	(115,860)	-	68,759	-
8349	Less: Income tax related to components of other comprehensive income that may not be reclassified subsequently	26,984	-	6,222	-
	Total items that may not be reclassified subsequently to profit and loss	(112,465)	-	366,128	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation	14,267,913	11	(1,151,992)	(1)
8368	Gains (losses) on hedging instrument	(245,601)	-	33,484	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	(14,547)	-	387	-
	Total items that may be reclassified subsequently to profit and loss	14,007,765	11	(1,118,121)	(1)
8300	Other comprehensive income (net of tax)	13,895,300	11	(751,993)	(1)
	Total comprehensive income	\$ 106,967,397	84	102,590,915	87
9750	Basic earnings per share (New Taiwan Dollars) (note (6)(t))	\$ 33.17		36.83	
9850	Diluted earnings per share (New Taiwan Dollars) (note (6)(t))	\$ 33.05		36.77	

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

STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2022 and 2021

(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
\$	22,182,975	1,271,775	7,223,691	1,519,682	14,941,889	(3,463,395)	73,448	150,344	Total
	-	-	-	-	103,342,908	-	-	-	43,902,409
	-	-	-	-	(4,101)	(1,151,605)	370,229	33,484	103,342,908
	-	-	-	-	103,338,807	(1,151,605)	370,229	33,484	(751,993)
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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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 123,243,572	128,685,879
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	16,867,967	12,232,409
Amortization expense	51,158	55,731
Expected credit loss (gain)	-	1,325
Net (gain) loss on financial assets at fair value through profit or loss	687,672	(1,274,831)
Interest expense	1,980,455	1,995,956
Interest revenue	(605,257)	(53,261)
Dividend income	(363,502)	(282,715)
Investment income under the equity method	(67,403,209)	(74,112,292)
Gain on disposal of property, plant and equipment	(88,521)	(43,567)
Loss (gain) on unrealized foreign exchange	1,386,895	82,967
Gain on lease modification	(1,199,851)	(385,782)
Others	(53,487)	(154,861)
Total adjustments to reconcile profit (loss)	(48,739,680)	(61,938,921)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in contract assets	5,878,429	(6,304,673)
Notes receivable	30,930	(19,999)
Accounts receivable (including related parties)	552,389	(676,691)
Other receivables	(37,741)	(544,798)
Inventories	(695,011)	360,752
Receivables from agents	1,751,915	(1,629,828)
Other current assets	(117,019)	(188,167)
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(820,816)	(141,405)
Total changes in operating assets, net	6,543,076	(9,144,809)
Changes in operating liabilities, net:		
Accounts payable (including related parties)	(7,033,291)	6,656,344
Other payables	(4,036)	1,051,601
Payables to agents	(316,106)	127,532
Other current liabilities	258,303	21,880
Accrued pension liabilities	(67,827)	(68,853)
Total changes in operating liabilities, net	(7,162,957)	7,788,504
Total changes in operating assets and liabilities	(619,881)	(1,356,305)
Total adjustments	(49,359,561)	(63,295,226)
Cash inflow generated from operations	73,884,011	65,390,653
Income taxes paid	(15,838,647)	(1,085,566)
Net cash provided by operating activities	58,045,364	64,305,087
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(62,855)	(163,017)
Acquisition of financial assets at amortized cost	-	(63,717)
Acquisition of long-term equity investment under equity method	(3,332,027)	-
Acquisition of property, plant and equipment	(24,687,071)	(14,338,740)
Proceeds from disposal of property, plant and equipment	161,206	97,189
Decrease in other receivables due from related parties	4,348,560	(2,784,560)
Acquisition of intangible assets	(15,839)	(48,882)
Acquisition of investment property	(554)	(35,687)
Other non-current assets	(1,000,392)	(2,035,846)
Interest received	592,689	52,161
Dividends received	443,876	368,323
Net cash used in investing activities	(23,552,407)	(18,952,776)
Cash flows from financing activities:		
Repayments of bonds	(3,600,000)	(3,800,000)
Proceeds from long-term loans	23,034,400	7,887,815
Repayment of long-term loans	(10,029,805)	(5,053,769)
Guarantee deposit	800	185
Cash dividends paid	(25,621,336)	(2,218,298)
Lease repayments- principal portions	(10,058,461)	(8,591,167)
Interest paid	(1,919,709)	(2,016,498)
Net cash used in financing activities	(28,194,111)	(13,791,732)
Net increase (decrease) in cash and cash equivalents	6,298,846	31,560,579
Cash and cash equivalents at beginning of period	40,113,588	8,553,009
Cash and cash equivalents at end of period	\$ 46,412,434	40,113,588

Seeing accompanying notes to financial statements.

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WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022 and 2021

(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 Sung Chiang 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 13, 2023.

(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. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2022:

- 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"

- (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, 2023, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

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NOTES TO THE FINANCIAL STATEMENTS

- (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”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the 2020 amendments ¹ , new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

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

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NOTES TO THE FINANCIAL STATEMENTS

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”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(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.

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WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

(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.

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.

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NOTES TO THE FINANCIAL STATEMENTS

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.

(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 form 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.

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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.

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;

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- 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.

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

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 months 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 asset 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 charged 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 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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NOTES TO THE FINANCIAL STATEMENTS

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 straight-line 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	23~56 years
2)Vessel equipment	1~22 years
3)Major component of vessels: docking repair assets	2.5 years
4)Containers	5~10 years
5)Privileged wharf equipment	2~15 years
6)Other equipment	3~15 years

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

(l) Leases

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.

(i) As a lessee

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.

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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 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, containers and other equipment 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.

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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, 2022; 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.

(ii) As a lessor

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

Goodwill arising from the acquisition of a subsidiary is measured at cost less accumulated impairment loss.

Expenses related to research activities are recognized as profit or loss incurred.

Development expenditures are made only when they can be reliably measured, the technical or commercial viability of the product or process has been achieved, it is probable that future economic benefits will flow to the Company, and the Company intends and has sufficient resources to complete the development and use or sell the asset be capitalized. Other development expenditures are recognized in profit or loss as incurred. Subsequent to original recognition, capitalized development expenditure is measured at its cost less accumulated amortization and accumulated impairment.

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.

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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)Software	2~5 years
2)Trademarks	10 years

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

(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.

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.

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(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 exceeded the services rendered, then the entitlement to consideration is recognized as a contract liability.

2) Rental revenue

The Company provides rental of vessels 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.

(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.

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.

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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.

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;

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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 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.

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.

(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.

(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.

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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 of Significant Accounts

(a) Cash and cash equivalents

	<u>2022.12.31</u>	<u>2021.12.31</u>
Cash	\$ 105,528	90,539
Savings accounts	40,573,949	31,842,214
Time deposits	<u>5,732,957</u>	<u>8,180,835</u>
Cash and cash equivalents in statement of cash flows	<u><u>\$ 46,412,434</u></u>	<u><u>40,113,588</u></u>

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

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

	<u>2022.12.31</u>	<u>2021.12.31</u>
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Stocks listed on domestic markets	\$ 6,382,530	6,249,968
Emerging stocks on domestic markets	<u>11,690</u>	<u>11,108</u>
Total	<u><u>\$ 6,394,220</u></u>	<u><u>6,261,076</u></u>

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

2. As of December 31, 2022 and 2021, the Company's financial assets were not pledged as collateral.

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

	<u>2022.12.31</u>	<u>2021.12.31</u>
Equity investments at fair value through other comprehensive income		
Stocks listed on domestic markets	\$ 3,630,772	3,812,966
Stocks unlisted on domestic markets	<u>565,589</u>	<u>479,305</u>
Total	<u><u>\$ 4,196,361</u></u>	<u><u>4,292,271</u></u>

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.

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For the years ended December 31, 2022 and 2021, 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, 2022 and 2021, the dividends of \$127,828 thousand and \$119,584 thousand related to equity investments at fair value through other comprehensive income, were recognized.

2. As of December 31, 2022 and 2021, the financial assets of the Company had not been pledged as collateral.

(d) Financial assets at amortized cost

	<u>2022.12.31</u>	<u>2021.12.31</u>
Current	\$ <u>70,790</u>	<u>63,717</u>

Financial assets at amortized cost are restricted bank deposits that do not meet the requirement of cash equivalents.

The Company's financial assets at amortized cost were not pledged as collateral.

The Company's degree of exposure to credit risk and currency risk, please refer to note (6)(y).

(e) Financial instruments used for hedging

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

	<u>2022.12.31</u>	<u>2021.12.31</u>
Cash flow hedge:		
Financial liabilities used for hedging:		
Current lease liabilities	\$ 628,486	985,592
Non-current lease liabilities	<u>1,370,731</u>	<u>2,576,487</u>
Total	\$ <u>1,999,217</u>	<u>3,562,079</u>

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		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
		<u>2022.12.31</u>	<u>2021.12.31</u>		
Freight revenue (USD)	Lease liabilities	\$ 1,140,432	2,525,174	2022~2026	2022~2026
WHL terminal revenue (JPY)	Lease liabilities	858,785	1,036,905	2022~2028	2022~2028

Items	<u>2022</u>	<u>2021</u>
Amounts recognized as other comprehensive income	\$ <u>(245,601)</u>	<u>33,484</u>

For the years ended December 31, 2022 and 2021, 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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(f) Notes receivable and accounts receivable

	2022.12.31	2021.12.31
Notes receivable	\$ 38,767	69,697
Accounts receivable	1,440,856	1,993,245
Less: Allowance for doubtful receivables	(1,683)	(1,683)
	\$ 1,477,940	2,061,259

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, 2022 and 2021. 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, 2022 and 2021 was determined as follows:

	2022.12.31	
	Gross carrying amount	Weighted-average loss rate
Current	\$ 1,405,257	0%~0.0019%
Overdue 0~30 days	57,624	0%~0.0242%
Overdue 31~120 days	16,507	0%~0.1070%
Overdue more than 365 days	235	0%~100%
	\$ 1,479,623	1,683

	2021.12.31	
	Gross carrying amount	Weighted-average loss rate
Current	\$ 1,920,387	0%~0.0006%
Overdue 0~30 days	116,113	0%~0.0007%
Overdue 31~120 days	26,028	0%~0.002%
Overdue 121~365 days	231	0%~0.003%
Overdue more than 365 days	183	0%~100%
	\$ 2,062,942	1,683

The movement in the allowance for notes and accounts receivable were as follows:

	2022	2021
Beginning balance	\$ 1,683	358
Impairment losses recognized	-	1,325
Ending balance (equal to beginning balance)	\$ 1,683	1,683

Please refer to note (6)(y) for the credit risks and the currency risks of the notes receivable, accounts receivable, other receivables and receivables from agents of the Company.

As of December 31, 2022 and 2021, the notes and trade receivable of the Company had not been pledged as collateral.

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(g) Inventories

	<u>2022.12.31</u>	<u>2021.12.31</u>
Light marine diesel oil	\$ 229,210	78,685
Heavy marine diesel oil	1,216,549	713,060
Fresh lubricating oil	<u>70,709</u>	<u>8,394</u>
Subtotal	1,516,468	800,139
Less: Allowance for inventory valuation and obsolescence losses	(21,318)	-
Total	<u><u>\$ 1,495,150</u></u>	<u><u>800,139</u></u>

For the years ended December 31, 2022, the write-downs of inventories to net realizable value amounted to \$21,318 thousand. The write-downs were included in operating costs.

For the years ended December 31, 2021, the net realizable value increased and the reversals amounted to \$13,147 thousand were recognized in cost of goods sold because the previous reason that caused the net realizable value of inventories lower than its cost has disappeared.

As of December 31, 2022 and 2021, the Company's inventories were not pledged as collateral.

(h) 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:

	<u>2022.12.31</u>	<u>2021.12.31</u>
Subsidiaries	\$ 165,302,797	108,877,928
Associates	<u>1,223,348</u>	<u>1,022,839</u>
	<u><u>\$ 166,526,145</u></u>	<u><u>109,900,767</u></u>

1. Subsidiaries

Please refer to the consolidated financial statements for the years ended December 31, 2022.

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:

	<u>2022.12.31</u>	<u>2021.12.31</u>
The carrying amount of individually non-significant associates' equity	<u><u>\$ 1,223,348</u></u>	<u><u>1,022,839</u></u>

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	2022	2021
Attributable to the Company:		
Profit (loss) from continuing operations	\$ <u>252,726</u>	<u>125,921</u>
Total comprehensive income	\$ <u><u>252,726</u></u>	<u><u>125,921</u></u>

3. Collateral

As of December 31, 2022 and 2021, the Company's investments accounted for using equity method were not pledged as collateral.

(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, 2022 and 2021, were as follows:

	Land	Buildings	Vessels	Containers	Other equipment	Privileged wharf equipment	Total
Cost:							
Balance at January 1, 2022	\$ 2,194,439	766,164	3,967,253	42,117,592	1,260,632	2,349,866	52,655,946
Additions	-	-	21,339,189	1,986,502	128,682	63,002	23,517,375
Reclassification	-	-	216,216	-	17,816	199,232	433,264
Disposals	-	-	-	(481,356)	(22,450)	(4,911)	(508,717)
Balance at December 31, 2022	\$ <u>2,194,439</u>	<u>766,164</u>	<u>25,522,658</u>	<u>43,622,738</u>	<u>1,384,680</u>	<u>2,607,189</u>	<u>76,097,868</u>
Balance at January 1, 2021	\$ 2,194,439	766,164	3,903,402	27,654,227	804,320	2,307,365	37,629,917
Additions	-	-	63,851	14,829,314	401,706	38,697	15,333,568
Reclassification	-	-	-	-	68,349	3,804	72,153
Disposals	-	-	-	(365,949)	(13,743)	-	(379,692)
Balance at December 31, 2021	\$ <u>2,194,439</u>	<u>766,164</u>	<u>3,967,253</u>	<u>42,117,592</u>	<u>1,260,632</u>	<u>2,349,866</u>	<u>52,655,946</u>
Depreciation and impairment loss:							
Balance at January 1, 2022	\$ -	93,265	3,240,816	13,970,664	519,894	1,173,868	18,998,507
Depreciation	-	15,322	3,516,142	2,967,616	147,373	146,295	6,792,748
Disposals	-	-	-	(404,605)	(22,450)	(4,465)	(431,520)
Balance at December 31, 2022	\$ <u>-</u>	<u>108,587</u>	<u>6,756,958</u>	<u>16,533,675</u>	<u>644,817</u>	<u>1,315,698</u>	<u>25,359,735</u>
Balance at January 1, 2021	\$ -	77,942	3,133,746	11,968,137	432,605	1,041,350	16,653,780
Depreciation	-	15,323	107,070	2,317,818	101,032	132,518	2,673,761
Disposals	-	-	-	(315,291)	(13,743)	-	(329,034)
Balance at December 31, 2021	\$ <u>-</u>	<u>93,265</u>	<u>3,240,816</u>	<u>13,970,664</u>	<u>519,894</u>	<u>1,173,868</u>	<u>18,998,507</u>
Carrying amounts:							
Balance at December 31, 2022	\$ <u>2,194,439</u>	<u>657,577</u>	<u>18,765,700</u>	<u>27,089,063</u>	<u>739,863</u>	<u>1,291,491</u>	<u>50,738,133</u>
Balance at January 1, 2021	\$ <u>2,194,439</u>	<u>688,222</u>	<u>769,656</u>	<u>15,686,090</u>	<u>371,715</u>	<u>1,266,015</u>	<u>20,976,137</u>
Balance at December 31, 2021	\$ <u>2,194,439</u>	<u>672,899</u>	<u>726,437</u>	<u>28,146,928</u>	<u>740,738</u>	<u>1,175,998</u>	<u>33,657,439</u>

As of December 31, 2022 and 2021, 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).

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(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:

	<u>Buildings</u>	<u>Wharfs</u>	<u>Vessels</u>	<u>Containers</u>	<u>Others</u>	<u>Total</u>
Cost:						
Balance as of January 1, 2022	\$ -	4,229,361	129,361,477	3,970,746	25,507	137,587,091
Additions	6,817	-	32,166,636	52,846	17,002	32,243,301
Decreases	-	-	(103,502,361)	(1,597,152)	(12,718)	(105,112,231)
Remeasurement	-	11,963	(36,298,445)	8,296	-	(36,278,186)
Balance as of December 31, 2022	<u>\$ 6,817</u>	<u>4,241,324</u>	<u>21,727,307</u>	<u>2,434,736</u>	<u>29,791</u>	<u>28,439,975</u>
Balance as of January 1, 2021	\$ -	4,231,562	77,617,146	3,078,058	25,507	84,952,273
Additions	-	-	-	840,462	-	840,462
Decreases	-	-	(32,636,632)	(2,123)	-	(32,638,755)
Remeasurement	-	(2,201)	84,380,963	54,349	-	84,433,111
Balance as of December 31, 2021	<u>\$ -</u>	<u>4,229,361</u>	<u>129,361,477</u>	<u>3,970,746</u>	<u>25,507</u>	<u>137,587,091</u>
Accumulated depreciation and impairment losses:						
Balance as of January 1, 2022	\$ -	1,305,475	14,537,335	1,405,292	16,943	17,265,045
Depreciation for the year	57	437,069	8,911,288	690,853	6,553	10,045,820
Decreases	-	-	(18,846,488)	(716,738)	(12,718)	(19,575,944)
Balance as of December 31, 2022	<u>\$ 57</u>	<u>1,742,544</u>	<u>4,602,135</u>	<u>1,379,407</u>	<u>10,778</u>	<u>7,734,921</u>
Balance as of January 1, 2021	\$ -	870,303	9,083,887	684,948	10,527	10,649,665
Depreciation for the year	-	435,172	8,368,879	722,467	6,416	9,532,934
Decreases	-	-	(2,915,431)	(2,123)	-	(2,917,554)
Balance as of December 31, 2021	<u>\$ -</u>	<u>1,305,475</u>	<u>14,537,335</u>	<u>1,405,292</u>	<u>16,943</u>	<u>17,265,045</u>
Carrying amount:						
Balance as of December 31, 2022	<u>\$ 6,760</u>	<u>2,498,780</u>	<u>17,125,172</u>	<u>1,055,329</u>	<u>19,013</u>	<u>20,705,054</u>
Balance as of January 1, 2021	<u>\$ -</u>	<u>3,361,259</u>	<u>68,533,259</u>	<u>2,393,110</u>	<u>14,980</u>	<u>74,302,608</u>
Balance as of December 31, 2021	<u>\$ -</u>	<u>2,923,886</u>	<u>114,824,142</u>	<u>2,565,454</u>	<u>8,564</u>	<u>120,322,046</u>

(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 2 to 3 years, with the partial lessees having the options to extend at the end of the term.

