

Stock Code 2615

ANNUAL REPORT

2023



WAN HAI LINES LTD.

WE CARRY, WE CARE.

| Published Date | March 31, 2024

| 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 10TH 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 ADMIRER 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(4.9 YEARS) THAN THAT OF THE INDUSTRY (6.7 YEARS) FROM DREWRY 2022**
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



2023

ANNUAL REPORT

Stock Transfer Underwriter

Hua Nan Securities Co., Ltd.
Registrar & Transfer Agency Dept.

4F., No.54, Sec. 4, Minsheng E. Rd.,
Songshan Dist., Taipei, Taiwan, R.O.C.
+886-2-2718-6425
<https://www.entrust.com.tw>

Address & Telephone Numbers of its Head & Branch office

- **Head office**
10F., No.136, Songjiang Rd.,
Zhongshan Dist., Taipei City, Taiwan
+886-2-2567-7961
<https://tw.wanhai.com/>
- **Keelung Branch**
7F., No.255, Ren 2nd Rd., Ren'ai Dist.,
Keelung, Taiwan
+886-2-2424-8176~9
- **Taichung Branch**
6F.-2, No.396, Yingcai Rd., North Dist.,
Taichung, Taiwan
+886-4-2328-7008
- **Kaohsiung Branch**
12F., No.456, Zhongxiao 1st Rd., Xinxing
Dist., Kaohsiung, Taiwan
+886-7-236-9636

Spokesman

Ms. Laura Su
Operation Division Vice President

+886-2-2567-7961 ext.6900
laura_su@wanhai.com

Deputy Spokesman

Mr. Tommy Hsieh
President

+886-2-2567-7961 ext.6169
tommy_hsieh@wanhai.com

Certification of Annual Financial Statement is Provided by

CPA : Rou-Lan, Kuo、Chun-Kuang, Chen
KPMG Certified Public Accountants

68F., TAIPEI 101 TOWER, No.7, Sec. 5, Xinyi Rd.,
Xinyi Dist., Taipei, 11049, Taiwan
+886-2-8101-6666
<https://home.kpmg.com/tw/zh/home.html>

Basic Information of ECB

None

CONTENTS

8	I. Letter to Shareholders 8
11	II. Company profile 11
12	III. Corporate Governance 12 3.1 Organization Structure 14 3.2 Information of Directors, President, Executive Vice President, Vice President, and the Chiefs of all the Company's Divisions and Branches 29 3.3 Implementation of Corporate Governance 59 3.4 Information on CPA professional fees 59 3.5 Information on replacement of CPA 60 3.6 Information of the Chairman, President and Managerial Officers in charge of Finance and Accounting who has served as the Company's certified public accountant or related parties in the past year 61 3.7 Changes in Shareholdings of Directors, Managers and major shareholders in the past year and up to the publishing date of the annual report 63 3.8 Information Disclosing the Relationship between any of the Company's Top Ten shareholders 64 3.9 The comprehensive shareholdings of directors, presidents and direct or indirect controlling business on the same investing business
65	IV. Information on capital raising activities 65 4.1 Capital and Shares 71 4.2 Status of Corporate Bond 71 4.3 Status of Preferred stock 71 4.4 Status of Global Depositary Receipt 71 4.5 Status of Employee Stock options and Limit on Employee New Bonus Share 71 4.6 Status of New Shares Issuance in Connection with Mergers and Acquisition 72 4.7 Financing Plans and Implementation
73	V. Condition of the Business Operation 73 5.1 Business Profile 76 5.2 General Situation of Market and Sales 82 5.3 Data of employees for the past two years and up to the publishing date of the annual report 83 5.4 Disbursements for environmental protection 84 5.5 Labor Relations 89 5.6 Information Communication Safety Management 91 5.7 Significant Contracts

CONTENTS

94

VI 、 Financial Highlights

- 94 6.1 Summarized financial statements for the past 5 years
- 98 6.2 Summarized financial analysis for the past 5 years
- 102 6.3 Audit Committee's Review Report for Fiscal Year 2023
- 104 6.4 Consolidated Financial Statements for Fiscal Year 2023
- 193 6.5 Financial Statements for Fiscal Year 2023
- 287 6.6 The financial difficulties encountered by the company and its affiliates during the past year and up to the publishing date of the annual report

288

VII 、 Review of Financial Conditions, Operating Results, and Risk Management

- 288 7.1 Analysis of Financial Status
- 289 7.2 Analysis of Operation Results
- 290 7.3 Analysis of Cash Flow
- 290 7.4 Major Capital Expenditure Items
- 291 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
- 291 7.6 Analysis regarding risk items for the past year and up to the publishing date of the annual report
- 293 7.7 Other significant information

294

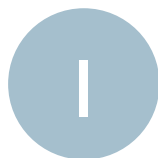
VIII 、 Special Disclosure

- 294 8.1 Related Parties Information
- 304 8.2 Summary of private-equity over the last year and current year up to the publishing date of the annual report
- 304 8.3 Summary of parent's shares held or disposed by subsidiaries over the last year and current year up to the publishing date of the annual report
- 304 8.4 Other necessary disclosure
- 304 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 over the past year and current year up to the publishing date of the annual report

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 Uniglory Marine Co. ▶ 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.
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. ▶ 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.		
1993	MAR ▶ BUL joined Java service. JUN ▶ Commenced Vietnam service.		