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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, 2022	\$ 2,828,223	699,570	3,527,793
Purchases	-	554	554
Balance at December 31, 2022	<u><u>\$ 2,828,223</u></u>	<u><u>700,124</u></u>	<u><u>3,528,347</u></u>
Balance at January 1, 2021	\$ 2,828,223	663,883	3,492,106
Purchases	-	35,687	35,687
Balance at December 31, 2021	<u><u>\$ 2,828,223</u></u>	<u><u>699,570</u></u>	<u><u>3,527,793</u></u>
Depreciation and impairment losses:			
Balance at January 1, 2022	\$ -	45,139	45,139
Depreciation for the year	-	29,399	29,399
Balance at December 31, 2022	<u><u>\$ -</u></u>	<u><u>74,538</u></u>	<u><u>74,538</u></u>
Balance at January 1, 2021	\$ -	19,425	19,425
Depreciation for the year	-	25,714	25,714
Balance at December 31, 2021	<u><u>\$ -</u></u>	<u><u>45,139</u></u>	<u><u>45,139</u></u>
Carrying amount:			
Balance at December 31, 2022	<u><u>\$ 2,828,223</u></u>	<u><u>625,586</u></u>	<u><u>3,453,809</u></u>
Balance at January 1, 2021	<u><u>\$ 2,828,223</u></u>	<u><u>644,458</u></u>	<u><u>3,472,681</u></u>
Balance at December 31, 2021	<u><u>\$ 2,828,223</u></u>	<u><u>654,431</u></u>	<u><u>3,482,654</u></u>
Fair value:			
Balance at December 31, 2022			<u><u>\$ 4,053,049</u></u>
Balance at December 31, 2021			<u><u>\$ 4,021,029</u></u>

The fair value of investment properties (as measure or disclosed in the financial statements) in Taiwan at December 31, 2022 and 2021 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 2022 and 2021 were as follows:

Location	2022	2021
Taiwan	1.73%-2.22%	1.58%-2.18%

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The investment property is a commercial real estate which was bought for operation planning on December 31, 2022 and 2021. That property has been currently leasing out for rental income, and no contingent rents are charged. The rent revenue is \$46,146 thousand and \$40,417 thousand for the year 2022 and 2021, respectively.

The details of investment property that has been pledged as collateral for long-term borrowings and financing lines on December 31, 2022 and 2021, please refer to note (8).

(l) Intangible assets

The costs and amortization of the intangible assets of the Company for the years ended December 31, 2022 and 2021 were as follows:

	Computer software	Trademarks	Total
Costs:			
Balance at January 1, 2022	\$ 152,122	4,043	156,165
Additions	15,839	-	15,839
Disposals	(31,545)	(17)	(31,562)
Balance at December 31, 2022	<u><u>\$ 136,416</u></u>	<u><u>4,026</u></u>	<u><u>140,442</u></u>
Balance at January 1, 2021	\$ 149,118	4,057	153,175
Additions	48,814	68	48,882
Reclassification	580	-	580
Disposals	(46,390)	(82)	(46,472)
Balance at December 31, 2021	<u><u>\$ 152,122</u></u>	<u><u>4,043</u></u>	<u><u>156,165</u></u>
Amortization and impairment loss:			
Balance at January 1, 2022	\$ 80,151	1,769	81,920
Amortization for the year	50,754	404	51,158
Disposals	(31,545)	(17)	(31,562)
Balance at December 31, 2022	<u><u>\$ 99,360</u></u>	<u><u>2,156</u></u>	<u><u>101,516</u></u>
Balance at January 1, 2021	\$ 71,237	1,424	72,661
Amortization for the year	55,304	427	55,731
Disposals	(46,390)	(82)	(46,472)
Balance at December 31, 2021	<u><u>\$ 80,151</u></u>	<u><u>1,769</u></u>	<u><u>81,920</u></u>
Carrying amounts:			
Balance at December 31, 2022	<u><u>\$ 37,056</u></u>	<u><u>1,870</u></u>	<u><u>38,926</u></u>
Balance at December 31, 2021	<u><u>\$ 71,971</u></u>	<u><u>2,274</u></u>	<u><u>74,245</u></u>
Balance at January 1, 2021	<u><u>\$ 77,881</u></u>	<u><u>2,633</u></u>	<u><u>80,514</u></u>

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1. Recognition of amortization and impairment

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

	2022	2021
Operating costs	\$ <u><u>34,386</u></u>	<u><u>27,764</u></u>
Operating expense	\$ <u><u>16,772</u></u>	<u><u>27,967</u></u>

(m) Short-term borrowings

	2022.12.31	2021.12.31
Unsecured bank loans	\$ <u><u>-</u></u>	<u><u>-</u></u>
Unused short-term credit lines	\$ <u><u>5,786,511</u></u>	<u><u>4,774,432</u></u>

1. Issuance and repayment of short-term borrowings

For the years ended December 31, 2022 and 2021, the proceeds from short-term borrowings amounted to \$2,500,000 thousand and \$1,220,000 thousand respectively and the repayments amounted to \$2,500,000 thousand and \$1,220,000 thousand respectively.

2. Collateral for bank loan

There were no assets pledged as collateral for the short-term borrowings of the Company.

(n) Long-term borrowings

The borrowings were summarized as follows:

	Expiration date	2022.12.31	2021.12.31
Unsecured bank loans - USD	2024/02/11	\$ 276,525	466,678
Unsecured bank loans - TWD	2024/01/27-2025/09/19	8,500,000	500,000
Secured bank loans - USD	2023/04/12-2027/07/22	14,890,154	9,133,125
Secured bank loans - TWD	2040/10/08-2042/06/24	4,156,741	3,013,000
Commercial paper	2025/01/14-2026/03/27	4,500,000	4,810,000
Less: Discount on commercial paper		(2,089)	(948)
Less: Current portion		<u>(4,324,850)</u>	<u>(2,878,817)</u>
Total		\$ <u><u>27,996,481</u></u>	<u><u>15,043,038</u></u>
Unused long-term credit lines		\$ <u><u>17,326,438</u></u>	<u><u>25,130,760</u></u>
Range of interest rates		0.28%~5.95%	0.20%~1.11%

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

1. Issuance and repayment of long-term borrowings

For the years ended December 31, 2022 and 2021, the proceeds from long-term borrowings amounted to \$23,034,400 thousand and \$7,887,815 thousand respectively, and the repayment amounted to \$10,029,805 thousand and \$5,053,769 thousand, respectively.

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2. Collateral for long-term borrowings

For the collateral for long-term borrowings, please refer to note (8). The Company applied for credit lines from banks, but had not pledged any asset as collateral, and the assets will be pledged as collateral at the time of drawdown. As of December 31, 2022, the unused long-term credit lines are \$2,066,688 thousand.

(o) Bonds payable

2022.12.31				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bond-2019 first domestic bond issue	TWD	1.05%	2024/06/18	\$ 3,300,000
Unsecured bond-2019 second domestic bond issue	TWD	0.97%~1.07%	2024/10/07~2026/10/07	3,200,000
Unsecured bond-2020 first domestic bond issue	TWD	0.97%	2025/10/23	2,500,000
Total				\$ 9,000,000
Current				\$ -
Non-current				9,000,000
Total				\$ 9,000,000

2021.12.31				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bond-2017 first domestic bond issue	TWD	1.55%	2022/06/26	\$ 2,100,000
Unsecured bond-2019 first domestic bond issue	TWD	0.95%~1.05%	2022/06/18~2024/06/18	4,800,000
Unsecured bond-2019 second domestic bond issue	TWD	0.97%~1.07%	2024/10/07~2026/10/07	3,200,000
Unsecured bond-2020 first domestic bond issue	TWD	0.97%	2025/10/23	2,500,000
Total				\$ 12,600,000
Current				\$ 3,600,000
Non-current				9,000,000
Total				\$ 12,600,000

1. 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.

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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.

2. 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%

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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.

3. 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 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%

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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.

4. Unsecured bond-2020 first domestic bond issue

The Company issued an unsecured corporate bond in October 2020. 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.

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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.

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:

	2022.12.31	2021.12.31
Current	\$ 8,464,133	14,743,482
Non-current	\$ 12,758,979	107,112,904

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

For the year ended December 31, 2022 and 2021, the Company's lease liabilities recognized as current financial liabilities for hedging were \$628,486 thousand and \$985,592 thousand, non-current financial liabilities for hedging were \$1,370,731 thousand and \$2,576,487 thousand, current lease liabilities were \$7,835,647 thousand and \$13,757,890 thousand, and non-current lease liabilities were \$11,388,248 thousand and \$104,536,417 thousand, respectively.

The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	\$ 1,322,841	1,710,895
Variable lease payments not included in the measurement of lease liabilities	\$ 9,138	11,811
Expenses relating to short-term leases	\$ 4,659,829	1,430,324
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ 508,289	579,236

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The amounts recognized in statement of cash flow were as follows:

	2022	2021
Total cash outflow for leases	\$ 16,558,558	12,323,433

1. Wharf, and container leases

As of December 31, 2022, the Company leases wharfs and containers for its operating needs. The leases of wharfs typically run for a period of 4 to 15 years, and of containers for 1 to 11 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.

2. Building leases

As of December 31, 2022, the Company leases buildings for its warehouses. The warehouse lease run for a period of 10 years.

3. Vessel leases

As of December 31, 2022, the Company leases vessels for its operating needs. The vessel leases run for a period of less than 1 year 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, 2022, the Company leases other machinery or equipment for its operating needs typically run for a period of 3 to 5 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

	2022.12.31	2021.12.31
Present value of defined benefit obligation	\$ 1,031,745	1,155,156
Fair value of plan assets	(855,422)	(776,085)
Recognized liabilities for defined benefit obligations	\$ 176,323	379,071

The Company's defined benefit plans allocate pension reserve to its pension reserve account with Bank of Taiwan. Retirement pensions for each employee to which Labor Standards Act can be applied, are calculated on the basis of service seniority and the average salary for the six months prior to retirement.

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.

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The Company's pension reserve account balance amounted to \$855,422 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 Company were as follows:

	2022	2021
Defined benefit obligation at January 1	\$ 1,155,156	1,128,686
Current service costs and interest cost	13,408	14,921
Remeasurement on the net defined benefit liabilities (assets)		
— Actuarial loss (gain) arising from changes in financial assumptions	(75,749)	39,704
Benefit paid	(61,070)	(28,155)
Defined benefit obligation at December 31	<u><u>\$ 1,031,745</u></u>	<u><u>1,155,156</u></u>

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:

	2022	2021
Fair value of plan assets at January 1	\$ 776,085	711,871
Interest income	4,089	3,828
Remeasurement on the net defined benefit liabilities (assets)		
— Return on plan assets (excluding current interest)	59,171	8,594
Contribution paid by employer	65,954	65,368
Benefit paid	(49,877)	(13,576)
Fair value of plan assets at December 31	<u><u>\$ 855,422</u></u>	<u><u>776,085</u></u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company was as follows:

	2022	2021
Current service costs	\$ 7,557	9,092
Net interest of net liabilities (assets) for defined benefit obligation	1,762	2,001
	<u><u>\$ 9,319</u></u>	<u><u>11,093</u></u>
Operating costs	\$ 8,001	8,193
Operating expenses	1,318	2,900
	<u><u>\$ 9,319</u></u>	<u><u>11,093</u></u>

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(r) Income taxes

1. Income tax expense

The amount of income tax were as follows:

	<u>2022</u>	<u>2021</u>
Current income tax expense:		
Current period	\$ 18,595,184	10,525,182
Adjustment for prior periods	<u>33,409</u>	<u>33,311</u>
	<u>18,628,593</u>	<u>10,558,493</u>
Deferred tax expense (benefit):		
Origination and reversal of temporary differences	<u>11,542,882</u>	<u>14,784,478</u>
Income tax expense from continuing operations	<u>\$ 30,171,475</u>	<u>25,342,971</u>

For the years ended December 31, 2022 and 2021, no income taxes were recognized in equity and other comprehensive income.

The amount of income tax recognized in other comprehensive income for 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	<u>\$ 26,984</u>	<u>(6,222)</u>
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	<u>\$ 14,547</u>	<u>(387)</u>

The reconciliation of income tax and profit before tax for 2022 and 2021 was as follows:

	<u>2022</u>	<u>2021</u>
Profit excluding income tax	<u>\$ 123,243,572</u>	<u>128,685,879</u>
Income tax using the Company's domestic tax rate	\$ 24,648,714	25,737,176
Permanent difference	2,899,149	48,005
Tax exempt income	(82,021)	(468,345)
Under (Over) provision in prior periods	33,409	33,311
Additional tax on undistributed earnings	2,672,224	-
Tax incentives	<u>-</u>	<u>(7,176)</u>
Total	<u>\$ 30,171,475</u>	<u>25,342,971</u>

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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 2022 and 2021 were as follows:

	Investment (loss) gain under the equity method	Deferred depreciation expense	Others	Total
Deferred Tax Liabilities:				
Balance at January 1, 2022	\$ 17,770,922	1,261,651	-	19,032,573
Debit (Credit) Income statement	10,440,063	333,879	626,569	11,400,511
Balance at December 31, 2022	<u>\$ 28,210,985</u>	<u>1,595,530</u>	<u>626,569</u>	<u>30,433,084</u>
Balance at January 1, 2021	\$ 3,118,490	1,002,108	9,540	4,130,138
Debit (Credit) Income statement	14,652,432	259,543	(9,540)	14,902,435
Balance at December 31, 2021	<u>\$ 17,770,922</u>	<u>1,261,651</u>	<u>-</u>	<u>19,032,573</u>
	Defined Benefit Plans	Loss Carryforward	Others	Total
Deferred Tax Assets:				
Balance at January 1, 2022	\$ 58,285	-	173,216	231,501
(Debit) Credit Income statement	(13,566)	-	(128,805)	(142,371)
(Debit) Credit Other Comprehensive Income	(26,984)	-	(14,547)	(41,531)
Balance at December 31, 2022	<u>\$ 17,735</u>	<u>-</u>	<u>29,864</u>	<u>47,599</u>
Balance at January 1, 2021	\$ 65,834	303,284	41,101	410,219
(Debit) Credit Income statement	(13,771)	(303,284)	131,728	(185,327)
(Debit) Credit Other Comprehensive Income	6,222	-	387	6,609
Balance at December 31, 2021	<u>\$ 58,285</u>	<u>-</u>	<u>173,216</u>	<u>231,501</u>

3. Examination and Approval

The Company's income tax returns through 2020 were examined and approved by the tax authority.

(s) Capital and other equity

As of December 31, 2022 and 2021, the Company's authorized capital consisted of 3,600,000 thousand shares, amounting to \$36,000,000 thousand, both with par value of \$10 (TWD) per share. All the issued shares were ordinary shares, consisting of 2,806,146 thousand shares and 2,440,127 thousand shares, respectively, and all the funds of issued shares had been received.

The Company's reconciliation of outstanding shares for the years ended December 31, 2022 and 2021 were as follows:

	Ordinary shares	
(in thousands)	2022	2021
Balance at January 1, 2022	2,440,127	2,218,297
Share dividends	366,019	221,830
Balance at December 31, 2022	<u>2,806,146</u>	<u>2,440,127</u>

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1. Issuance of ordinary shares

A resolution was passed during the general meeting of the shareholders held on May 26, 2022, for the issuance of 366,019 thousand new shares for unappropriated retained earnings, amounting to \$3,660,191 thousand. The Company has received approval from the Financial Supervisory Commission on June 30, 2022, for this capital increase, with July 20, 2022, as the date of capital increase.

A resolution was passed during the general meeting of the shareholders held on July 20, 2021, for the issuance of 221,830 thousand new shares with unappropriated retained earnings of \$2,218,298 thousand. The Company has received approval from the Financial Supervisory Commission on August 5, 2021, for this capital increase, with September 13, 2021, as the base date of the capital increase. The relevant statutory registration procedures have been completed.

2. Capital surplus

The balance of capital surplus was as follows:

	2022.12.31	2021.12.31
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
	<u><u>\$ 1,271,775</u></u>	<u><u>1,271,775</u></u>

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.

3. 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.

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If there is a still remaining balance, the Company shall allocate upward of 10% of it, and is allowed to combine with the beginning unappropriated retained earnings, through the Board of Directors to take the Company's capital needs, capital budgets and other factors into account, and also to give consideration to the interests of shareholders and the Company's long-term financial planning, submits the dividend and bonus distribution proposal to be approved by shareholders' meeting, then the amount will be distributed.

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.

2) Special reserve

By appropriating the distributable earnings, the Company will record the net deduction of other shareholders' equity in the current year and recognize an equivalent amount of special reserve from the after tax net profit in the period, plus items other than the after tax net profit in the period that are included in the undistributed current period earning and the undistributed prior period earnings. When distributing the 2021 and 2020 annual earnings in 2022 and 2021, respectively, the items other than the income after-tax of the current period shall be added to the income after-tax of the current period and included in the undistributed amount of the current period. The amount of the appropriated earnings and the unappropriated earnings of the previous period shall be added to the special reserve. For the deduction amount of other shareholders' equity accumulated in the previous period, the special reserve shall not be distributed from the undistributed surplus in the previous period. If there is a subsequent reversal in the amount of the deduction of other shareholders' equity, the earnings may be appropriated according to the reversal.

3) Earnings distribution

The earnings distribution for 2021 and 2020 was decided by the general meeting of shareholders held on May 26, 2022 and July 20, 2021, respectively.

The relevant dividend distribution to shareholders was as follows:

	2021		2020	
	Dividend per share (\$)	Total amount	Dividend per share (\$)	Total amount
Dividends distributed to ordinary shareholders				
Cash	\$ 10.50	25,621,336	1.00	2,218,298
Employees' cash bonus	1.50	3,660,191	1.00	2,218,298
Total		<u>\$ 29,281,527</u>		<u>4,436,596</u>

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4. Other equity (net after 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, 2022	\$ (4,617,000)	445,677	183,828
Foreign currency translation differences	14,253,366	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(274,625)	-
Gains (losses) from changes in the fair value of the hedging instrument:			
-Exchange rate risk for anticipated transactions	-	-	(198,261)
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	-	-	(47,340)
Balance at December 31, 2022	<u>\$ 9,636,366</u>	<u>171,052</u>	<u>(61,773)</u>
Balance at January 1, 2021	\$ (3,465,395)	75,448	150,344
Foreign currency translation differences	(1,151,605)	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	370,229	-
Gains (losses) from changes in the fair value of the hedging instrument:			
-Exchange rate risk for anticipated transactions	-	-	189,105
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	-	-	(155,621)
Balance at December 31, 2021	<u>\$ (4,617,000)</u>	<u>445,677</u>	<u>183,828</u>

(t) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the year 2022 and 2021 are as follows:

	2022	2021
Basic earnings per share		
Profit attributable to common shareholders	<u>\$ 93,072,097</u>	<u>103,342,908</u>
Weighted-average number of common shares (retrospective adjustments)	<u>2,806,146</u>	<u>2,806,146</u>
Basic earnings per share (Unit: New Taiwan Dollar)	<u>\$ 33.17</u>	<u>36.83</u>
Diluted earnings per share		
Profit attributable to common shareholders (Dilutive)	<u>\$ 93,072,097</u>	<u>103,342,908</u>
Weighted-average number of common shares (Basic) (retrospective adjustments)	2,806,146	2,806,146
Effects of employee stock compensation	<u>10,163</u>	<u>4,560</u>
Weighted average number of common shares (adjusted for the effects of all dilutive potential common shares)	<u>2,816,309</u>	<u>2,810,706</u>
Diluted earnings per share (Unit: New Taiwan Dollar)	<u>\$ 33.05</u>	<u>36.77</u>

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(u) Revenue from contracts with customers

1. Disaggregation of revenue

	2022	2021
Primary geographical markets:		
Asia	\$ 77,607,969	108,666,129
the Middle East, India, Red Sea	34,119,284	7,339,099
United States, South America	15,314,445	-
	\$ 127,041,698	116,005,228
Main service line:		
Freight	\$ 121,822,477	108,893,103
Rentals	4,515,526	6,318,443
WHL terminal	619,120	631,527
Other service	84,575	162,155
	\$ 127,041,698	116,005,228

2. Contract balances

	2022.12.31	2021.12.31	2021.1.1
Notes receivable	\$ 38,767	69,697	49,698
Accounts receivable	1,440,856	1,993,245	1,316,554
Less: allowance for doubtful receivables	(1,683)	(1,683)	(358)
Total	\$ 1,477,940	2,061,259	1,365,894
Contract assets	\$ 1,957,093	7,835,522	1,530,849
Contract liabilities (recognized as other current liabilities)	\$ 311,590	131,321	120,993

For details on accounts receivable and allowance for impairment, please refer to note (6)(f).

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 and directors

According to the Company's Articles, once the Company has annual profit, it should appropriate no less than 0.6% of the profit to its employees and no higher than 1% to its directors as remuneration. However, if the Company has accumulated deficits, the profit should be reversed to offset the deficit.

For the years ended December 31, 2022 and 2021, the estimated amount of the remunerations to employees were \$744,674 thousand and \$777,558 thousand, respectively, and the estimated amount of the remunerations to directors' were \$124,112 thousand and \$129,593 thousand, respectively. 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) Net other income (expenses)

	2022	2021
Gain on disposals of property, plant and equipment	\$ 88,521	43,567

(x) Non-operating income and expenses

1. Interest income

The details of interest income for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Interest from bank deposits	\$ 600,693	31,907
Other interest income	4,564	21,354
	\$ 605,257	53,261

2. Other revenue

The details of other revenue for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Dividends revenue	\$ 363,502	282,715
Other revenue	1,082	1,297
	\$ 364,584	284,012

3. Other gains and losses

The details of other gains and losses for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Foreign exchange gains (losses)	\$ 4,575,585	(367,872)
Gains on financial assets at fair value through profit or loss	(687,672)	1,274,831
Gain on lease modification	1,199,851	385,782
Other gains	473,882	182,325
	\$ 5,561,646	1,475,066

4. Finance costs

The details of finance costs for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Interest expense:		
Bank loan	\$ 500,853	97,586
Bonds payable	114,003	167,808
Commercial paper	42,758	19,667
Lease liabilities	1,322,841	1,710,895
	\$ 1,980,455	1,995,956

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(y) Financial instruments

1. Credit risks

1) 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.

2) Credit risk of receivables

For credit risk exposure of note and trade receivables, please refer to note 6(f). 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, 2022							
Non-derivative financial liabilities							
Secured bank loans	\$ 19,046,895	21,538,397	2,183,935	2,547,086	5,246,763	8,140,006	3,420,607
Unsecured bank loans	8,776,525	9,038,993	160,953	408,528	4,684,723	3,784,789	-
Commercial paper	4,497,911	4,611,763	19,499	21,674	43,349	4,527,241	-
Account payables (including related parties)	7,242,768	7,242,768	7,242,768	-	-	-	-
Other payables	2,354,308	2,354,308	2,354,308	-	-	-	-
Payables to agents	1,071,319	1,071,319	1,071,319	-	-	-	-
Bonds payable	9,000,000	9,250,930	34,650	57,290	4,591,940	4,567,050	-
Leases liabilities (partial recognized as financial liabilities for hedging)	21,223,112	22,123,883	4,275,774	4,313,231	7,271,187	5,429,914	833,777
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	22,640	22,640	22,640	-	-	-	-
	\$ 73,235,478	77,255,001	17,365,846	7,347,809	21,837,962	26,449,000	4,254,384

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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, 2021							
Non-derivative financial liabilities							
Secured bank loans	\$ 12,146,125	12,648,021	1,227,434	1,532,785	2,845,454	4,495,163	2,547,185
Unsecured bank loans	966,678	979,783	112,259	111,884	168,974	586,666	-
Commercial paper	4,809,052	4,871,205	11,017	12,068	2,831,964	2,016,156	-
Account payables (including related parties)	14,262,175	14,262,175	14,262,175	-	-	-	-
Other payables	3,466,154	3,466,154	3,466,154	-	-	-	-
Payables to agents	1,387,425	1,387,425	1,387,425	-	-	-	-
Bonds payable	12,600,000	12,989,670	3,681,450	57,290	91,940	9,158,990	-
Leases liabilities (partial recognized as financial liabilities for hedging)	121,856,386	137,452,596	7,414,635	7,478,280	14,016,996	37,830,041	70,712,644
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	21,840	21,840	21,840	-	-	-	-
	<u>\$ 171,515,835</u>	<u>188,078,869</u>	<u>31,584,389</u>	<u>9,192,307</u>	<u>19,955,328</u>	<u>54,087,016</u>	<u>73,259,829</u>

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:

Functional currency	Exchange rate	Foreign currency	2022.12.31	
			Foreign currency (in thousands)	Carrying Amount (TWD)
<u>Financial assets</u>				
<u>Monetary items</u>				
TWD	30.73	USD	\$ 2,520,017	77,427,511
TWD	0.23	JPY	11,732,449	2,727,806
TWD	4.42	CNY	493,979	2,182,621
TWD	0.89	THB	328,548	292,259
TWD	6.97	MYR	30,189	210,334
<u>Financial liabilities</u>				
<u>Monetary items</u>				
TWD	30.73	USD	669,118	20,558,640
TWD	0.23	JPY	7,326,243	1,703,358
TWD	3.94	HKD	188,728	743,677
TWD	4.42	CNY	161,563	713,857
TWD	0.89	THB	459,489	408,737

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			2021.12.31	
Functional currency	Exchange rate	Foreign currency	Foreign currency (in thousands)	Carrying Amount (TWD)
<u>Financial assets</u>				
<u>Monetary items</u>				
TWD	27.66	USD	\$ 1,505,896	41,645,553
TWD	0.24	JPY	25,308,389	6,079,245
TWD	4.34	CNY	786,915	3,416,079
TWD	3.55	HKD	140,581	498,520
TWD	6.62	MYR	23,518	155,652
TWD	0.54	PHP	277,622	150,394
<u>Financial liabilities</u>				
<u>Monetary items</u>				
TWD	27.66	USD	872,945	24,141,298
TWD	0.24	JPY	7,706,100	1,851,057
TWD	3.55	HKD	240,656	853,403
TWD	4.34	CNY	149,891	650,690
TWD	0.83	THB	573,914	475,625
	0.37	INR	1,131,322	419,843

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, 2022 and 2021, would have increased (decreased) the net profit before tax by \$605,264 thousand and \$273,165 thousand, respectively. For 2022 and 2021, the cash flow hedge would have increased (decreased) the equity by \$19,992 thousand and \$35,621 thousand, respectively. This analysis assumes that all other variables remain constant, and is performed on the same basis for the years ended December 31, 2022 and 2021.

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:

	2022		2021	
	Exchange gain or loss	Average rate	Exchange gain or loss	Average rate
TWD	\$ 4,575,585	-	(367,872)	-

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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 \$288,234 thousand and \$140,228 thousand, respectively, for the years ended December 31, 2022 and 2021 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, 2022 and 2021, 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:

Prices of securities at the reporting date	2022		2021	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	\$ 36,308	51,154	38,130	50,089
Decreasing 1%	(36,308)	(51,154)	(38,130)	(50,089)

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:

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	December 31, 2022				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss — domestic listed stocks	\$ 6,382,530	6,382,530	-	-	6,382,530
Non-derivative financial assets mandatorily measured at fair value through profit or loss — domestic emerging stocks	11,690	11,690	-	-	11,690
Sub-total	<u>6,394,220</u>	<u>6,394,220</u>	<u>-</u>	<u>-</u>	<u>6,394,220</u>
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	3,630,772	3,630,772	-	-	3,630,772
Unquoted equity instrument measured at fair value	565,589	-	-	565,589	565,589
Sub-total	<u>4,196,361</u>	<u>3,630,772</u>	<u>-</u>	<u>565,589</u>	<u>4,196,361</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	46,412,434	-	-	-	-
Bond portfolios with inactive market	70,790	-	-	-	-
Notes receivable	38,767	-	-	-	-
Accounts receivable	1,439,173	-	-	-	-
Other receivables	32,774,530	-	-	-	-
Receivables from agents	2,951,729	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	219,638	-	-	-	-
Sub-total	<u>83,907,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 94,497,642</u>	<u>10,024,992</u>	<u>-</u>	<u>565,589</u>	<u>10,590,581</u>
Financial liabilities measured at amortized cost					
Accounts payable	\$ 7,242,768	-	-	-	-
Other payables	2,354,308	-	-	-	-
Lease liabilities (including financial liabilities for hedging)	21,223,112	-	-	-	-
Payables to agents	1,071,319	-	-	-	-
Bonds payable (including current portion)	9,000,000	-	-	-	-
Long-term borrowings (including current portion)	32,321,331	-	-	-	-
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	22,640	-	-	-	-
Total	<u>\$ 73,235,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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	December 31, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
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	\$ 6,249,968	6,249,968	-	-	6,249,968
Non-derivative financial assets mandatorily measured at fair value through profit or loss — domestic emerging stocks	11,108	11,108	-	-	11,108
Sub-total	<u>6,261,076</u>	<u>6,261,076</u>	<u>-</u>	<u>-</u>	<u>6,261,076</u>
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	3,812,966	3,812,966	-	-	3,812,966
Unquoted equity instrument measured at fair value	479,305	-	-	479,305	479,305
Sub-total	<u>4,292,271</u>	<u>3,812,966</u>	<u>-</u>	<u>479,305</u>	<u>4,292,271</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	40,113,588	-	-	-	-
Bond portfolios with inactive market	63,717	-	-	-	-
Notes receivable	69,697	-	-	-	-
Accounts receivable	1,991,562	-	-	-	-
Other receivables	8,870,244	-	-	-	-
Receivables from agents	4,703,644	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	147,769	-	-	-	-
Sub-total	<u>55,960,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 66,513,568</u>	<u>10,074,042</u>	<u>-</u>	<u>479,305</u>	<u>10,553,347</u>
Financial liabilities measured at amortized cost					
Accounts payable	\$ 14,262,175	-	-	-	-
Other payables	3,466,154	-	-	-	-
Lease liabilities (including financial liabilities for hedging)	121,856,386	-	-	-	-
Payables to agents	1,387,425	-	-	-	-
Bonds payable (including current portion)	12,600,000	-	-	-	-
Long-term borrowings (including current portion)	17,921,855	-	-	-	-
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	21,840	-	-	-	-
Total	<u>\$ 171,515,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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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 Company's 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.

If the Company's 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.

3) For the years ended December 31, 2022 and 2021, there were no transferring of fair value hierarchy.

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4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income Unquoted equity instruments
Opening balance, January 1, 2022	\$ 479,305
Total gains and losses recognized:	
In other comprehensive income	86,284
Ending balance, December 31, 2022	\$ 565,589
Opening balance, January 1, 2021	\$ 450,120
Total gains and losses recognized:	
In other comprehensive income	29,185
Ending balance, December 31, 2021	\$ 479,305

For the years ended December 31, 2022 and 2021, 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:

	2022	2021
Total gains and losses recognized:		
In other comprehensive income, and presented in “unrealized gains or losses from financial assets at fair value through other comprehensive income”	86,284	29,185

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 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.

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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 at fair value through other comprehensive income — Unlisted equity investments	Comparable trading company method	· Liquidity-adjusted discount rate (28% on December 31, 2022 and 2021, respectively) · Price-to-book ratio (0.77 and 0.70 on December 31, 2022 and 2021, respectively) · EBITDA multiplier (8.22 and 10.30 on December 31, 2022 and 2021, 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:

			Other comprehensive income	
	Input	Positive and negative changes	Favorable	Unfavorable
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Unlisted equity investment	Discount rate	1%	\$ 7,855	(7,855)
Unlisted equity investment	Price-to-book ratio multiplier	1%	5,557	(5,557)
Unlisted equity investment	EBITDA multiplier	1%	104	(104)
			<u>\$ 13,516</u>	<u>(13,516)</u>
December 31, 2021				
Financial assets at fair value through other comprehensive income				
Unlisted equity investment	Discount rate	1%	\$ 6,657	(6,657)
Unlisted equity investment	Price-to-book ratio multiplier	1%	4,671	(4,671)
Unlisted equity investment	EBITDA multiplier	1%	124	(124)
			<u>\$ 11,452</u>	<u>(11,452)</u>

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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.

(z) 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 risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

2. Risk management framework

The Company's "Policy and Procedures for Risk Management" (hereinafter referred to as the "Policy and Procedures") have been established by the Audit Committee and the Board of Directors in May 2021 and serves as the highest guiding principles and procedures for the Company's risk management. The Policies and Procedures clearly define the Company's management goals, organizational structure and responsibilities, and management procedures to effectively identify, measure, and control all various risks of the Company. In this way, the Company may contain the risks incurred from business operation in an acceptable range, to ensure the continuity of operation and protect the rights and interests of stakeholders.

In accordance with the Policy and Procedures, each department had established a risk management team in 2021, which is led by the respective department head, to be responsible for the risk management implementation in daily operations. The Strategy Research Unit (SRU) of the President Office will coordinate and review the suitability and adequacy of the risk management implemented by each team. The SRU is also responsible for submitting a risk management report to the Audit Committee and the Board of Directors annually.

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.

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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.

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 \$23,112,949 thousand and \$29,905,192 thousand, as of December 31, 2022 and 2021.

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.

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2) Interest rate risk

The Company adopts a policy of ensuring that 30.25% 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.