2005	FEB ▶ Implemented ISO 14001 Environmental Management System (EMS). APR ▶ Commenced China / HK / Singapore / Port Kelang (CIX) service with EMC and Hapag-Lloyd.	2017	FEB ▶ Again tops the "Container Shipping Line of The Year - Far East Trade Lane" Award from Gujarat Junction 2017. AUG ▶ Tops container shipping schedule reliability in Q2. Launched Independent Cambodia Service.
2007	FEB ▶ Commenced China / Red Sea service. JUN ▶ Ordered six 4,252 TEU vessels from CSBC. NOV ▶ Commenced China / Black Sea service.	2018	FEB ▶ Ranked No.1 in schedule reliability for the 2nd consecutive year 2016 & 2017 / Launched Far East – Red Sea (AR1) Service. MAY ▶ Grand Opening of Wan Hai Invested Hai Phong International Container Terminal. NOV ▶ Confirmed Orders For 20 New Vessels.
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.	2019	APR ▶ Transpacific Service Enhancement to Vietnam-Haiphong (CP1) SEP ▶ Awarded "Hall of Fame-Container Shipping Line of the year : India-Far East Trade Lane" OCT ▶ Launched China – India Service VI (CI6) Service / Straits – Bangladesh Express (SBX). NOV ▶ Expanded Vietnam Cai Mei -Transpacific Direct Service. ▶ Enhanced China – East India V (CI5) Service.
2009	FEB ▶ Invested and operated a new container terminal in Cai-Mep area, Vietnam with HANJIN , MOL and SNP.	2021	JAN ▶ Confirmed Orders For 12 New Vessels. FEB ▶ Launched Independent AA1/AA2/AA3/AA5 Service. MAR ▶ Confirmed Orders For 5 New Vessels. MAY ▶ Established Maritime Express Service Zone at Port of Kaohsiung/Launched Independent AS1 Service/ Confirmed Orders For 4 New Vessels. JUN ▶ Donate NT\$160 million for COVID-19 prevention. ▶ Launch Independent Asia to US East Coast Service (AA7)/ Confirmed Orders For 12 New Vessels.
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.	2022	MAR ▶ Again honored "Container Shipping Line of The Year – Far East Trade Lane." ▶ 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. NOV ▶ First time attaining Greenhouse Gas Inventory Certification: ISO 14064-1:2018 and GHG Protocol. / Joint signing of the memorandum of understanding with Construction and Planning Agency Ministry of the Interior for the afforestation and conservation project.
2011	APR ▶ Commenced new WSA service with EMC, COSCON and PIL. OCT ▶ Ordered four 1,871 TEU vessels from CSBC.	2023	MAY ▶ Set up India Delhi Branch office. / Add new call at Colombo in America East Coast service. JUL ▶ Awarded "Best Shipping Line of The Year India - Far East Trade Lane "by India Maritime Awards 7th Edition. AUG ▶ Set up India Kolkata branch office. ▶ The 10th time awarded "Container Shipping Line of The Year India-Far East Trade Lane" by India MALA. NOV ▶ Launches agency office in Maldives.
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. JUN ▶ Wins the Award of "Asian Freight, Logistics and Supply Chain Awards 2015". AUG ▶ Established subsidiary Joint Venture company in Peru.		
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. JUN ▶ Award "Best Green Shipping Line" from 2016 AFLAS . ▶ Launch Mindanao / Malaysia / Belawan (MMS)Service.		



Letter to Shareholders

Dear Shareholders,

The great era for container shipping, which lasted for over two years ended along with the easing of the Covid-19 pandemic, and the industry entered difficult times in 2023. Freight plummeted, and global shipping supply and demand fell into imbalance. China lifted all lock-down, but it disrupts the economy more than ever. China and U.S. economic recoveries are less than desirable, which slow down global economic and trade growth. Furthermore, geopolitical tensions, extreme weather, and currency tightening policies of many countries impacted global trading, caused a shipping market downturn.

The exterior environment is thorny, but Wan Hai's employees stick together to seek a break-through in the adverse international political and economic climate. They increase revenues and reduce expenditures and move forward steadily by precisely grasping the trends. We achieved the following in 2023:

Replace the Old with the New, and Green Shipping.

Ships and containers are the cores of shipping operations. To keep on offering quality services, Wan Hai invested more than TWD 2 billion in purchasing over 29,000 new containers. Upon delivery of new ships and new containers, we will systematically replace old ships and containers to inject new blood into our shipping deployment and our container dispatch, so as to enhance our competitive edge, and to lower the average age of our fleets and containers. In 2023, the average age of our owned ships was 9 years, ranking third among the top 15 container shipping companies. The average age of our containers was 4.9 years, better than the industry average of 6.7 years. Upholding its philosophy of environment protection, Wan Hai actively adjusts the constitution of its fleets, to implement green shipping.