(aa) 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:

	<u>2022.12.31</u>	<u>2021.12.31</u>
Total liabilities	\$ 117,310,108	201,384,076
Less: Cash and cash equivalents	(46,412,434)	(40,113,588)
Net debt	<u>\$ 70,897,674</u>	<u>161,270,488</u>
Total equity	\$ 225,602,942	144,275,026
Less: hedging reserve	61,773	(183,828)
Adjusted equity	<u>\$ 225,664,715</u>	<u>144,091,198</u>
Debt-to-equity ratio	<u>31.42 %</u>	<u>111.92 %</u>

(ab) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow for years ended December 31, 2022 and 2021 were as follows:

1. Acquired right-of-use assets through leasing, please refer to note (6)(j).

Reconciliation of liabilities arising from financing activities were as follows:

	<u>2022.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>2022.12.31</u>
			<u>Others</u>	
			<u>Foreign exchange movement</u>	
Long-term borrowings	\$ 17,921,855	13,003,454	-	32,321,331
Bonds payable	12,600,000	(3,600,000)	-	9,000,000
Lease liabilities (partial recognized as financial liabilities for hedging)	121,856,386	(10,058,461)	(90,574,813)	21,223,112
Total liabilities from financing activities	<u>\$ 152,378,241</u>	<u>(655,007)</u>	<u>(90,574,813)</u>	<u>62,544,443</u>

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			Non-cash changes		
	2021.1.1	Cash flows	Others	Foreign exchange movement	2021.12.31
Long-term borrowings	\$ 15,004,100	2,833,237	-	84,518	17,921,855
Bonds payable	16,400,000	(3,800,000)	-	-	12,600,000
Lease liabilities (partial recognized as financial liabilities for hedging)	75,471,620	(8,591,167)	54,975,933	-	121,856,386
Total liabilities from financing activities	<u>\$ 106,875,720</u>	<u>(9,557,930)</u>	<u>54,975,933</u>	<u>84,518</u>	<u>152,378,241</u>

(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
TK LOGISTICS INTERNATIONAL CO., LTD (TK)	Subsidiary
k.k. WH Corporation (WH Corporation)	Subsidiary
BAO SHENG SHIPPING AGENCY CO., LTD. (BS)	Subsidiary
Dawin Logistics (International) Ltd. (Dawin)	Subsidiary(Note 1)
Wan Hai Lines (Hong Kong) Limited (WHL Hongkong)	Subsidiary(Note 2)
Wan Hai Lines (Liberia) Limited (WHL Liberia)	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
WanHai Lines Ecuador S.A. (WHL Ecuador)	Indirect subsidiary
Wan Hai Lines (India) PVT Ltd. (WHL India)	Indirect subsidiary
Wan Hai Lines (Malaysia) Sdn. Bhd.	Indirect subsidiary
Infinite Marine Investment Co., Ltd.(IM)	Indirect subsidiary
BRAVELY (MYANMAR) TRANSPORT AND LOGISTICS COMPANY LIMITED (Bravely (Mynamar))	Indirect subsidiary
Bravely International Pte. Ltd. (BI)	Indirect subsidiary

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<u>Name of related party</u>	<u>Relationship with the Company</u>
WAN HAI LINES (ARIZONA) LLC. (WHL Arizona)	Indirect subsidiary
Shenzhen Uniwin International Logistics Ltd. (Uniwin)	Indirect subsidiary
Blue Ocean Logistics (Shanghai) Ltd (Blue)	Indirect subsidiary
GUANGZHOU WANHAI INFORMATION TECHNOLOGY LTD.	Indirect subsidiary
Clipper International Shipping Agency Ltd. (Clipper)	Indirect subsidiary
Shenzhen Yong Chun International Shipping Management Co., Ltd. (SZYC)	Indirect subsidiary
Wan Hai Lines (USA) LTD. (WHL USA)	Indirect subsidiary
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
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
PHU HUNG MARITIME SERVICE COMPANY LIMITED(PHU HUNG)	Joint venture
Taipei Port Container Terminal Corp. (Taipei Port)	Corporate director of the company
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
Formosa Wonderworld Co., Ltd. (Formosa Wonderworld)	Related party in substance
Shihlin Paper Co., Ltd.	Related party in substance
SUNNYFIELD SHIHLIN CO., LTD.	Related party in substance
Ennea Solar Energy LLC.	Related party in substance
JOHNSON CHECKER CO., LTD	Related party in substance
Express Container Terminal Corp. (ECTC)	Related party in substance
Wan Chun International Corp. (WCIC)	Subsidiary of ECTC

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<u>Name of related party</u>	<u>Relationship with the Company</u>
ASIA PACIFIC LOGISTICS INTERNATIONAL CO., LTD. (APLI)	Related party in substance
Apezgo Digital Information Co., Ltd.	Subsidiary of APLI
New World Container Services Corporation	Subsidiary of APLI
AP INT'L TRAVEL SERVICE CO., LTD.	Subsidiary of APLI
AP PETROLEUM BUSINESS CO., LTD	Subsidiary of APLI
TAI SOUNDS CO. LTD.	Subsidiary of APLI
Taian Insurance Co., Ltd.	Related party in substance
Wan Hai Charity Foundation	Related party in substance
New Speed Transportation & Terminal Co., Ltd. (NS)	Related party in substance
Shin Sheng Transportation Co., Ltd. (Shin Sheng)	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
Universal Checker Co., Ltd.	Related party in substance
Sunshine Shihlin Dev Co., Ltd.	Related party in substance
CHIEN LAI ENTERPRISE CO., LTD	Related party in substance
Interasia Lines Taiwan, Ltd.	Related party in substance
Tai Chuan Investments Co., Ltd.	Related party in substance

Note1: Dawin was originally fully owned by WHL Hong Kong. However, due to corporate restructurings WHL Hong Kong sold its entire shares in Dawin to the Company in July 2022. The relationship with the Company is changed to a subsidiary of the Company.

Note2: WHL Hong Kong was originally fully owned by WHL Singapore. However, due to corporate restructurings WHL Singapore sold its entire shares in WHL Hong Kong to the Company in November 2022. The relationship with the Company is changed to a subsidiary of the Company.

(b) Significant transactions with related parties

1. Sales to related parties:

	<u>2022</u>	<u>2021</u>
Subsidiaries	\$ 7,506,890	6,454,410
Joint venture	23,503	13,592
Other related parties	2,052,214	1,742,096
	<u>\$ 9,582,607</u>	<u>8,210,098</u>

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:

	<u>2022</u>	<u>2021</u>
Subsidiary:		
WHL Singapore	\$ 19,432,634	15,424,777
Others	4,112,936	4,788,962
Associates	575,373	312,251
Other related parties	5,059,368	4,787,157
Joint venture	<u>2,957</u>	<u>1,165</u>
	<u>\$ 29,183,268</u>	<u>25,314,312</u>

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 and other assets

Receivables of the Company from related parties were as follows:

<u>Item</u>	<u>Related party categories</u>	<u>2022.12.31</u>	<u>2021.12.31</u>
Accounts receivable	Other related parties	\$ 148,308	62,989
Accounts receivable	Subsidiary	-	12,805
	Subsidiary:		
Other receivables	WHL Singapore (Note)	29,189,955	8,266,370
Other receivables	WHL Liberia (Note)	3,077,072	-
Other receivables	Others	65,145	98,346
Other receivables	Other related parties	3,359	32,382
	Subsidiary:		
Receivable from agents	Clipper	729,538	1,623,210
Receivable from agents	Uniwin	157,578	658,475
Receivable from agents	Others	667,719	643,899
Receivable from agents	Associates		34,693
	Other related parties:		
Receivable from agents	WHL Japan	833,926	1,310,422
Other current assets	Subsidiary	14,806	-
Other current assets	Other related parties	<u>4,752</u>	<u>-</u>
		<u>\$ 34,892,158</u>	<u>12,743,591</u>

Note: Including fund financing portion and dividend receivable.

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4. Payables to related parties and other liabilities

Payables of the Company to related parties were as follows :

Item	Related party categories	2022.12.31	2021.12.31
	Subsidiary:		
Accounts payable	WHL Singapore	\$ 386,706	7,568,346
Accounts payable	Others	284,107	207,938
Accounts payable	Other related parties	136,701	130,994
Other payables	Subsidiary	67	56
Other payables	Other related parties	6,209	6,531
	Subsidiary:		
Payable to agents	WHL Hong Kong	439,157	693,266
Payable to agents	WHL Thailand	333,380	394,054
Payable to agents	WHL Vietnam	177,957	18,942
Payable to agents	Others	33,023	143,027
Payable to agents	Associates	7,508	
	Subsidiary		
Other current liabilities	WHL USA	170,411	-
Other current liabilities	WHL Thailand	22,584	56,473
Other current liabilities	Other related parties	22	13,409
		<u>\$ 1,997,832</u>	<u>9,233,036</u>

5. Property transactions

1) Acquisition of property, plant and equipment

In 2022, the Company purchased 2 vessels from its subsidiary with the purchasing price of USD\$51,800 thousand (TWD\$1,503,935 thousand) depending on the valuation report. The gain on disposal of property was \$1,132,958 thousand, which was not entirely realized. As of December 31, 2022, the unrealized gain of \$1,048,002 thousand was recognized as the deduction of long-term equity investment under equity method.

In 2022, the Company purchased 23 vessels from its subsidiary with the purchasing price of USD\$492,030 thousand (TWD\$14,803,584 thousand) depending on the valuation report. The gain on disposal of property was \$8,551,868 thousand, which was not entirely realized. As of December 31, 2022, the unrealized gain of \$5,871,091 thousand was recognized as the deduction of Long-term equity investment under equity method.

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, 2022 and 2021, the unrealized gain of \$0 thousand and \$5,582 thousand was recognized as the deduction of long-term equity investment under equity method.

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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, 2022 and 2021, the unrealized loss was \$60,064 thousand and \$65,520 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 summarized as follows:

Related parties categories	2022		2021	
	Disposal price	Gain from disposal	Disposal price	Gain from disposal
Subsidiary	\$ -	-	139	130

6. Other related-party transactions

For the year ended December 31, 2022 and 2021, the Company received the claim payment from other related parties amounting to \$3,639 thousand and \$1,722 thousand, respectively.

For the year ended December 31, 2022, the Company paid \$61 thousand, in claims to other related parties.

For the year ended December 31, 2022 and 2021, the Company sold fuel inventory to its subsidiary, WHL Singapore, amounting to \$784,333 thousand and \$1,157,463 thousand, respectively.

For the year ended December 31, 2022 and 2021, the Company received the payments of manpower support service from its subsidiary amounting to \$22,848 thousand and \$6,036 thousand, respectively.

For the years ended December 31, 2022 and 2021, the Company received the payments of manpower support service from other related parties amounting to \$19,200 thousand and \$18,896 thousand, respectively.

For the years ended December 31, 2022 and 2021, the Company received the payments of rent revenue from other related parties amounting to \$620 thousand and \$527 thousand, respectively.

For the years ended December 31, 2022, the Company purchased miscellaneous from its subsidiary amounting to \$936 thousand, respectively.

For the years ended December 31, 2022 and 2021, the Company purchased miscellaneous from other related parties amounting to \$27,171 thousand and \$46,623 thousand, respectively.

7. Loans to Related Parties

The Company Financing to other related parties was as follows:

	2022.12.31	2021.12.31
Subsidiary		
WHL Liberia	\$ 3,072,500	-

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.

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For the year ended December 31, 2022, the Company received the payment of rent revenue from its subsidiary amounting to \$4,563 thousand.

8. Guarantees

Endorsement guarantees offered to related parties were as follows:

	<u>2022.12.31</u>	<u>2021.12.31</u>
Subsidiary	\$ <u>69,598,327</u>	<u>14,463,023</u>

The Company's endorsement guarantee for its related parties bears an interest at an average rate. For the year ended December 31, 2022 and 2021, the Company received the payments of endorsement and guarantees revenue from its subsidiary amounting to \$342,066 thousand and \$89,879 thousand, respectively.

9. Leasing

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 \$72,990 thousand. For the year ended December 31, 2022 and 2021, the Company recognized the amount of \$1,009 thousand and \$892 thousand, respectively as interest expense, with the balance of lease liabilities amounting to \$46,384 thousand and \$41,480 thousand, respectively.

The Company rented vessels from its subsidiary-WHL Singapore. A 1-to-3 year lease contract was signed, in which the rental fee was determined based on the market condition. The total value of the contract was \$16,488,131 thousand. For the year ended December 31, 2022, the Company recognized the amount of \$1,209,468 thousand and \$1,593,335 thousand, respectively as interest expense, with the balance of lease liabilities amounting to \$11,387,006 thousand and \$116,436,155 thousand, respectively.

The Company rented vessels from its subsidiary-WHL Liberia. A 3 year lease contract was signed, in which the rental fee was determined based on the market condition. The total value of the contract was \$6,555,644 thousand. For the year ended December 31, 2022, the Company recognized the amount of \$15,300 thousand, respectively as interest expense, with the balance of lease liabilities amounting to \$6,195,482 thousand, respectively.

The Company rented office building from its subsidiary-T.K. A 10 year lease contract was signed, in which the rental fee was determined based on the market condition. The total value of the contract was \$7,800 thousand. For the year ended December 31, 2022, the Company recognized the amount of \$16 thousand, respectively as interest expense, with the balance of lease liabilities amounting to \$6,442 thousand, respectively.

(c) Key management personnel remuneration

Key management personnel remuneration comprised:

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 187,166	189,741
Post-employment benefits	<u>91</u>	<u>52</u>
	<u>\$ 187,257</u>	<u>189,793</u>

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(8) Pledged Assets

The carrying values of pledged assets were as follows:

Assets	Objective	2022.12.31	2021.12.31
Time deposits (classified under other non-current assets)	Lease contract for wharf	\$ 122,455	84,455
Guarantee deposits paid (classified under other non-current assets)	Lease contract for wharf, building lease contract and lawsuit	97,183	63,314
Containers (classified under property, plant and equipment)	Long-term loans	16,009,271	11,169,759
Land and Buildings (classified under property, plant and equipment)	Long-term loans	2,188,048	2,200,645
Land and Buildings (classified under investment property)	Long-term loans	2,897,544	1,519,953
		<u>\$ 21,314,501</u>	<u>15,038,126</u>

(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, 2022, the guarantee deposit amounted to JPY 255,775,000 (TWD 59,468 thousand) was listed in other non-current assets.

The Company cooperated with the Kaohsiung Harbor Bureau to rent the No. 63 and 64 wharfs in August 1994, and updated the contract in December 2016, the rental period lasted 8 years. The guarantee deposits amounting to \$40,000 thousand was listed in other non-current assets.

The Company cooperated with the Kaohsiung Harbor Bureau to rent Warf Nos. 79, 80 and 81 in January 2022, with rental period that runs from July 2023 to June 2043, at a total lease term of 20 years. The Company will recognized the amount of \$6,613,421 thousand as right-of-use asset. The guarantee deposits amounting to \$38,000 thousand was listed in other non-current assets.

The Company cooperated with the Taichung Harbor Bureau to rent the No. 34 and 35 wharfs in December 1999, and updated the contract in August 2018, the rental period lasted for 15 years. The guarantee deposits amounting to \$33,400 thousand was listed in other non-current assets.

(b) Vessel construction contract:

For operational purposes, the Company contracted with NIHON SHIPYARD CO., LTD. and JAPAN MARINE UNITED CORPORATION to construct 12 container ships, with a carrying capacity of 3,055 TEUs, with a total price of approximately JPY 60,840,000 thousand to JPY 64,800,000 thousand (approximately TWD 15,291,072 thousand to 16,286,349 thousand), the Company has already paid \$2,310,789 thousand as prepayments for equipment (listed in other non-current assets).

(c) As of December 31, 2022, the total amount claimed for damages to the Company is approximately TWD 293,996 thousand, and the related cases are under negotiation or under trail.

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(10) Losses Due to Major Disasters: None.

(11) Significant Subsequent Events: None.

(12) Others

- (a) Employee benefits, depreciation, and amortization expenses, categorized as operating cost or expense, were as follows:

By function By item	For the years ended December 31, 2022			For the years ended December 31, 2021		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	1,250,946	2,430,300	3,681,246	477,677	2,415,035	2,892,712
Labor and health insurance	28,261	125,931	154,192	24,886	95,347	120,233
Pension	24,402	47,747	72,149	22,614	44,979	67,593
Remuneration of directors	-	144,869	144,869	-	151,411	151,411
Others employee benefits	53,259	90,457	143,716	16,523	83,191	99,714
Depreciation	16,748,460	119,507	16,867,967	12,150,101	82,308	12,232,409
Amortization	34,386	16,772	51,158	27,764	27,967	55,731

The Company's number of employees and additional information on employee benefits in December 31, 2022 and 2021 are as follows:

	2022	2021
Number of employees	<u>1,222</u>	<u>1,139</u>
Number of directors who were not employees	<u>5</u>	<u>4</u>
The average employee benefit	<u>\$ 3,329</u>	<u>2,802</u>
The average salaries and wages	<u>\$ 3,025</u>	<u>2,549</u>
The average of employee salary cost adjustment as follows	<u>18.67 %</u>	<u>43.28 %</u>
Remuneration received by supervisors	<u>\$ -</u>	<u>-</u>

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 0.6% as employee remuneration following Article 11, Item 1.

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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.
 - 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.

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(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, 2022:

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	3,072,500	3,072,500	-	-	1	-	Note 4	-	Promissory note	3,072,500	90,241,177	90,241,177
0	The Company	WHL Liberia	Other receivables related	Yes	3,379,750	3,379,750	3,072,500	5.43%	1	-	Note 3	-	Promissory note	3,379,750	90,241,177	90,241,177
1	WHL Singapore	Yi Chun	Other receivables related	Yes	96,600	61,450	27,653	1.62~6.05%	1	-	Note 4	-	Promissory note	61,450	68,143,466	68,143,466

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 40 percent of the lending company's net worth.
3. The individual loaned amount between the foreign companies whose voting shares are wholly owned by the Company directly or indirectly, or the amount that the foreign companies whose voting shares are wholly owned by the Company directly or indirectly loaned 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)										
0	The Company	WHL Singapore	2	451,205,884	90,396,531	69,598,327	55,705,711	-	30.85 %	451,205,884	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.

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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 200% of the net worth of the company providing guarantees.

Note 3: Eliminated in the consolidated financial statements.

3. Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In thousands of TWD/Shares)

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	Domestic listed stocks:							
	GREATWALL ENTERPRISE CO., LTD.	-	Financial assets at fair value through profit or loss-current	13,922,880	634,187	1.56 %	634,187	
"	Formosa Plastics Corporation	-	"	376,288	32,662	0.01 %	32,662	
"	Formosa Chemicals & Fibre Corporation	-	"	245,480	17,306	- %	17,306	
"	Tainan Spinning Co., Ltd.	-	"	12,124,898	203,698	0.73 %	203,698	
"	TAIYEN BIOTECH CO., LTD	-	"	1,108,000	35,955	0.55 %	35,955	
"	China Steel Corporation	-	"	2,291,162	68,277	0.01 %	68,277	
"	Delta Electronics, Inc.	-	"	4,880,000	1,398,120	0.19 %	1,398,120	
"	Hon Hai Precision Ind. Co., Ltd.	-	"	77,440	7,736	- %	7,736	
"	Taiwan Semiconductor Manufacturing Co., Ltd	-	"	1,401,000	628,349	0.01 %	628,349	
"	Transcend Information, Inc.	-	"	89,111	5,881	0.02 %	5,881	
"	Amtran Technology Co., Ltd.	-	"	970,243	9,702	0.12 %	9,702	
"	Yang Ming Marine Transport Corp.	-	"	957,526	62,718	0.03 %	62,718	
"	China Airlines Ltd.	-	"	27,453,862	521,623	0.46 %	521,623	
"	Chinese Maritime Transport Ltd.	-	"	435,050	18,076	0.22 %	18,076	
"	Mega Financial Holding Co., Ltd.	-	"	20,392,012	618,898	0.15 %	618,898	
"	Taishin Financial Holding Co., Ltd.	-	"	18,351,695	277,111	0.15 %	277,111	
"	First Financial Holding Co., Ltd.	-	"	19,862,672	526,361	0.15 %	526,361	
"	The Eslite Spectrum Corporation	-	"	1,078,000	65,758	2.27 %	65,758	
"	Shih Wei Navigation Co., Ltd.	-	"	775,888	19,475	0.21 %	19,475	
"	Taiwan Cooperative Financial Holding Co., Ltd.	-	"	33,409,132	868,637	0.24 %	868,637	
"	Taiwan Secom Co., Ltd.	-	"	3,620,000	362,000	0.80 %	362,000	
"	Domestic Emerging stocks:							
"	TIGERAIR TAIWAN CO., LTD.	-	"	378,309	11,690	0.09 %	11,690	
"	Domestic listed stocks:							
"	Shihlin Paper Corporation	Related party in substance	Financial assets at fair value through other comprehensive income-non-current	10,462,088	521,012	4.02 %	521,012	
"	Chunghwa Telecom Co., Ltd.	-	"	27,520,000	3,109,760	0.35 %	3,109,760	
"	Domestic unlisted stocks:							

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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	Taipei Port Container Terminal Corp.	Related party in substance	Financial assets at fair value through other comprehensive income-non-current	79,315,476	555,677	15.25 %	555,677	
"	United Stevedoring Corporation	-	"	781,250	9,912	15.63 %	9,912	
WHL Singapore	Foreign listed stocks: Da Nang Port Joint Stock Company	-	Financial assets at fair value through other comprehensive income-non-current	20,090,000	682,312	20.29 %	682,312	

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	Taiwan Semiconductor Manufacturing Co., Ltd.	Current financial assets at fair value through profit or loss	-	-	529,000	325,335	872,000	475,737	-	-	-	-	1,401,000	628,349

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: 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	Taipei Port	Corporate director of the company	Container fee, terminal handling charges	844,796	1.18 %	30 days	-	-	(9)	-	%
The Company	Tan Cang-Cai Mep International Terminal Co., Ltd.	Associate	Terminal handling charges, container fee, charges for port of call	315,303	0.44 %	30 days	-	-	-	-	%
The Company	HAI PHONG	Associate	Terminal handling charges, container fee, charges for port of call	204,684	0.29 %	30 days	-	-	-	-	%
The Company	WHL-Vietnam	Subsidiary	Commission fee	516,902	0.72 %	30 days	-	-	(177,957)	2.14 %	Note 2
The Company	WHL Singapore	Subsidiary	Charter hire income, container rental revenue, commission revenue, shipping agent revenue, joint venture revenue	(7,481,121)	5.89 %	30 days	-	-	-	-	%

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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	Charter hire cost, oil expense, joint venture cost	19,432,634	27.55 %	30 days	-	-	(386,706)	4.65 %	Note 2
The Company	WHL Hongkong	Subsidiary	Commission fee	2,026,430	2.84 %	30 days	-	-	(439,157)	5.28 %	Note 2
The Company	WHL Malaysia	Subsidiary	Commission fee	195,376	0.27 %	30 days	-	-	-	- %	Note 2
The Company	TK Logistics International Co., Ltd.	Subsidiary	Container fee, labor fee, terminal handling charge	138,051	0.19 %	30 days	-	-	(13,269)	0.16 %	Note 2
The Company	WHL Thailand	Subsidiary	Commission fee	220,133	0.31 %	30 days	-	-	(333,380)	4.01 %	Note 2
The Company	WHL-Korea	Subsidiary	Commission fee	194,663	0.27 %	30 days	-	-	-	- %	Note 2
The Company	WHL-India	Subsidiary	Commission fee	275,877	0.39 %	30 days	-	-	-	- %	Note 2
The Company	WHL (Japan)	Same director with the company	Commission fee	824,236	1.16 %	30 days	-	-	-	- %	
The Company	Hyaline	Same director with the company	Commission fee	601,264	0.84 %	30 days	-	-	-	- %	
The Company	IAL Singapore	Related party in substance	Joint venture revenue, container rental revenue, shipping agent revenue, charter hire income	(1,918,394)	1.51 %	30 days	-	-	124,579	1.95 %	
The Company	IAL Singapore	Related party in substance	Joint venture cost, container rental cost	992,836	1.39 %	30 days	-	-	-	- %	
The Company	Interasia Lines Taiwan	Related party in substance	Loading and unloading revenue	(129,038)	0.10 %	30 days	-	-	23,698	0.37 %	
The Company	NSTC	Related party in substance	Tow charge	565,977	0.79 %	30 days	-	-	(44,122)	0.53 %	
The Company	APLI	Related party in substance	Container fee	338,239	0.47 %	30 days	-	-	(15,430)	0.19 %	
The Company	WCIC	Related party in substance	Turnkey fee, Loading and unloading fee	177,181	0.25 %	30 days	-	-	(15,061)	0.18 %	
The Company	NSaTC	Related party in substance	Tow charge, container fee	114,951	0.16 %	30 days	-	-	(11,098)	0.13 %	
The Company	New World Container services Corporation	Related party in substance	Container fee	137,623	0.19 %	30 days	-	-	(10,969)	0.13 %	
The Company	Johnson Checker	Related party in substance	Container management fee	145,960	0.20 %	30 days	-	-	(13,755)	0.17 %	
WHL Singapore	The Company	Subsidiary	Charter hire cost, container rental expense, commission fee, shipping agent expense, joint venture cost	7,481,121	8.08 %	30 days	-	-	-	- %	Note 2
WHL Singapore	The Company	Subsidiary	Oil revenue, charter hire income, joint venture cost	(19,838,048)	11.77 %	30 days	-	-	386,706	70.46 %	Note 2
WHL Hongkong	The Company	Subsidiary	Commission income	(2,026,430)	95.44 %	30 days	-	-	439,157	- %	Note 2
WHL Malaysia	The Company	Subsidiary	Commission income	(195,376)	99.92 %	30 days	-	-	-	- %	Note 2

(English Translation of Financial Statements Originally Issued in Chinese)
WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

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 Thailand	The Company	Subsidiary	Commission income	(220,133)	77.43 %	30 days	-	-	-	- %	Note 2
TK Logistics International Co., Ltd.	The Company	Subsidiary	Container revenue, service revenue, terminal handling revenue	(138,051)	- %	30 days	-	-	13,269	- %	Note 2
WHL Vietnam	The Company	Subsidiary	Commission income	(516,902)	100.00 %	30 days	-	-	177,957	67.47 %	Note 2
WHL India	The Company	Subsidiary	Commission income	(275,877)	100.00 %	30 days	-	-	-	- %	Note 2
WHL Korea	The Company	Subsidiary	Commission income	(194,663)	98.91 %	30 days	-	-	-	- %	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)	Clipper	Subsidiary	729,538	- %	-	-	729,538	-
The Company (Note 2)	Shenzhen Uniwin International Logistics Ltd.	Subsidiary	157,578	- %	-	-	144,113	-
The Company (Note 2)	WHL-USA	Subsidiary	257,882	- %	-	-	217,273	-
The Company (Note 2)	WHL (Japan)	Same director with the Company	833,926	- %	-	-	813,689	-
The Company (Note 2)	WHL Malaysia	Subsidiary	132,052	- %	-	-	132,052	-
The Company (Note 2)	IAL Singapore	Related party in substance	124,579	- %	-	-	124,579	-
The Company (Note 3)	WHL Singapore	Subsidiary	29,189,955	- %	-	-	29,189,955	-
The Company (Note 3)	WHL Liberia	Subsidiary	3,077,072	- %	-	-	-	-
WHL-Singapore (Note 2)	The Company	Subsidiary	386,706	- %	-	-	386,706	-
WHL-Hongkong (Note 2)	The Company	Subsidiary	439,157	- %	-	-	439,157	-
WHL-Thailand (Note 2)	The Company	Subsidiary	333,380	- %	-	-	333,380	-
WHL-Vietnam (Note 2)	The Company	Subsidiary	177,957	- %	-	-	177,957	-
Bao Sheng Shipping Agency Co.,Ltd. (Note 2)	The Company	Subsidiary	173,541	- %	-	-	147,522	-

Note 1: Eliminated in the consolidated financial statements.

Note 2: Including accounts receivable, contract assets and receivable from agent.

Note 3: Other receivables.

9. Derivative transactions: None.

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WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

(b) Information on investees

For the year ended December 31, 2022, the information on investees (excluding investees in Mainland China) as follows:

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, chartering of ships, and international transportation and shipping agency services	21,983,099	21,983,099	979,399,234	100.00 %	162,632,156	78,606,893	67,981,233	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 %	23,466	1,278	1,278	Subsidiary (Note 3)
"	Tan Cang-Cai Mep International Terminal Co., Ltd.	Vietnam	Managing wharf and containers	259,917	259,917	-	21.33 %	456,232	371,599	79,262	Equity method (Note 1)
"	T.K. Logistics International Co., Ltd.	Taiwan	Managing container terminals and storage facilities	143,000	143,000	14,300,000	55.00 %	170,166	42,135	23,181	Subsidiary (Note 2 · 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 %	40,196	5,041	3,530	Subsidiary (Note 3)
"	Hai Phong International Container Terminal Co., Ltd.	Vietnam	Managing wharf and containers	598,211	598,211	-	16.50 %	767,116	1,051,298	173,464	Equity method (Note 1)
"	Dawin Logistics (International) Ltd.	Hong Kong	Managing container, storage and logistics services	850,746	-	144,640,000	100.00 %	929,887	160,972	76,821	Subsidiary (Note 3)
"	Wan Hai Lines (H.K.) Limited	Hong Kong	Transportation and shipping agency services	1,259,282	-	160,000,000	100.00 %	115,769	2,523,233	(1,096,029)	Subsidiary (Note 2 · 3)
"	Wan Hai Lines (Liberia) Ltd.	Liberia	Vessel rental service	1,222,000	-	500	100.00 %	1,391,157	51,220	160,469	Subsidiary (Note 2 · 3)
WHL-Singapore	Wan Hai Lines (H.K.) Limited	Hong Kong	Transportation and shipping agency services	-	695,246	-	- %	-	2,523,233	2,571,829	Indirect subsidiary (Note 3 · 5)
"	Wan Hai Lines (Phils.), Inc.	Philippines	Transportation and shipping agency services	5,991	5,991	901,540	100.00 %	14,271	(2,082)	(2,082)	Indirect subsidiary (Note 3)
"	Wan Hai Lines (M) Sdn. Bhd	Malaysia	Transportation and shipping agency services	4,613	4,613	500,000	100.00 %	81,337	26,765	26,765	Indirect subsidiary (Note 3)
"	Yi Chun Shipping Agencies Sdn. Bhd	Malaysia	ODD operations	1,845	1,845	200,000	100.00 %	22,741	5,601	5,601	Indirect subsidiary (Note 3)
"	Wan Hai Lines (Korea) Ltd.	Korea	Transportation and shipping agency services	11,019	11,019	80,000	100.00 %	81,421	58,657	58,657	Indirect subsidiary (Note 3)
"	Wan Hai International Pte. Ltd.	Singapore	Transportation and shipping agency services	239,979	239,979	10,312,460	100.00 %	747,503	94,588	94,588	Indirect subsidiary (Note 3)
"	Wan Hai Lines (Thailand) Limited	Thailand	Transportation and shipping agency services	4,732	4,732	49,000	49.00 %	-	117,025	57,342	Indirect subsidiary (Note 3)
"	WAN HAI (VIETNAM) LTD.	Vietnam	Transportation and shipping agency services	8,691	8,691	-	100.00 %	381,100	365,033	365,033	Indirect subsidiary (Note 1 · 3)
"	HE CHUN LOGISTICS CO., LTD	Vietnam	ODD operations	60,857	60,857	-	100.00 %	114,317	53,257	53,257	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 %	64,197	59,715	59,118	Indirect subsidiary (Note 3)
"	WanHai Lines Ecuador S.A.	Ecuador	Transportation and shipping agency services	10,246	10,246	99,000	99.00 %	31,813	26,652	26,385	Indirect subsidiary (Note 3)
"	Bravely International Pte. Ltd.	Singapore	Transportation and investment	625,026	625,026	28,262,221	100.00 %	70,559	(3,820)	(3,820)	Indirect subsidiary (Note 3)

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WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

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	WAN HAI LINES (USA) LTD.	America	Transportation and shipping agency services	437,514	437,514	284,381	100.00 %	510,532	11,444	11,444	Indirect subsidiary (Note 3)
"	PHUC XUAN MARITIME SERVICE CO.,LTD.	Vietnam	Container yard business	9,186	9,186	-	49.00 %	39,470	60,952	29,867	Equity method (Note 1)
"	WAN HAI SHIPPING LIMITED	Myanmar	Transportation and shipping agency services	1,075	1,075	35,000	70.00 %	812	(15)	(10)	Indirect subsidiary (Note 3)
WHL INTL.	WanHai Lines Ecuador S.A.	Ecuador	Transportation and shipping agency services	178	178	1,000	1.00 %	321	26,652	267	Indirect subsidiary (Note 3)
"	Wan Hai Lines (UAE) LLC.	Dubai	Transportation and shipping agency services	1,365	1,365	147	49.00 %	33,772	62,932	30,837	Equity method
"	Infinite Marine Investment Co., Ltd.	Cayman	Investment	173,463	173,463	5,550,000	100.00 %	5,490	(465)	(465)	Indirect subsidiary (Note 3)
"	Wan Hai Lines (India) PVT Ltd.	India	Transportation and shipping agency services	69	69	10,000	100.00 %	483,711	119,463	119,463	Indirect subsidiary (Note 3)
"	Wan Hai Lines Peru S.A.C.	Peru	Transportation and shipping agency services	20	20	2,476	1.00 %	648	59,715	597	Indirect subsidiary (Note 3)
WHL Hongkong	Dawin Logistics (International) Ltd.	Hong Kong	Managing container, storage and logistics services	-	570,480	-	- %	-	160,972	84,151	Indirect subsidiary (Note 3 - 4)
Bravely International Pte. Ltd.	Bravely (Myanmar) Transport and Logistics Company Limited	Myanmar	Managing container, storage and logistics services	127,584	127,584	4,000,000	80.00 %	62,683	(2,723)	(2,178)	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 %	410,849	8,291	8,291	Indirect subsidiary (Note 1 - 3)
Wan Hai Lines (India) PVT Ltd.	WH LOGISTICS PRIVATE LIMITED	India	Management container, storage and logistic service	395	395	100,000	50.00 %	244	(82)	(41)	Equity method
HE CHUN	PHU HUNG MARITIME SERVICE COMPANY LIMITED	Vietnam	Container yard business	2,418	-	-	50.00 %	9,104	12,851	6,425	Equity method (Note 1)

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: Dawin was originally fully owned by WHL Hong Kong. However, due to corporate restructuring, WHL Hong Kong sold its entire shares in Dawin to the Company in July 2022.

Note 5: WHL Hong Kong was originally fully owned by WHL Singapore. However, due to corporate restructuring, WHL Singapore sold its entire shares in WHL Hong Kong to the Company in November 2022.

(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)	-	-	-	-	1,136	100.00 %	1,136	23,957	-
Shenzhen Uniwin International Logistics Ltd.	Freight transportation and acting as agent for transport affairs	644,016	(1)	-	-	-	-	141,605	100.00 %	141,605	766,997	-
Clipper International Shipping Agency Ltd.	International shipping agency services	4,295	(1)	-	-	-	-	50,828	100.00 %	74,022	75,069	-
Blue Ocean Logistics (Shanghai) Ltd.	Containers, storage and international transportation services	32,596	(1)	-	-	-	-	22,321	100.00 %	22,321	118,446	-
Shenzhen Yong Chun International Shipping Management Co., Ltd.	International shipping management	29,068	(1)	-	-	-	-	3,711	90.00 %	3,340	33,482	-

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WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

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						
Wan Hang Tours Co., Ltd.	General sales and entertainment project management	287,330	(1)	-	-	-	-	(25,404)	50.00 %	(12,702)	103,375	-
Qingdao port and Win International Logistics Co., Ltd.	Container yard station	50,188	(1)	-	-	-	-	27,327	50.00 %	13,664	43,415	-

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	135,361,765

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, 2022, 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:

Shareholder's Name	Shareholding	Shares	Percentage
Yi Chun Navigation Inc.		360,821,378	12.85 %
Asia Pacific Logistics International Co., Ltd.		223,720,812	7.97 %
Taiwan (Liberia) Container Express Co., Ltd.		216,192,115	7.70 %
The Bank SinoPac as Custodain for China (Liberia) Container Express Co., Ltd.		205,395,915	7.31 %

Note 1: The information of major shareholders in this table is based on the last business day of each quarter, and is calculated based on the shareholders holding more than 5% of the Company's common shares that have been issued without physical registration. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration due to different bases of preparation and calculation.