Flexible Scheduling and Deep Cultivation of the Markets

Wan Hai is dedicated to developing quality networks, it operates near-sea shipping lines steadily, develops ocean-going freight services step by step, while striving for a market share of the cold chain transportation for increasing agricultural products. In 2023 Wan Hai placed its emphasis on the Indian market to respond to the shift of supply chains and strived for both the dry container and reefer container markets. Wan Hai was awarded the honor of "Best Shipping Line of the Year India-Far East Trade Lane". Wan Hai also entered into shipping alliances and exchanged slots with other shipping companies operating the North America East routes and the new routes between India and the Middle Eastern Region. Our operation team offers exquisite and diversified transportation services to our customers through flexible scheduling, speedy responses and proper arrangements.

Optimized Operations, Friendly Environment

Wan Hai's new ships actively respond to IMO's stricter international rules and regulations as well as carbon emission standards, and we set up a team to explore new technologies regarding low or zero carbon ship fuels. Apart from complying with the latest ship efficiency indexes (EEXI, EEDI and CII) in advance, Wan Hai also, through intelligent systems, collected and analyzed data regarding sailing and equipment operations, and set the high standard of reduction of carbon emission by more than 50% of the 2008 standard before 2030. We are achieving our carbon reduction target and following the green trend step by step. Besides, Wan Hai installed high-speed ship satellite networks to enhance abilities to manage, monitor and control fleet safety. Wan Hai strives to raise energy efficiency and reduce carbon emission to create a friendly environment for the earth.



In addition, Wan Hai cooperated with National Chung Hsing University and Agricultural Technology Research Institute in researching precision temperature control for reefer containers and the joint endeavor was awarded the highest honor in the field of agriculture technology research, the "2023 National Agricultural Science Award". Wan Hai was the only shipping company that won such an award in 2023. Wan Hai will continue to work with the academia in researching more advanced cold chain technologies so as to provide customized and considerate services to our customers.

Social Inclusion, Sustainable Development

Wan Hai continues the project of "Wan Hai Makes a Sea of Trees to Create a New Future Together" which it initiated in 2022 and gather interested parties to participate in its tree planting activities. It also holds beach cleaning activities, provides subsidies for green energy equipment, and actually participates in ecological sustainable developments to contribute its part to Taiwan's ecology. Wan Hai has also, hand in hand with Wan Hai Charity Foundation, assisted domestic and foreign under-privileged groups, for example we continue to subsidize the "Water Wells for Remote Areas in Africa Project" to provide clean water to local residents, hold charity concerts and charity auctions of paintings by celebrities, and all proceeds, without deducting costs, are donated to medium and small social welfare groups that lack resources. We hope to pass on the seeds of good and hope to society and sends love to where it is needed most.

Wan Hai has also performed impressively in sustainability ratings, being selected for the "Common Wealth Sustainability Award Top 100" for two years and receiving the TCSA Taiwan Corporate Sustainability Award. Its sustainability report achieved Gold Level in the first category in the transportation industry. Additionally, Wan Hai ranked among the top three Taiwanese companies in the 2022 Greater China Corporate Sustainable Development Index and received high scores in various assessments, including FTSE Russell, S&P CSA ESG, and Sustainalytics ESG. Furthermore, it obtained Carbon Footprint Verifications by ISO 14064-1:2018 and GHG Protocol. It keeps expanding the scope of inspections to grasp the carbon emission situation of the company and to conserve energy and reduce carbon emissions. We hope we can build a greener and more sustainable future together through our sustainability plans.

Financial Performance

According to Alphaliner statistics on the situation of supply and demand in the 2023 global shipping market, growth of supply was 7.9%, far greater than the growth of demand of 1.4%, which caused a serious imbalance in supply and demand, and the shipping market was sluggish. Our management team, operations team and all our employees work cautiously to seek a breakthrough. We also review our situation from time to time, and deploy the most efficient fleets, to meet customers' needs and to provide quality services.

In 2023, consolidated annual operating income of Wan Hai Lines was TWD 10.02 billion. Consolidated net profit after tax was TWD -0.57 billion. In terms of profitability, shareholders' return on equity in 2023 was -2.68%, with a net profit ratio of -5.77%, and earnings per share of TWD -2.07.

Operation Plans for 2024

IMF predicted that global economic growth would contract from 3% in 2023 to 2.9% in 2024. Central Banks implement tight monetary policies, but inflation is still very high, which weakens consumption capacity. The economic recoveries of major countries such as the U.S. and China are sluggish, which impact global economy. Alphaliner predicts that global shipping growth will increase in 2024 to 2.2% from the 1.4% of 2023, but the growth rate is far lower than the growth rate of shipping capacity. The reason is that 2024 will face a wave of delivery of new ships. Alphaliner predicted shipping space growth rate will increase by 9.9% in 2024, 2% higher than the growth rate of 7.9% for 2023, indicating continued worsening of the oversupply in container shipping market.