Note 2: If the above information is a shareholder's delivery of shares to the trust, it is disclosed by the trustee's opening of a trust account with individual subaccounts of the trustors. As for shareholders who are required to report holding more than 10% of the insider ownership in accordance with the Securities and Exchange Act, their shareholding includes their own shareholding plus the shares they have delivered to the trust, and with the right to decide on the use of the trust property, etc. For information on insider ownership reporting, please refer to the Market Observation Post System website.

(14) Segment Information

Please refer to the consolidated financial report.

Wan Hai Lines Ltd.
STATEMENT OF CASH AND CASH
EQUIVALENTS
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		\$ 105,528
Saving accounts-TWD		277,380
Saving accounts-Foreign currency	USD 1,203,602 thousand @ 30.73	40,296,569
	EUR 236 thousand @ 32.71	
	THB 262,438 thousand @ 0.89	
	KRW 101,523 thousand @ 0.02	
	CNY 264,878 thousand @ 4.42	
	JPY 7,539,937 thousand @ 0.23	
	SGD 1,920 thousand @ 22.87	
	HKD 26,641 thousand @ 3.94	
Time deposits-TWD (Note)		45,300
Time deposits-Foreign currency (Note)	USD 185,115 thousand @ 30.73	5,687,657
Total		<u>\$ 46,412,434</u>

Note: The term of time deposits is between 1 to 3 months, with interest rates ranging from 0.84% to 4.35%.

Wan Hai Lines Ltd.

STATEMENT OF CHANGES IN FINANCIAL ASSETS MEASURED
AT FAIR VALUE THROUGH PROFIT OR LOSS

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Name of financial instruments	Description	Shares (In thousands)	Book Value	Total Amount	Interest Rate	Acquisition Cost	Fair Value		Change in fair value-attribute to change in credit risk	Note
							Unit Price (NT\$)	Total Amount		
GREATWALL ENTERPRISE CO., LTD.	Domestic listed stocks	13,923	\$ -	-	- %	363,601	45.55	634,187	-	
Formosa Plastics Corporation	"	376	-	-	- %	29,619	86.80	32,662	-	
Formosa Chemicals & Fiber Corporation	"	245	-	-	- %	17,917	70.50	17,306	-	
Tainan Spinning Co., Ltd.	"	12,125	-	-	- %	228,310	16.80	203,698	-	
TAIYEN BIOTECH CO., LTD	"	1,108	-	-	- %	34,262	32.45	35,955	-	
China Steel Corporation	"	2,291	-	-	- %	57,287	29.80	68,277	-	
Delta Electronics, Inc.	"	4,880	-	-	- %	735,085	286.50	1,398,120	-	
Hon Hai Precision Ind.Co., Ltd.	"	77	-	-	- %	7,916	99.90	7,736	-	
Taiwan Semiconductor Manufacturing Co., Ltd	"	1,401	-	-	- %	683,642	448.50	628,349	-	
Transcend Information, Inc.	"	89	-	-	- %	9,530	66.00	5,881	-	
Amtran Technology Co., Ltd.	"	970	-	-	- %	35,041	10.00	9,702	-	
Yang Ming Marine Transport Corp.	"	958	-	-	- %	38,942	65.50	62,718	-	
China Airlines Ltd.	"	27,454	-	-	- %	553,349	19.00	521,623	-	
Chinese Maritime Transport Ltd.	"	435	-	-	- %	51,520	41.55	18,076	-	
Mega Financial Holding Co., Ltd.	"	20,392	-	-	- %	522,004	30.35	618,898	-	
Taishin Financial Holding Co., Ltd.	"	18,352	-	-	- %	196,792	15.10	277,111	-	
First Financial Holding Co., Ltd.	"	19,863	-	-	- %	316,153	26.50	526,361	-	
Shih Wei Navigation Co., Ltd.	"	776	-	-	- %	63,795	25.10	19,475	-	
Taiwan Cooperative Financial Holding Co., Ltd.	"	33,409	-	-	- %	465,280	26.00	868,637	-	
Taiwan Secom Co., Ltd.	"	3,620	-	-	- %	317,750	100.00	362,000	-	
The Eslite Spectrum Corporation	Domestic stocks traded over the counter	1,078	-	-	- %	136,106	61.0000	65,758	-	
TIGERAIR TAIWAN CO., LTD.	Domestic emerging stocks	378	-	-	- %	12,746	30.9000	11,690	-	
				-		4,876,647		6,394,220	-	

Wan Hai Lines Ltd.
STATEMENT OF CURRENT FINANCIAL
ASSETS AT AMORTIZED COST

December 31, 2022

(In Thousands of New Taiwan Dollars)

<u>Name</u>	<u>Description</u>	<u>Boand Lot</u>	<u>Book Value</u>	<u>Total Amount</u>	<u>Interest Rate</u>	<u>Carrying Amount</u>	<u>Note</u>
Saving accounts- Foreign Currency	USD 2,304 thousand @ 30.73	-	\$ -	<u>-</u>	- %	<u>70,790</u>	Restricted deposits

STATEMENT OF NOTES RECEIVABLE

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Notes receivables:			
Non-Related party:			
Others (Note 1)		\$ <u>38,767</u>	

Note 1: The amount of individual client does not exceed 5% of the account balance.

Wan Hai Lines Ltd.

STATEMENT OF ACCOUNTS RECEIVABLE

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Accounts receivable-joint service:			
Related parties:			
Interasia Lines Singapore Pte. Ltd.		\$ 110,121	
Non-Related parties:			
Hapag-Lloyd AG		242,863	
Others (Note 1)		172,837	
Accounts receivable-freight, additional fee and container loading / discharge			
Related parties:			
Others (Note 1)		38,187	
Non-Related parties:			
Others (Note 1)	Freight and surcharge income	<u>876,848</u>	
Subtotal		1,440,856	
Less: Allowance for doubtful receivables		<u>(1,683)</u>	
Total		<u><u>\$ 1,439,173</u></u>	

Note 1: The amount of individual client does not exceed 5% of the amount balance.

Wan Hai Lines Ltd.
STATEMENT OF OTHER RECEIVABLES
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Related parties:			
Accounts receivable-disposal of assets	Revenue from sale of containers	\$ 3,230	
Accounts receivable-vessel rental revenue	Revenue from charters of the remaining fuel at the end of rental period or others	620,475	
Loan receivable	Fund financing to WHL Liberia	3,072,500	
Dividends receivable	Dividends distributed by WHL-Singapore	28,221,323	
Others		<u>418,003</u>	
Subtotal		<u>32,335,531</u>	
Non-Related parties:			
Receivables	Discount on expense of containers loading / discharge	102,703	
Accounts receivable-vessel rental revenue	Revenue from charters of the remaining fuel at the end of rental period or others	36,965	
Indemnity income receivables	Relevant insurance compensation	191,950	
Other		<u>107,381</u>	
Subtotal		<u>438,999</u>	
Total		<u><u>\$ 32,774,530</u></u>	

Wan Hai Lines Ltd.
STATEMENT OF INVENTORIES
DECEMBER 31, 2022
(IN THOUSANDS OF NEW TAIWAN DOLLARS)

Item	Amount		Note
	Cost	Net Realizable Value	
Light marine diesel oil	\$ 229,210	229,210	
Heavy marine diesel oil	1,216,549	1,195,231	
Fresh lubricating oil	70,709	70,709	
Less: Allowance for inventory valuation and obsolescence losses	(21,318)	-	
	<u>\$ 1,495,150</u>	<u>1,495,150</u>	

Wan Hai Lines Ltd.
STATEMENT OF OTHER CURRENT ASSETS
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepaid expenses:			
Related parties:			
Others (The individual account does not exceed 5% of the amount balance)	Prepaid service charges and travelling expenses	\$ 19,557	
Non-Related parties:			
Prepaid rents	Pepaid rents of vessels and office	2,882	
Prepaid insurance	Prepaid insurance of containers, fire disaster, public liability insurance and mutual insurance	28,077	
Prepaid expenses-agents	Pepaid I/E bonded charges	288,830	
Prepaid expenses-other	Prepaid relevant fees for ships	102,972	
Others (The individual account does not exceed 5% of the amount balance)		194,671	
Sub total		<u>636,989</u>	
Payment on behalf of others:			
Payment on behalf of others-charters	Payment of fuel expense, accommodation fee, medical expense and others	40,250	
Payment on behalf of others-wharf expense	Relevant fees for ships entry and exit use	1,831	
Others (The individual account does not exceed 5% of the amount balance)		64,870	
Subtotal		<u>106,951</u>	
Total		<u><u>\$ 743,940</u></u>	

Wan Hai Lines Ltd.

STATEMENT OF CHANGES IN NON-CURRENT FINANCIAL
ASSETS MEASURED AT FAIR VALUE THROUGH OTHER
COMPREHENSIVE INCOME

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Name	Balance, January 1, 2022		Additions		Decrease		Balance, December 31, 2022		Collateral	Note
	Share (In thousands)	Carrying value	Share (In thousands)	Amount	Share (In thousands)	Amount	Share (In thousands)	Carrying value		
Shihlin Paper Corporation	9,351	\$ 606,886	1,111	62,855	-	148,729	10,462	521,012	None	
Chunghua Telecom Co., Ltd.	27,520	3,206,080	-	-	-	96,320	27,520	3,109,760	"	
Taipei Port Container Terminal Corp.	79,315	467,145	-	88,532	-	-	79,315	555,677	"	
United Stevedoring Corporation	781	12,160	-	-	-	2,248	781	9,912	"	
		\$ 4,292,271		151,387		247,297		4,196,361		

Wan Hai Lines Ltd.

**STATEMENT OF CHANGES IN INVESTMENTS
ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED IN DECEMBER 31, 2022**

(In Thousands of New Taiwan Dollars)

Name	Balance, January 1, 2022		Additions		Decrease		Balance, December 31, 2022		Market Value or Net Assets		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Unit price	Total Amount		
Wan Hai Lines (Singapore) Pre Ltd	979,399,234	\$ 108,663,044	-	53,969,112	-	-	979,399,234	100.00 %	166.05	162,632,156	None	
K.K. WH Corporation	500	22,892	-	574	-	-	500	100.00 %	46,932.17	23,466	"	
Tan Cang-Cai Mep International Terminal Co., Ltd.	Note	441,208	-	15,024	-	-	Note	21.33 %	-	456,232	"	
T. K. Logistics International Co., Ltd.	14,300,000	153,914	-	16,252	-	-	14,300,000	55.00 %	11.90	170,166	"	
Bao Sheng Shipping Agency Co., Ltd.	3,000,000	38,078	-	2,118	-	-	3,000,000	70.01 %	13.40	40,196	"	
Hai Phong International Container Terminal Co Ltd.	Note	581,631	-	185,485	-	-	Note	16.50 %	-	767,116	"	
Dawin Logistics (International) Limited	-	-	144,640,000	929,887	-	-	144,640,000	100.00 %	6.43	929,887	"	
Wan Hai Lines (H.K.) Ltd.	-	-	160,000,000	115,769	-	-	160,000,000	100.00 %	0.72	115,769	"	
Wan Hai Lines (Liberia) Ltd.	-	-	500	1,391,157	-	-	500	100.00 %	2,782,313.65	1,391,157	"	
		<u>\$ 109,900,767</u>		<u>56,625,378</u>		<u>-</u>				<u>166,526,145</u>		

Note : Limited companies with no common share issued.

Wan Hai Lines Ltd.

STATEMENT OF OTHER NON-CURRENT ASSET

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Deferred tax assets-non-current		\$ 47,599	
Refundable deposits		219,638	
Prepayments for equipment		2,708,676	
Others		883	
Total		<u>\$ 2,976,796</u>	

STATEMENT OF ACCOUNTS PAYABLES

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount	Note
Accounts payable			
Related parties:			
WHL Singapore	Oil expense, rent expense and joint venture cost	\$ 386,706	
Other (Note 1)		420,808	
Non-related parties			
Other (Note 1)		6,189,336	
Accounts payable-agents commission in transit		16,175	
Accounts payable-containers fee		18,192	
Accounts payable-charters		48,381	
Accounts payable-joint service		116,050	
Accounts payable-rental fee		47,120	
Total		<u>\$ 7,242,768</u>	

Note 1: The amount of individual client does not exceed 5% of the amount balance.

Wan Hai Lines Ltd.
STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Accrued expense:		
Related party:		
Others (The amount of individual client does not exceed 5 % of the balance amount)		\$ 6,276
Non-related party		
Bonus payable	Estimated year-end bonus	829,300
Compensation payable	Estimated compensation to directors and employees	868,786
Interest payable	Estimated interest expense	129,569
Others		190,778
Subtotal		2,018,433
Payables on equipment		36,733
Others		292,866
Total		<u>\$ 2,354,308</u>

STATEMENT OF LEASE LIABILITIES

Item	Lease terms	Discount rates	Amount	Note
Wharf	4~15 years	1.82%~2.20%	\$ 2,428,981	
Vessel equipment	1~3 years	2.56%~2.93%	17,582,488	
Containers	1~2 years	2.00%~4.04%	1,186,816	
Buildings	10 years	2.93%	6,442	
Others	1~5 years	2%~2.70%	18,385	
Total			<u>\$ 21,223,112</u>	

Wan Hai Lines Ltd.
STATEMENT OF OTHER CURRENT
LIABILITIES

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Unearned receipts:			
Related party:			
WHL USA	Unearned freight revenue	\$ 170,411	
Others (Note 1)	Unearned freight revenue	<u>22,606</u>	
Subtotal		<u>193,017</u>	
Non-Related party:			
Others (Note 1)		<u>118,573</u>	
Subtotal		<u>118,573</u>	
Receipts under custody	Collection of income tax, labor and health insurance, etc.	145,759	
Guarantee deposits received	security deposit	<u>1,624</u>	
Total		<u><u>\$ 458,973</u></u>	

Note 1: The amount of individual client does not exceed 5% of the amount balance.

Wan Hai Lines Ltd.
STATEMENT OF LONG-TERM LOANS
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Creditor	Description	Balance, December 31, 2022	Contract period	Range of Interest Rates	Collateral	Note
The Shanghai Commercial & Saving Bank East Taipei Branch		\$ 1,075,375			Containers	
Land Bank of Taiwan Chang An Branch		108,398			Containers	
"		1,766,491			Building, Land	
"		1,230,000			Building, Land	
"		789,260			Containers	
Bank of China Taipei Branch		460,875			Containers	
"		921,750			Containers	
Mizuho Bank Taipei Branch		276,525			Containers	
E.SUN BANK Taipei Branch		427,408			Containers	
Mega International Commercial Bank Foreign Dept		1,075,375			Containers	
"		1,536,250			Containers	
"		204,833			Containers	
First Commercial Bank Jiancheng Branch		30,725			Containers	
"		122,900			Containers	
"		614,500			Containers	
"		1,075,375			Containers	
"		1,229,000			Containers	
Hua Nan Commercial Bank ChengTung Branch		3,072,500			Containers	
"		768,125			Containers	
Chang Hwa Commercial Bank Chilin Branch		716,917			Containers	
"		384,063			Containers	
"		1,160,250			Building, Land	
Ta Ching Bills Finance Corporation		1,000,000			-	
China Bills Finance Corporation		600,000			-	
"		1,500,000			-	
Mega Bills Finance Corporation		1,400,000			-	
First Commercial Bank Jiancheng Branch		276,525			-	
Jihsun Bank Xinyi Branch		1,000,000			-	
Land Bank of Taiwan Chang An Branch		2,000,000			-	
Yuanta Commercial Bank Business Department		3,000,000			-	
Standard Chartered Bank of Dunbei Branch		1,900,000			-	
Far Eastern International Bank Business Department		600,000			-	
		32,323,420	2018.04.12~2042.06.24	0.28%~5.95%		
Less: Current portion		(4,324,850)				
Discount on commercial paper		(2,089)				
		<u><u>\$ 27,996,481</u></u>				

Wan Hai Lines Ltd.

STATEMENT OF OPERATING REVENUE

FOR THE YEAR ENDED IN DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Numbers</u>	<u>Amount</u>	<u>Note</u>
Freight revenue		\$ 121,845,145	
Rent revenue		4,515,526	
Revenue from WHL terminal		619,658	
Other labor service		<u>85,019</u>	
		127,065,348	
Less: Sales returns and allowances		<u>(23,650)</u>	
Net amount of operating revenue		<u><u>\$ 127,041,698</u></u>	

STATEMENT OF OPERATING COSTS

<u>Item</u>	<u>Amount</u>
Agency Service	\$ 3,325,504
Port charges	1,995,483
stevedorage & cargo charges	24,739,556
Container expense	7,787,104
Vessel expense	15,166,869
Fuel Cost	11,226,848
Loss on inventory valuation	21,318
Vessel rental expense	4,659,163
Expense from WHL terminal	<u>2,396,852</u>
	<u><u>\$ 71,318,697</u></u>

Wan Hai Lines Ltd.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED IN DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Payroll expenses		\$ 2,430,300	
Entertainment expenses		99,997	
Taxes		356,050	
Service fees		25,300	
Other expenses		1,610,544	None of individual amount exceed 5%
Total		<u>\$ 4,522,191</u>	

Note 1: Please refer to Note 6 (e) for hedging liabilities.