Container shipping and global trade are highly interconnected and future market changes are unpredictable and testing the response abilities of shipping companies. 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 quality and comprehensive services to our customers. With regard to our owned fleet management, we will continue to optimize ship performance to ensure maritime safety of ships, crews and cargoes, 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. All our employees will work in unison to strictly control operational costs to create the largest profits for our company and shareholders.

Global shipping industry is highly competitive, and environment protection rules and regulation and low carbon transformations are pressing challenges. 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 society.

Wishing you all health and happiness
Sincerely,

Chair

Jiufu Garden Co., Ltd.



Representative

Po-Ting Chen



March 31, 2024





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, Red Sea and India, the scope of operations was expanded into farther regions. Subsequently launching up services from the Far East to the West Coast and East 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-four 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 and Indonesia; 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 ninth consecutive year. Wan Hai has also performed impressively in sustainability ratings, being selected for the "Common Wealth Sustainability Award Top 100 " for two years and receiving the TCSA Taiwan Corporate Sustainability Award. Its sustainability report achieved Gold Level in the first category in the transportation industry. Additionally, Wan Hai ranked among the top three Taiwanese companies in the 2022 Greater China Corporate Sustainable Development Index and received high performance in various assessments, including FTSE Russell, S&P CSA ESG, and Sustainalytics ESG. As such, Wan Hai becomes a recognized corporate brand in shipping industry.

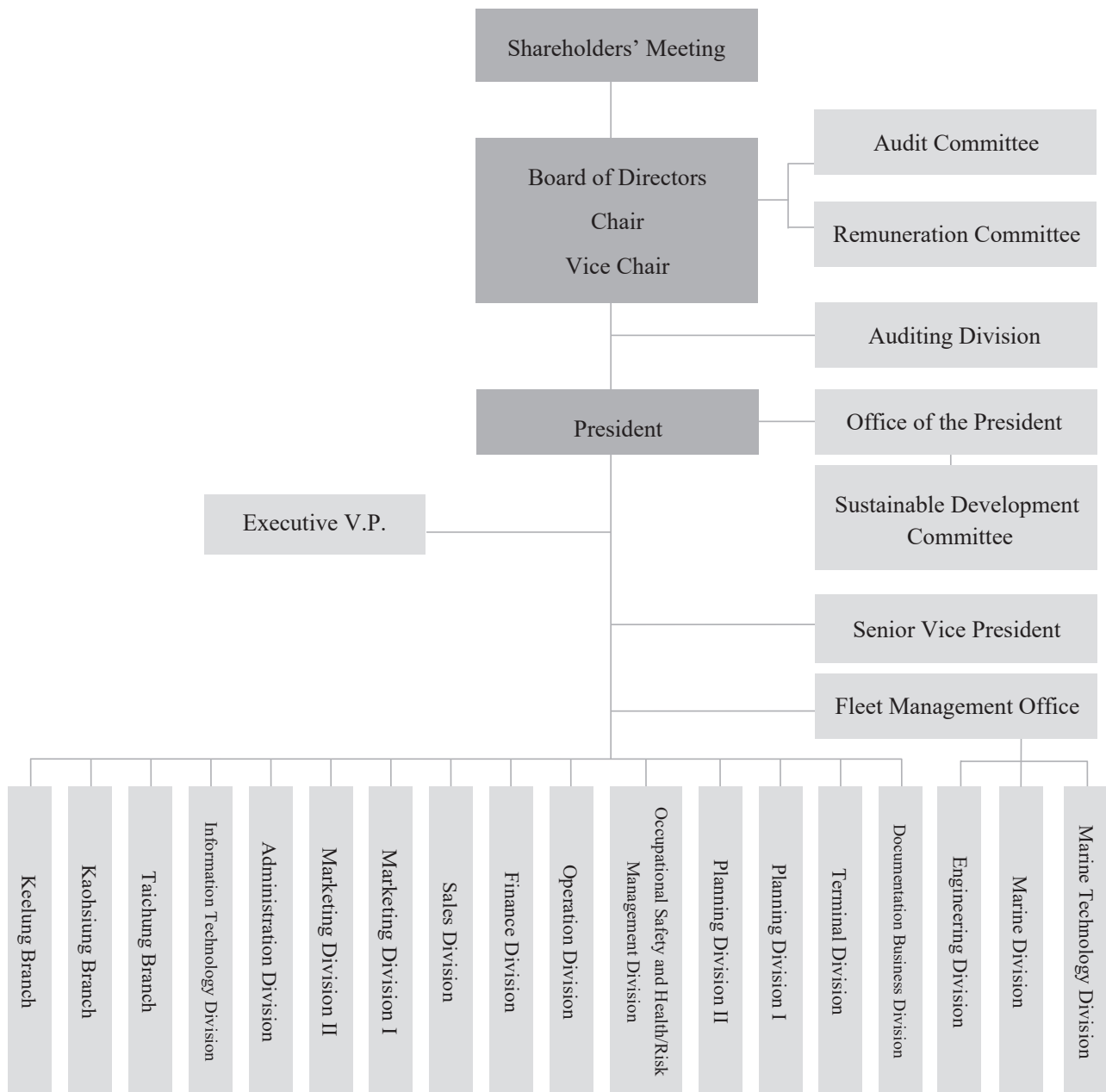
Driven by the corporate culture of "Quality Service, Team Work, and Growth" and the philosophy of "Customer First, Full Participation, Environmental Protection, and Business Continuity," Wan Hai continues to provide a comprehensive service network, and continues to enhance service quality and business 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 21st Board of Directors (2020/06/23~2023/05/29)

2023/05/29

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		2020/06/23		2020/06/23		2020/06/23	
Tenure		3 years		3 years		3 years	
Date first elected		2020/06/23		2011/06/24		2011/06/24	
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		Experience: WAN HAI LINES LTD. Vice Chair & Supervisor		Experience: BAO SHENG SHIPPING AGENCY Co., Ltd. Chair	
		Education: Master of Business Administration, University of San Francisco		Education: Master of Business Administration, MIT SLOAN School of Management		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 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 WAN HAI 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 41~50	Male 51~60
Date elected		2020/06/23		2020/06/23	2020/06/23	2020/06/23
Tenure		3 years		3 years	3 years	3 years
Date first elected		2017/06/22		2014/06/18	2019/06/18	2020/06/23
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., LTD. 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 TZAO ENTERPRISE CO., LTD. Chair Sunshine Construction Co., Ltd Chair		Audit Committee of WAN HAI LINES LTD. Convener/ Member Remuneration Committee of WAN HAI LINES LTD. Convener/ Member	Audit Committee of WAN HAI LINES LTD. Member Remuneration Committee of WAN HAI LINES LTD. Member	Audit Committee of WAN HAI LINES LTD. Member MINGFOREVER LAW FIRM Managing Attorney 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.).

(2) The 22nd Board of Directors (2023/05/30~)

2024/03/30

Title		Chair		Vice Chair		Director	
Nationality		R.O.C.	R.O.C.	U.S.A.	R.O.C.	R.O.C.	R.O.C.
Name		Jiufu Garden Co., Ltd.	Representative: Po-Ting Chen	Randy Chen	Representative of Chen-Yung Foundation	Chih-Chao Chen	Representative of Chen-Yung Foundation
Gender & Age		Male	51~60	Male	41~50	Male	51~60
Date elected		2023/05/30		2023/05/30		2023/05/30	
Tenure		3 years		3 years		3 years	
Date first elected		2020/06/23		2011/06/24		2011/06/24	
Shareholding on date elected	No. of shares	3,795,000 0		40,356,251 0		40,356,251 0	
	Holding Ratio	0.13% 0.00%		1.43% 0.00%		1.43% 0.00%	
Current Shareholding	No. of shares	3,795,000 12,148,487		0 40,356,251		9,740,857 40,356,251	
	Holding Ratio	0.13% 0.43%		0.00% 1.43%		0.34% 1.43%	
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		Experience: WAN HAI LINES LTD. Vice Chair & Supervisor		Experience: BAO SHENG SHIPPING AGENCY Co., Ltd. Chair	
		Education: Master of Business Administration, University of San Francisco		Education: Master of Business Administration, MIT SLOAN School of Management		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 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 41-50	Male 51~60
Date elected		2023/05/30		2023/05/30	2023/05/30	2023/05/30
Tenure		3 years		3 years	3 years	3 years
Date first elected		2017/06/22		2014/06/18	2019/06/18	2020/06/23
Shareholding on date elected	No. of shares	33,506,822 0		0	724,398	0
	Holding Ratio	1.19% 0.00%		0.00%	0.02%	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 TZAO ENTERPRISE CO., TD. Chair Sunshine Construction Co., Ltd Chair		Audit Committee of WAN HAI LINES LTD. Convener/ Member Remuneration Committee of WAN HAI LINES LTD. Convener/ Member	Audit Committee of WAN HAI LINES LTD. Member Remuneration Committee of WAN HAI LINES LTD. Member	Audit Committee of WAN HAI LINES LTD. Member MINGFOREVER LAW FIRM Managing Attorney 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.).

2. Major shareholders of corporation stockholders

2024/03/30

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%)
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%)

Note: The above is the information of the 22nd corporate shareholders.

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

2024/03/30

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%)
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%),

Note: The above is the information of the 22nd corporate shareholders.

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

2024/03/30

Condition Name	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
Randy Chen (Representative of Chen-Yung Foundation)	Education: Master of Business Administration, MIT SLOAN School of Management Previous Position: Supervisor of EDISON OPTO CORPORATION Current Position: Director of WAN HAI LINES LTD. (Representative of Chen-Yung Foundation) 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 marital 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
Chih-Chao Chen (Representative of Chen-Yung Foundation)	Education: City University of New York Current Position: Director of WAN HAI LINES LTD. (Representative of 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 1,265 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.

Goals

Members are experienced and possess expertise in maritime transportation, operations and management, finance, accounting and legal fields.