2: Please refer to Note 6 (i) for changes in property, plant and equipment.

3: Please refer to Note 6 (i) for changes in accumulated depreciation of the property, plant and equipment.

4: Please refer to Note 6 (j) for changes in the right-of-use-assets.

5: Please refer to Note 6 (j) for accumulated depreciation changes in right-of-use assets.

6: Please refer to Note 6 (k) for changes in investment property.

7: Please refer to Note 6 (k) for changes in accumulated depreciation of investment property.

8: Please refer to Note 6 (l) for changes in intangible assets.

9: Please refer to Note 6 (o) for bonds payable.

10: Please refer to Note 6 (q) for defined benefit obligation.

11: Please refer to Note 6 (r) for deferred tax assets and liabilities.

12: Please refer to Note 6 (x) for interest income.

13: Please refer to Note 6 (x) for other revenue.

14: Please refer to Note 6 (x) for other income and loss.

15: Please refer to Note 6 (x) for financial costs.

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.



Review of Financial Conditions, Operating Results, and Risk Management

7.1 Analysis of Financial Status

Unit: TWD thousand; %

Item \ Year	2022	2021	Difference	
			Amounts	%
Current assets	194,889,426	132,697,578	62,191,848	46.87
Property, Plant and Equipment	114,914,338	82,634,574	32,279,764	39.06
Right-of-Use	18,207,190	18,245,877	(38,687)	(0.21)
Intangible Assets	40,351	75,808	(35,457)	(46.77)
Other Assets	37,051,993	24,026,988	13,025,005	54.21
Total Assets	365,103,298	257,680,825	107,422,473	41.69
Current Liabilities	48,366,437	48,060,731	305,706	0.64
Non-current Liabilities	90,765,787	65,047,654	25,718,133	39.54
Total Liabilities	139,132,224	113,108,385	26,023,839	23.01
Equity attributable to owners of parent	225,602,942	144,275,026	81,327,916	56.37
Common Stock	28,061,464	24,401,273	3,660,191	15.00
Capital surplus	1,271,775	1,271,775	0	0.00
Retained Earnings	186,524,058	122,589,473	63,934,585	52.15
Other Equity	9,745,645	(3,987,495)	13,733,140	344.41
Treasury Stock	0	0	0	0.00
Non-Controlling Interest	368,132	297,414	70,718	23.78
Total stockholders' equity	225,971,074	144,572,440	81,398,634	56.30

Illustration for significant variance:

1. The increase in current assets was mainly due to the increase in cash and cash equivalents.
2. The increase in property, plant and equipment was mainly due to the increase in vessels & containers.
3. The increase in Intangible assets was mainly due to the increase in Computer software.
4. The increase in other assets was mainly due to the increase in advance payments on equipment.
5. The increase in non-current liabilities was mainly due to the increase in deferred tax liabilities & long term borrowings.
6. The increase in retained earnings was mainly due to the increase in net income after income tax.
7. The increase in other equities was mainly due to the increase in exchange differences on translation of foreign financial statements.

7.2 Analysis of operation results

Unit: TWD thousand; %

Item \ Year	2022	2021	Difference	
			Amounts	%
Operating revenue	258,953,171	228,005,453	30,947,718	13.57
Operating cost	132,523,190	93,352,853	39,170,337	41.96
Gross profit	126,429,981	134,652,600	(8,222,619)	(6.11)
Operating expense	8,612,289	6,979,209	1,633,080	23.40
Net other income (expenses)	105,731	240,440	(134,709)	(56.03)
Operating income	117,923,423	127,673,391	(9,990,408)	(7.81)
Non-operating income and expenses	6,055,956	1,521,349	4,775,047	372.79
Net income before income tax	123,979,379	129,194,740	(5,215,361)	(4.04)
Income tax	30,850,498	25,777,512	5,072,986	19.68
Net income after income tax	93,128,881	103,417,228	(10,288,347)	(9.95)
Other comprehensive profit and loss (Net value after tax)	13,906,475	(769,977)	14,676,452	1,906.09
Total Comprehensive profit and loss from this period	107,035,356	102,647,251	4,388,105	4.27
Net earnings attributable to owners of parent	93,072,097	103,342,908	(10,270,811)	(9.94)
Net earnings attributable to non-controlling interest	56,784	74,320	(17,536)	(23.60)
Total comprehensive profit and loss attributable to owners of parent	106,967,397	102,590,915	4,376,482	4.27
Total comprehensive profit and loss attributable to non-controlling interest	67,959	56,336	11,623	20.63

Illustration for significant variance:

1. The increase in operating cost was mainly due to increase in fuel cost & depreciation expense for right-of-use-vessel.
2. The increase in operating expense was mainly due to increase in salary and oft tax expenses.
3. The decrease in net other income (expenses) was mainly due to decrease in gains on disposals of property and equipment.
4. The increase in non-operating income and expenses was mainly due to increase in interest income and foreign exchange gains.
5. The increase in other comprehensive profit and loss (net value after tax) was mainly due to increase in exchange differences on translation.

7.3 Analysis of cash flow

7.3.1 Analysis of short-term liquidity for the last two years

Items \ Year	2022	2021	Increase(Decrease)(%)
Cash flow ratio	279.39	275.91	+1.26
Cash flow adequacy ratio	224.30	224.09	+0.09
Cash re-investment ratio	29.98	52.93	-43.36
Analysis of increase/decrease ratios: Dividend payment increase resulted in the decrease of 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
171,752,195	34,606,160	(53,840,699)	152,517,656	-	-

1. Analysis of cash flow for this year:

- (1) Operating activities: Expected demand and the average ocean freight rate will decrease, so the company estimated that the cash inflow from operating activities is TWD 34,606,160 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 48,373,094 thousand.
- (3) Financing activities: Under the influence of long term facility drawdown, and repaying loan and dividend in the next coming year, the company estimated that the cash outflow from financing activities is TWD 5,467,605 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)				
				2022	2023	2024	2025	2026
Investing terminal Purchasing containers/ vessels	Loans Internal funds Financing from capital market	Purchasing containers and vessels in Year 2022 Investing terminal/Purchasing containers and vessels in Year 2023~2026	111,910,211	44,928,770	46,528,778	19,233,936	1,217,892	835

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 320,776 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

In recent years, the US dollar interest rate has changed significantly. The company has adjusted the debt structure to reduce the impact of rising interest rates on long-term and short-term borrowing costs. In terms of the impact of exchange rate, although the company's income in US dollars is greater than its expenses, the way to achieve the effect of automatic hedging is through US dollar loans, which can control the exchange rate risk to a minimum. For inflation, the company also continued to pay attention and response timely.

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.

Wan Hai Lines will invest an estimated TWD 846,000,000 expense for research and development and installation of the following items:

1. Research in deployment of optimized ship types for the shipping routes.
2. Optimizing existing shipping routes and developing niche markets.
3. Draw up plans for breaking old ships so as to raise overall fleet efficiency.
4. Continue research in deep cultivation of the markets in the Americas.
5. Research in reduction of carbon emissions by decreasing ship speeds.
6. Strengthening development of strategic alliances.
7. Promotion of e-commerce.

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 The impact of technological changes (including information security risks) and industry changes on the company's financial business and countermeasures

The development of information technology is rapidly accelerating. The company continues to increase IT capital expenditures and optimize software and hardware facilities in accordance with business needs. Taking into account efficiency and security protection, it continues to strengthen investment in information security risks, and enhance financial control capabilities and assist promotion with planning of financial work.

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 litigation issues which is significant in influencing the shareholders' interests or security prices. The enclosed details shall include the facts, amount, litigation 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 after deducting the deductible 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.

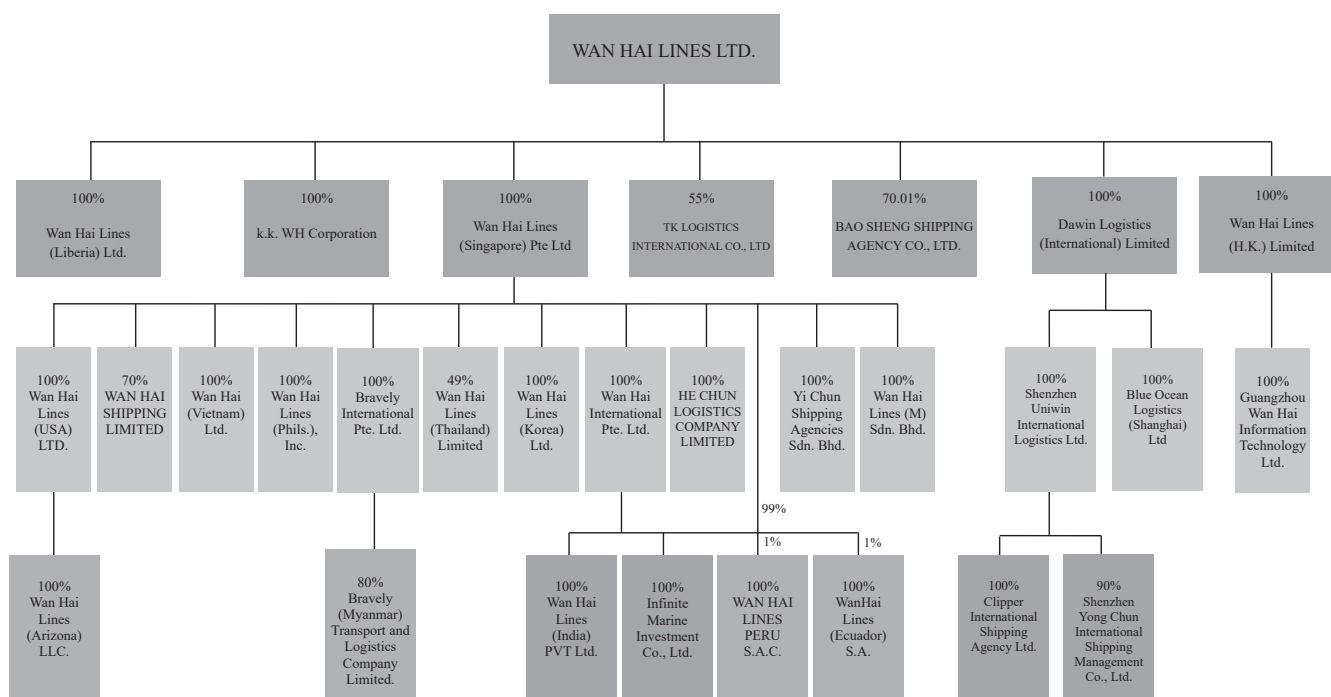


Special Disclosure

8.1 Related Parties Information

8.1.1 Consolidated Operation Report

1. Related Parties Structure (updated to 31 Dec 2022)



2. Related Parties' Basic Information

Company Name	Establish Date	Address	Capital Amount	Nature of Business
Wan Hai Lines (Singapore) Pte Ltd	1991/5/9	79, Anson Road #10-01 Singapore 079906	714,259,854.86(USD) ExRate: 30.725	International sea transportation, operations, agencies for transport affairs, leasing of vessels
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) ExRate: 132.15/30.725	Operation and management of terminal, charter hire business
Wan Hai Lines (H.K.) Limited	1986/10/17	3F, Singga Commercial Centre,144-151, Connaught Road West, Hong Kong	160,000,000 (HKD) ExRate: 7.7973/30.725	International sea transportation, operations, agencies for transport affairs
Dawin Logistics (International) Ltd.	1980/11/18	2F, Singga Commercial Centre,144-151, Connaught Road West, Hong Kong	144,640,000 (HKD) ExRate: 7.7973/30.725	Cargo handling, warehousing and investment service
TK Logistics international Co., Ltd.	2005/9/26	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.	2010/3/18	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
WAN HAI LINES (LIBERIA) LTD.	2022/11/16	80 Broad Street, Monrovia, Liberia	40,000,000 (USD) ExRate: 30.725	Vessel leasing business
Wan Hai Lines (Korea) Ltd.	1991/8/12	15F, 43, Dadong-Gil, Jung-Gu, Seoul, Korea, 04521	400,000,000 (KRW) ExRate: 1260.98/30.725	International sea transportation, operations, agencies for transport affairs
Wan Hai Lines (M) Sdn. Bhd.	1992/2/28	K-2-06, Jalan PJU 1A/41B, Pusat Dagangan NZX, Ara Jaya,47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	500,000 (MYR) ExRate: 4.4100/30.725	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) ExRate: 4.41/30.725	On dock depot operation
Wan Hai Lines (Phils.), Inc.	2000/10/5	10th Floor Rufino Pacific Tower #6784 Ayala Avenue corner V.A. Rufino Street,1223 Makati City	9,015,400 (PHP) ExRate: 55.72/30.725	International sea transportation, operations, agencies for transport affairs
Wan Hai International Pte. Ltd.	2002/7/22	79, Anson Road #10-01 Singapore 079906	10,312,460 (SGD) ExRate: 1.3435/30.725	International sea transportation, operations, agencies for transport affairs
Wan Hai Lines (Thailand) Limited.	2006/5/1	21F, Lumpini Tower, 1168/56, 61 Rama 4 Road, Thungmahamek, Sathorn, Bangkok 10120, Thailand	10,000,000 (THB) ExRate: 34.54/30.725	International sea transportation, operations, agencies for transport affairs
Wan Hai (Vietnam) Ltd.	2012/7/2	Mezz Floor & 9th Floor,MB Sunny Tower,259 Tran Hung Dao st,1st Dist, HCM City, S.R Vietnam	6,300,000,000 (VND) ExRate: 23590/30.725	International sea transportation, operations, agencies for transport affairs
Bravely International Pte. Ltd.	2014/5/26	79, Anson Road #10-01 Singapore 079906	20,395,987.42 (USD) ExRate: 30.725	International sea transportation, Investment
WanHai Lines Ecuador S.A.	2016/10/26	Av. Joaquin Orrantia. Agora Building XXI Floor 7 Office 707. 090513 Guayaquil , Ecuador	100,000.00(USD) ExRate: 30.725	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) ExRate: 30.725	House rental and management services
Wan Hai Lines (USA) LTD.	2018/5/17	17200 N Perimeter Dr., STE200,Scottsdale AZ 85255	14,219,059.77 (USD) ExRate: 30.725	International sea transportation, operations, agencies for transport affairs
HE CHUN LOGISTICS COMPANY LIMITED	2018/10/5	Behind berth 04, under Tan Vu terminal, Dinh Vu-Cat Hai economic zone, Dong Hai 2 ward, Hai An district, Haiphong city, Vietnam	46,000,000,000 (VND) ExRate: 23590/30.725	On dock depot operation
WAN HAI LINES PERU S.A.C.	2015/5/14	Calle Bolognesi No 180, Office 604, Miraflores 15074, Lima, Peru	247,600 (PEN) ExRate: 3.7895/30.725	International sea transportation, operations, agencies for transport affairs
WAN HAI SHIPPING LIMITED	2019/1/16	Room(6), No.(30/A) , Yaw Min Gyi Street, Yaw Min Gyi Ward, Dagon Township, Yangon, Myanmar	76,170,000 (MMK) ExRate: 2106/30.725	International sea transportation, operations, agencies for transport affairs
Guangzhou Wan Hai Information Technology Ltd.	2000/7/13	20F, Baolizhongjing, 406 Huasui Rd., Guangzhou, China	2,125,450 (CNY) ExRate: 6.9538/30.725	Information and Software service
Wan Hai Lines (India) PVT Ltd.	2002/5/28	A-102 and 103, The Qube, Near To International Airport, Marol Village,Andheri (East), Mumbai-400 059	100,000 (INR) ExRate: 82.76/30.725	International sea transportation, operations, agencies for transport affairs
Infinite Marine Investment Co., Ltd.	2016/6/17	P.O. Box 10008, Willow House, Cricket Square/ Grand Cayman, KY1-1001, Cayman Islands	5,550,000 (USD) ExRate: 30.725	Investment
Bravely (Myanmar) Transport and Logistics Company Limited.	2015/5/29	No.235-B ,Shukhinthar Mayopat Road ,Thaketa Township, Yangon	6,773,500,000 (MMK) ExRate: 2106/30.725	Haulage service and barge business
Shenzhen Uniwin International Logistics Ltd.	2002/6/14	Room C,D, 25F, Tianmian City Tower, Middle Shennan Blvd, Shenzhen , China	132,615,268 (CNY) ExRate: 6.9538/30.725	Freight transportation and agency services for transport affairs
Blue Ocean Logistics (Shanghai) Ltd	2006/9/21	9F, No.118, East Bao Xing Road, HongKou District, Shanghai	7,824,000 (CNY) ExRate: 6.9538/30.725	Cargo handling, warehousing and international haulage service
Clipper International Shipping Agency Ltd.	2004/12/30	Room 2205, 22FL.Haitong Securities Tower, No.689 Guangdong Road, Shanghai	1,000,000 (CNY) ExRate: 6.9538/30.725	International sea transportation, operations, agencies for transport affairs
Shenzhen Yong Chun International Shipping Management Co., Ltd.	2010/7/20	AB, 26/F, Tianmian City Tower, 4028 Middle Shennan Road, Huafu , Futian , Shenzhen ,China.	6,000,000 (CNY) ExRate: 6.9538/30.725	International shipping management