Implementation Situation

Among the current directors there are five males (accounting for 71%), and two females (accounting for 29%). There are two directors between the age of 30-50 (accounting for 29%), and five 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	3 to 9 years	Over 9 years								
Chair	Jiufu Garden Co., Ltd. Representative:Po-Ting Chen	R.O.C.	Male		✓				✓	✓	✓			
Vice Chair	Randy Chen (Representative of Chen-Yung Foundation)	U.S.A.	Male	✓					✓	✓	✓			
Director	Chih-Chao Chen (Representative of Chen-Yung Foundation)	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.

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 dispatched to Singapore and Li-Guang Huang vice-president replaced him as a member of the joint meetings.
- 2014 : Wen-Chau Yeh Executive vice-president became a member of the joint meetings.
- 2015 : Fur-Lung Hsieh senior vice-president elected as president and Randy Chen special assistant to the president became vice-chair.
- 2016 : Hui-Juan Chen executive vice-president retired.
- 2017 : Kuo-Loong Kao vice-president joined the joint meetings.
- 2018 : Jiong-Sin Lin senior vice-president and Li-Guang Huang senior vice-president retired.
- 2019 : Wei-Chien Chuang senior vice-president joined the joint meetings.
- 2022 : Kuo-Loong Kao vice-president retired. Fei-Fei Chuang vice-president joined the joint meetings.
- 2023 : Chien-Cheng Hsiao senior vice-president joined 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

2024/03/30

Title	Nationality	Name	Gender	Position taken since	Shareholding		Spouse, minors shareholding		Shareholding with others name		Major academic qualifications	Position held in other company	Spouse or relative acts as other managerial officer			Remark (Note 1)
					Shares	Holding ratio	Shares	Holding ratio	Shares	Holding ratio			Title	Name	Relation	
President	R.O.C.	Fur-Lung Hsieh	Male	2015/06/22	138,279	0.00%	69,003	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	-	-	-	-	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 UNWIN 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	20,237	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 WAN HAI LINES (USA) LTD Representative Director for legal entity Interasia Lines Ltd. Representative Director for legal entity INTERASIA LINES SINGAPORE PTE. LTD. Representative Director for legal entity INTERASIA LINES (M) SDN BHD Representative Director for legal entity INTERASIA LINES, LTD. Representative Director for legal entity INTERASIA LINES KOREA CO., LTD. Representative Director for legal entity INTERASIA LINES (THAILAND) CO., 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
Vice President	R.O.C.	Fei-Fei Chuang	Female	2023/09/01	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
Project Vice President	R.O.C.	Wei-Shin Sheu (Note 2)	Male	2018/03/26	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 (Note 3)	Male	2007/04/01	229,339	0.01%	15,503	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	86,066	0.00%	3,954	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	-	-	-	-	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	51,181	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	WAN HAI LINES (H.K.) LTD. Representative Director for legal entity DAWIN LOGISTIC(INTERNATIONAL) LTD. Representative Director for legal entity SHENZHEN UNIWIN INTERNATIONAL LOGISTICS LTD. Representative Director for legal entity/Chair CLIPPER INTERNATIONAL SHIPPING AGENCY LTD. Representative Director for legal entity Guangzhou Wan Hai Information Technology Ltd. Representative Director for legal entity/Chair SHEN ZHEN YONG CHUN International Shipping Management Co., Ltd. Representative Director for legal entity/Chair	-	-	-	-	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	TK LOGISTICS INTERNATIONAL Co., LTD. Representative Director for legal entity	-	-	-	-	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, Planning Division I	Singapore	Cheng-Cheng Liow	Female	2023/09/01	0	0.00%	0	0.00%	0	0.00%	Department of Political Science, National University of Singapore	BAO SHENG SHIPPING AGENCY CO., LTD. Supervisor TK LOGISTICS INTERNATIONAL Co., LTD. Supervisor	-	-	-	-	N/A
Deputy Vice President, Planning Division II	R.O.C.	Fu-An Yang	Male	2023/09/01	0	0.00%	0	0.00%	0	0.00%	Department of Atmospheric Sciences, National Taiwan 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	2022/05/01	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	2023/02/01	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, Occupational Safety and Health/ Risk Management Division	R.O.C.	Pei-Shan Yu	Female	2023/06/01	0	0.00%	1,000	0.00%	0	0.00%	Department of Religious Culture and Information Management, Aletheia 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%	Master, Institute of International Business, National Taiwan 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: 2023/03/22 Retirement.

Note 3: 2023/07/28 Retirement.

3.2.3 Remuneration to Directors, President and Executive Vice President

1. Remuneration to directors (Individual Disclosure of Names and Remuneration Items)

Unit: TWD thousand

Title			Chair	Vice Chair	Vice Chair	Director	Director	Director	Independent Director	Independent Director	Independent Director	
Name			Jiufu Garden Co., Ltd. Representative: Po-Ting Chen	Taili Corporation Representative: Randy Chen	Randy Chen Representative of Chen-Yung Foundation	Chen-Yung Foundation Representative: Chih-Chao Chen	Chih-Chao Chen Representative of Chen-Yung Foundation	Sun Shine Construction Co., Ltd. Representative: Chiu-Ling Wu	Rung-Nian Lai	Stephanie Lin	Yi-Sheng Tseng	
Remuneration to directors	(A) Allowance	Unconsolidated	8,006	0	0	0	0	0	978	978	978	
		Consolidated	8,006	0	0	0	0	0	978	978	978	
	(B) Retirement pension	Unconsolidated	0	0	0	0	0	0	0	0	0	
		Consolidated	0	0	0	0	0	0	0	0	0	
	(C) Remuneration from retained earnings	Unconsolidated	0	0	0	0	0	0	0	0	0	
		Consolidated	0	0	0	0	0	0	0	0	0	
	(D) Transportation allowance	Unconsolidated	458	40	80	259	521	160	0	0	0	
		Consolidated	458	40	80	259	521	160	0	0	0	
Total amount Percentage of (A+B+C+D) and its percentage in net income after tax (Note)		Unconsolidated	8,464 (-0.146%)	40 (-0.001%)	80 (-0.001%)	259 (-0.004%)	521 (-0.009%)	160 (-0.003%)	978 (-0.017%)	978 (-0.017%)	978 (-0.017%)	
		Consolidated	8,464 (-0.146%)	40 (-0.001%)	80 (-0.001%)	259 (-0.004%)	521 (-0.009%)	160 (-0.003%)	978 (-0.017%)	978 (-0.017%)	978 (-0.017%)	
Related remuneration for serving in the company concurrently	(E) Salary, bonus and specific subsidy	Unconsolidated	0	1,096	1,753	805	1,286	0	0	0	0	
		Consolidated	0	2,544	4,154	3,226	5,299	0	0	0	0	
	(F) Retirement pension	Unconsolidated	0	0	0	43	63	0	0	0	0	
		Consolidated	0	29	42	73	105	0	0	0	0	
	(G) Employee's bonus from retained earnings	Unconsolidated	Cash bonus	0	0	0	0	0	0	0	0	0
			Stock bonus	0	0	0	0	0	0	0	0	0
		Consolidated	Cash bonus	0	0	0	0	0	0	0	0	0
			Stock bonus	0	0	0	0	0	0	0	0	0
Total amount Percentage of (A+B+C+D+E+F+G+H) and its percentage in net income after tax (Note)		Unconsolidated	8,464 (-0.146%)	1,136 (-0.020%)	1,833 (-0.032%)	1,107 (-0.019%)	1,870 (-0.032%)	160 (-0.003%)	978 (-0.017%)	978 (-0.017%)	978 (-0.017%)	
		Consolidated	8,464 (-0.146%)	2,613 (-0.045%)	4,276 (-0.074%)	3,558 (-0.061%)	5,925 (-0.102%)	160 (-0.003%)	978 (-0.017%)	978 (-0.017%)	978 (-0.017%)	
Other income			184	0	0	0	0	0	0	0	0	
Remark	1.Please explain the policy, system, criteria and structure of remuneration of independent directors, and explain the relevance between the amount of remuneration paid and their duties, risks and time invested: In accordance with Paragraph 2, Article 11 of our Articles of Incorporation, independent directors do not participate in profit sharing, and their remunerations are decided by the Board of Directors. In view of the broad scope of business operations of independent directors, and in accordance with market surveys and after making references to competitor's standards, the remuneration plan for our independent directors was suggested by the 7th meeting of the 3rd term of our Salary and Remuneration Committee and implemented after being passed by the Board of Directors. 2.Unless disclosed above, the Directors of the most recent year received remuneration for providing services (e.g. serving as a non-employee consultant) to the companies listed in this financial report: None											

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 (Individual Disclosure of Names and Remuneration Items)

Unit: TWD thousand

Title		President	Executive Vice President
Name (Note 1)		Fur-Lung Hsieh	Wen-Chau Yeh
(A)Salary	Unconsolidated	5,758	4,053
	Consolidated	5,758	4,053
(B)Retirement pension	Unconsolidated	0	0
	Consolidated	0	0
(C)Bonus and specific subsidy, etc.	Unconsolidated	563	419
	Consolidated	563	419
(D)Employee's bonus from retained earnings	Unconsolidated	Cash bonus	0
		Stock bonus	0
	Consolidated	Cash bonus	0
		Stock bonus	0
Total amount of (A+B+C+D) and its percentage in net income after tax (%) (Note 2)	Unconsolidated	6,321 (-0.11%)	4,472 (-0.08%)
	Consolidated	6,321 (-0.11%)	4,472 (-0.08%)
Other income		184	0

Note 1 : Disclosures must be made for all persons in positions equivalent to President and Executive Vice President, regardless of job title (e.g., CEO, chief executive officer, chief administrative officer...etc.)