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 relatives' 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 (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 Li-Cheng Ke		
k.k. WH Corporation	President	WH-TPE Representative Ching-Chih Chen	500	100%
	Vice President	WH-TPE Representative Jen-Kai Wu		
	Director	WH-TPE Representative Fur-Lung Hsieh		
	Director	WH-TPE Representative Chao-Hon Chen		
	Supervisor	WH-TPE Representative Mitsuru Ito		
Wan Hai Lines (H.K.) Limited	Director	WH-TPE Representative Ching-Chih Chen	160,000,000	100%
	Director	WH-TPE Representative Chih-Chao Chen		
	Director	WH-TPE Representative Huai-Lung Chen		
	Director	WH-TPE Representative Wen-Chau Yeh		
	Director	WH-TPE Representative Kwan-Wah Chu		
	Director	WH-TPE Representative Tsai-Jung Huang		
Dawin Logistics (International) Limited	Director	WH-TPE Representative Ching-Chih Chen	144,640,000	100%
	Director	WH-TPE Representative Chih-Chao Chen		
	Director	WH-TPE Representative Huai-Lung Chen		
	Director	WH-TPE Representative Wen-Chau Yeh		
	Director	WH-TPE Representative Kwan-Wah Chu		
	Director	WH-TPE Representative Tsai-Jung Huang		
WAN HAI LINES (LIBERIA) LTD.	Director	WH-TPE Representative Wen-Chau Yeh	500	100%
	Director	WH-TPE Representative Chun-Jie Chen		
	Director	WH-TPE Representative Chung-Ping Huang		

Company Name	Title	Name	Holding shares on current date	
			shares	%
TK LOGISTICS INTERNATIONAL CO., LTD	Chair	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 De-Ming Lin	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		
		WH-TPE Representative Yi-Ting Liu		
	Supervisor	Shyue-Jih Ma	-	-
	Supervisor	Wei-Chien Chuang	-	-
	President	Chuang-Chih Chuang	-	-
BAO SHENG SHIPPING AGENCY CO., LTD.	Chair	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 Chair	Cheng-Chung Chuang	1,285,000	29.99%
	President	Chen-Chu Lin	-	-
Wan Hai Lines (Korea) Ltd.	Chair	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 Chun-Chieh Lin		
	Director	WH-SG Representative Ta Peng Ching		
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 Chun-Chieh Lin		
	Director	WH-SG Representative Ta Peng Ching		

Company Name	Title	Name	Holding shares on current date	
			shares	%
Wan Hai Lines (Phils.), Inc.	Chair	WH-SG Representative Randy Chen	901,540	100%
	Director & President	WH-SG Representative Shen-Hsing Lo		
	Director	WH-SG Representative Wei-Hsiang Weng		
	Director	WH-SG Representative Valeriano S. del Rosario		
	Director	WH-SG Representative Cornelio T. Peralta		
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 Li-Cheng Ke		
Wan Hai Lines (Thailand) Limited	Director	WH-SG Representative Fur-Lung Hsieh	49,000	49%
	Director	WH-SG Representativ Fei-Fei Chuang		
	Director	WH-SG Representative Kwang-Ming Quek		
	Director	Sumate Lopinich	30,000	30%
	Director	Thanapol Thitipichetkul	1,000	1%
Wan Hai (Vietnam) Ltd.	Chair	WH-SG Representative Fur-Lung Hsieh	-	100%
	Director	WH-SG Representative Jen-Kai Wu		
	Director	WH-SG Representative Jen-Chieh He		
	Supervisor	WH-SG Representative Chih-Hsien Chen		
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		
WanHai Lines Ecuador S.A.	Director	WH-SG Representative Randy Chen	100,000	100%
	Director	WH-SG Representative Meng-Chuan Chang		
	Director	WH-SG Representative Chian-Rung Liu		
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		

Company Name	Title	Name	Holding shares on current date	
			shares	%
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		
HE CHUN LOGISTICS COMPANY LIMITED	Chair	WH-SG Representative Jen-Chieh He	-	100%
	President	WH-SG Representative Meng-Yen Chen		
	Supervisor	WH-SG Representative Tzai-Shi Wu		
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 Chian-Rung Liu		
Bravely (Myanmar) Transport and Logistics Company Limited.	Chair	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		
WAN HAI SHIPPING LIMITED	Chair	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 Li-Chen Ke		
Guangzhou Wan Hai Information Technology Ltd.	Chair	WH-HK Representative Kwan-Wah Chu	-	100%
	Director	WH-HK Representative Tsao Chin-Chiang		
	Director	WH-HK Representative Yu-Man Chan		
Wan Hai Lines (India) PVT Ltd.	Director	WHI Representative Fur-Lung Hsieh	10,000	100%
	Director	WHI Representative Yun-Chung Wang		
	Director	WHI Representative Prasad Bapat		
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		

Company Name	Title	Name	Holding shares on current date	
			shares	%
Shenzhen Uniwin International Logistics Ltd.	Chair	DAWIN Representative Kwan-Wah Chu	-	100%
	Director	DAWIN Representative Jen-Kai Wu		
	Director	DAWIN Representative Chien-Feng Wu		
	Supervisor	DAWIN Representative Yu-Man Chan		
Blue Ocean Logistics (Shanghai) Ltd	Chair	DAWIN Representative Wei-Chien Chuang	-	100%
	Director	DAWIN Representative Wan-Li Jen		
	Director	DAWIN Representative Chien-Feng Wu		
	Supervisor	DAWIN Representative Chih-Hsien Chen		
Clipper International Shipping Agency Ltd.	Chair	UNIWIN Representative Chien-Feng Wu	-	100%
	Director	UNIWIN Representative Shyue-Jih Ma		
	Director	UNIWIN Representative Kwan-Wah Chu		
	Director	UNIWIN Representative Tian-Hai Chang		
	Supervisor	UNIWIN Representative Yu-Wan Chan		
Shenzhen Yong Chun International Shipping Management Co., Ltd.	Chair	Shenzhen Uniwin Representative Kwan-Wah Chu	-	90%
	Director	Shenzhen Uniwin Representative Wen-Chau Yeh		
	Director	Shenzhen Uniwin Representative Chung-Ping Huang		
	Director	Shenzhen Uniwin Representative Shan-De Chen		
	Supervisor	Shenzhen Uniwin Representative Yu-Man Chan		
	Vice Chair	Unitrans Group Co., Ltd. Jian Huang		10%

6. Related Parties' Financial Position & Operation Results

Unit : TWD 1,000 Per Share / TWD
2022/12/31

Company Name	Capital Amount	Total Assets	Total Liabilities	Net Worth	Operating Income	Profit on Operating	Profit Loss	Earnings per Share
Wan Hai Lines (Singapore) Pte Ltd	21,983,099 (USD 714,259,854.86)	240,414,285 (USD 7,824,712,282.94)	68,564,321 (USD 2,231,548,290.37)	171,849,964 (USD 5,593,163,992.57)	135,612,937 (USD 4,559,184,308.17)	63,132,522 (USD 2,122,458,301.67)	78,606,893 (USD 2,642,692,666.27)	80 (USD 2.70)
k.k. WH Corporation	7,141 (JPY 25,000,000)	49,301 (JPY 212,046,081)	25,835 (JPY 111,117,091)	23,466 (JPY 100,928,990)	55,545 (JPY 244,800,000)	-446 (JPY 1,963,919)	1,277 (JPY 5,629,464)	2,555 (JPY 11,259)
Wan Hai Lines (H.K.) Limited	656,951 (HKD 160,000,000.00)	2,711,697 (HKD 688,166,368.36)	1,553,739 (HKD 394,303,302.59)	1,157,958 (HKD 293,863,065.75)	1,819,600 (HKD 479,043,807.11)	1,368,733 (HKD 360,344,733.79)	2,513,632 (HKD 661,760,822.69)	16 (HKD 4.14)
Dawin Logistics (International) Limited	547,220 (HKD 144,640,000.00)	3,926,252 (HKD 996,392,691.57)	2,992,645 (HKD 759,464,620.31)	933,607 (HKD 236,928,071.27)	2,050,653 (HKD 539,872,742.73)	58,770 (HKD 15,472,360.87)	160,972 (HKD 42,378,798.94)	1 (HKD 0.29)
WAN HAI LINES (LIBERIA) LTD.	1,222,000 (USD 40,000,000.00)	4,447,950 (USD 144,766,486.81)	3,166,042 (USD 103,044,504.86)	1,281,908 (USD 41,721,981.95)	92,840 (USD 3,121,199.33)	54,212 (USD 1,822,566.75)	51,220 (USD 1,721,981.95)	102,441 (USD 3,443.96)
TK LOGISTICS INTERNATIONAL CO., LTD	260,000	894,888	585,509	309,379	291,241	61,321	42,135	2
BAO SHENG SHIPPING AGENCY CO., LTD	42,850	126,305	68,891	57,414	65,927	7,339	5,041	1
Wan Hai Lines (Korea) Ltd.	11,019 (KRW 400,000,000)	295,581 (KRW 12,130,874,277)	214,159 (KRW 8,789,270,382)	81,421 (KRW 3,341,603,895)	196,816 (KRW 8,270,959,036)	76,585 (KRW 3,218,415,702)	58,657 (KRW 2,464,976,222)	733 (KRW 30,812)
Wan Hai Lines (M) Sdn. Bhd.	4,613 (MYR 500,000.00)	516,348 (MYR 74,112,052.55)	435,011 (MYR 62,437,663.78)	81,337 (MYR 11,674,388.77)	195,530 (MYR 28,932,787.96)	23,422 (MYR 3,465,810.80)	26,765 (MYR 3,960,415.25)	54 (MYR 7.92)
Yi Chun Shipping Agencies Sdn. Bhd.	1,845 (MYR 200,000.00)	67,785 (MYR 9,729,130.36)	45,044 (MYR 6,465,154.40)	22,741 (MYR 3,263,975.96)	85,249 (MYR 12,614,449.95)	-230 (MYR 34,015.67)	5,601 (MYR 828,845.23)	28 (MYR 4.14)
Wan Hai Lines (Phils.), Inc.	5,991 (PHP 9,015,400.00)	370,440 (PHP 671,795,936.91)	356,169 (PHP 645,914,491.52)	14,271 (PHP 25,881,445.39)	46,519 (PHP 85,460,545.48)	-6,462 (PHP 11,871,723.36)	-2,082 (PHP 3,824,003.47)	N/A
Wan Hai International Pte. Ltd.	239,979 (SGD 10,312,460.00)	1,651,571 (SGD 72,217,578.65)	904,068 (SGD 39,531,812.13)	747,503 (SGD 32,685,766.65)	492,898 (SGD 22,856,241.28)	101,229 (SGD 4,694,113.90)	94,588 (SGD 4,386,156.88)	9 (SGD 0.43)
Wan Hai Lines (Thailand) Limited	9,657 (THB 10,000,000)	539,000 (THB 605,925,480)	458,710 (THB 515,665,636)	80,290 (THB 90,259,844)	284,316 (THB 335,383,803)	150,028 (THB 176,975,315)	117,025 (THB 138,044,706)	1,170 (THB 1,380)
Wan Hai (Vietnam) Ltd.	8,691 (VND 6,300,000,000)	600,427 (VND 460,994,691,113)	219,327 (VND 168,394,440,719)	381,100 (VND 292,600,250,394)	516,902 (VND 405,413,321,361)	359,397 (VND 281,880,202,483)	365,033 (VND 286,300,250,394)	N/A
Bravely International Pte. Ltd.	625,026 (USD 20,395,987.42)	86,690 (USD 2,821,502.71)	461 (USD 15,010.55)	86,229 (USD 2,806,492.14)	5,286 (USD 177,696.95)	-7,974 (USD 268,071.24)	-3,820 (USD 128,431.77)	N/A
Wan Hai Lines Ecuador S.A.	3,191 (USD 100,000.00)	192,552 (USD 6,266,932.77)	160,418 (USD 5,221,074.21)	32,134 (USD 1,045,858.56)	133,245 (USD 4,479,592.97)	31,243 (USD 1,050,361.90)	26,652 (USD 896,015.14)	267 (USD 8.96)
Wan Hai Lines (Arizona) LLC.	359,760 (USD 12,000,000.00)	412,976 (USD 13,441,034.50)	2,127 (USD 69,224.93)	410,849 (USD 13,371,809.57)	30,690 (USD 1,031,757.75)	7,600 (USD 255,518.97)	8,291 (USD 278,733.56)	N/A
Wan Hai Lines (USA) LTD.	437,514 (USD 14,219,059.77)	1,042,643 (USD 33,934,671.71)	532,111 (USD 17,318,488.33)	510,532 (USD 16,616,183.38)	234,631 (USD 7,888,093.50)	-14,078 (USD 473,276.36)	11,444 (USD 384,748.65)	40 (USD 1.35)
HE CHUN LOGISTICS COMPANY LIMITED	60,857 (VND 46,000,000,000)	133,299 (VND 102,343,975,093)	18,982 (VND 14,574,088,616)	114,317 (VND 87,769,886,477)	104,199 (VND 81,724,916,218)	58,024 (VND 45,508,867,525)	53,257 (VND 41,769,886,477)	N/A
WAN HAI LINES PERU S.A.C.	2,260 (PEN 247,600.00)	221,175 (PEN 27,278,863.98)	156,329 (PEN 19,281,035.04)	64,846 (PEN 7,997,828.94)	214,983 (PEN 27,723,503.82)	83,991 (PEN 10,831,234.40)	59,715 (PEN 7,700,708.94)	241 (PEN 31.10)
WAN HAI SHIPPING LIMITED	1,536 (MMK 76,170,000)	1,161 (MMK 79,553,586)	0 (MMK 0)	1,161 (MMK 79,553,586)	0 (MMK 0)	-54 (MMK 3,644,487)	-15 (MMK 999,222)	N/A
Guangzhou Wan Hai Information Technology Ltd.	7,922 (CNY 2,125,450.00)	41,621 (CNY 9,419,724.72)	17,664 (CNY 3,997,756.01)	23,957 (CNY 5,421,968.71)	89,137 (CNY 19,970,290.00)	1,719 (CNY 385,099.94)	1,136 (CNY 254,541.94)	N/A
Wan Hai Lines (India) PVT Ltd.	69 (INR 100,000.00)	980,593 (INR 2,641,298,252.37)	496,882 (INR 1,338,387,208.98)	483,711 (INR 1,302,911,043.39)	275,877 (INR 730,295,138.20)	159,437 (INR 422,057,762.68)	119,463 (INR 316,238,884.85)	11,946 (INR 31,623.89)
Infinite Marine Investment Co., Ltd.	173,463 (USD 5,550,000.00)	5,490 (USD 178,689.38)	0 (USD 0.00)	5,490 (USD 178,689.38)	0 (USD 0.00)	-458 (USD 15,388.18)	-465 (USD 15,631.30)	N/A
Bravely (Myanmar) Transport and Logistics Company Limited.	159,480 (MMK 6,773,500,000)	78,819 (MMK 5,402,573,421)	466 (MMK 31,964,990)	78,353 (MMK 5,370,608,431)	5,286 (MMK 355,393,905)	-6,357 (MMK 427,464,860)	-2,723 (MMK 183,064,299)	N/A
Shenzhen Uniwin International Logistics Ltd.	644,016 (CNY 132,615,268.00)	3,794,910 (CNY 858,879,212.40)	3,024,193 (CNY 684,447,397.92)	770,717 (CNY 174,431,774.48)	1,027,985 (CNY 230,309,292.80)	54,283 (CNY 12,161,492.62)	141,605 (CNY 31,725,080.43)	N/A
Blue Ocean Logistics (Shanghai) Ltd	32,596 (CNY 7,824,000.00)	160,688 (CNY 36,367,701.04)	42,242 (CNY 9,560,487.44)	118,446 (CNY 26,807,213.60)	1,000,825 (CNY 224,224,194.66)	21,095 (CNY 4,726,038.65)	22,321 (CNY 5,000,837.54)	N/A
Clipper International Shipping Agency Ltd.	4,295 (CNY 1,000,000.00)	2,975,240 (CNY 673,368,222.79)	2,900,171 (CNY 656,378,226.78)	75,069 (CNY 16,989,996.01)	575,536 (CNY 128,942,818.87)	-5,512 (CNY 1,234,872.41)	50,828 (CNY 11,387,436.24)	N/A
Shenzhen Yong Chun International Shipping Management Co., Ltd.	29,068 (CNY 6,000,000.00)	63,658 (CNY 14,407,338.29)	26,456 (CNY 5,987,619.43)	37,202 (CNY 8,419,718.86)	74,039 (CNY 16,587,602.72)	3,385 (CNY 758,387.18)	3,711 (CNY 831,426.23)	N/A

(1) 20221231 CLOSE RATE

USD/TWD: 30.7250 JPY/TWD: 0.2325 HKD/TWD: 3.9405 USD/SGD: 1.3435 USD/KRW: 1260.9800 USD/MYR: 4.4100 USD/PHP: 55.7200 USD/THB: 34.5400
USD/VND: 23590.0020 USD/PEN: 3.7895 USD/MMK: 2106.0000 HKD/CNY: 0.8918 SGD/INR: 61.6003

(2) 2022 AVERAGE RATE

USD/TWD: 29.7450 JPY/TWD: 0.2269 HKD/TWD: 3.7984 USD/SGD: 1.3793 USD/KRW: 1250.0000 USD/MYR: 4.4014 USD/PHP: 54.6448 USD/THB: 35.0877
USD/VND: 23329.4101 USD/PEN: 3.8358 USD/MMK: 2000.0000 HKD/CNY: 0.8510 SGD/INR: 57.0866

(3) The capital amount was calculated by historical rate.

8.1.2 The consolidated financial statements of the affiliated enterprises

Statement

For 2022 (January 1 to December 31, 2022), 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.

Chair: Jiu Fu Garden Co., Ltd.

Representative: Po-Ting Chen

March 13, 2023

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.



Chair
Jiufu Garden Co., Ltd.



Representative
Po-Ting Chen



WE CARRY, WE CARE.

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