Note 2 : 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. Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEX listed Company (Individual Disclosure of Names and Remuneration Items)

Unit: TWD thousand

Title		Vice Chair	Director	President	Executive Vice President	Senior Vice President
Name (Note 1)		Randy Chen	Chih-Chao Chen	Fur-Lung Hsieh	Wen-Chau Yeh	Wei-Chien Chuang
(A)Salary	Unconsolidated	2,630	1,932	5,758	4,053	3,360
	Consolidated	6,182	7,872	5,758	4,053	3,360
(B)Retirement pension	Unconsolidated	0	106	0	0	108
	Consolidated	71	178	0	0	108
(C)Bonus and specific subsidy, etc.	Unconsolidated	339	939	563	419	506
	Consolidated	636	1,433	563	419	506
(D)Employee's bonus from retained earnings	Unconsolidated	Cash bonus	0	0	0	0
		Stock bonus	0	0	0	0
	Consolidated	Cash bonus	0	0	0	0
		Stock bonus	0	0	0	0
Total amount of (A+B+C+D) and its percentage in net income after tax (Note)	Unconsolidated	2,969 (-0.05%)	2,977 (-0.05%)	6,321 (-0.11%)	4,472 (-0.08%)	3,974 (-0.07%)
	Consolidated	6,889 (-0.12%)	9,484 (-0.16%)	6,321 (-0.11%)	4,472 (-0.08%)	3,974 (-0.07%)
Other income		0	0	184	0	0

Note 1: "Management personnel" means managerial officers of the company. Managerial officers mean those falling within the applicable scope defined in 2003/03/27 Order No. Tai-Cai-Zheng-III-0920001301 of the former Securities and Futures Commission, Ministry of Finance.

Note 2: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal 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.

4. Bonus to Executives : None

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			
	2022		2023		2022		2023	
	Total amount	Percentage	Total amount	Percentage	Total amount	Percentage	Total amount	Percentage
Directors	157,525	0.16%	17,504	-0.30%	177,166	0.19%	27,930	-0.48%
President and Executive Vice President	28,277	0.03%	10,793	-0.19%	28,277	0.03%	10,793	-0.19%
Net income after tax	93,072,097	-	-5,796,413	-	93,072,097	-	-5,796,413	-

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 8 board of directors meetings. The directors show the following facts of attendance:

2023/12/31

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: (2023/01/01~2023/05/30, the Board of Directors convened a total of 3 board of directors meetings) (A)					
Chair	Jiufu Garden Co.,Ltd. Representative: Po-Ting Chen	3	0	100%	
Director	Taili Corporation Representative: Randy Chen	2	1	67%	
Director	Chen-Yung Foundation Representative: Chih-Chao Chen	2	1	67%	
Director	Sun Shine Construction Co., Ltd Representative: Chiu-Ling Wu	3	0	100%	
Independent Director	Jung-Nien Lai	2	1	67%	
Independent Director	Stephanie Lin	3	0	100%	
Independent Director	Yi-Sheng Tseng	3	0	100%	
The 22nd Board of directors show the following facts of attendance: (2023/05/30~2023/12/31, the Board of Directors convened a total of 5 board of directors meetings) (A)					
Chair	Jiufu Garden Co.,Ltd. Representative: Po-Ting Chen	5	0	100%	
Director	Randy Chen Representative: Chen-Yung Foundation	4	1	80%	
Director	Chih-Chao Chen Representative: Chen-Yung Foundation	5	0	100%	
Director	Sun Shine Construction Co., Ltd Representative: Chiu-Ling Wu	5	0	100%	
Independent Director	Jung-Nien Lai	5	0	100%	
Independent Director	Stephanie Lin	5	0	100%	
Independent Director	Yi-Sheng Tseng	5	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. - Appointing directors of the subsidiary company BAO SHENG SHIPPING AGENCY CO., LTD. - Name of director: Chih-Chao Chen - Motion: The 20th meeting of the 21st-term of Board of Directors (2023/05/10), the terms of BAO SHENG SHIPPING AGENCY CO., LTD. supervisors nearly expired and were up for re-appointment, the company proposed appointing Chih-Chao Chen, Wei-Chien Chuang, Li-Mei Su and Cheng-Cheng Liow to represent WAN HAI LINES LTD to be new directors of BAO SHENG SHIPPING AGENCY CO., LTD. - Cause for recusal due to conflict of interest: He was appointed representatives. - Result of voting: Chih-Chao 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. - Appointment of the members of the 5th-term remuneration committee and to determine their remuneration. - Name of director: Jung-Nien Lai, Stephanie Lin - Motion: The 2nd meeting of the 22nd-term of Board of Directors (2023/06/09), In accordance with Article 4 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange", the remuneration committee members should be appointed by resolution of the board of directors. - Cause for recusal due to conflict of interest: They were appointed candidates. - Result of voting: Rung-Nian Lai and Stephanie Lin were appointed candidates, they recused themselves. Chair of the meeting enquired the other directors attending the meeting, and they passed the proposal without objection. 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: Refer to assessment of execution of the Board of Directors 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, revised "Rules for assessment of performance of the Board of Directors cum Functionality Committee" and purchased liability insurance for directors, supervisors and important employees in compliance with the requirements of competent authorities.					

3.3.2 The Board of independent directors show the following facts of attendance in 2023

The Board of Directors convened a total of 8 board of directors meetings. The attendance status of independent directors was as follows:

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

2023/12/31

2023	First	Second	Third	Fourth	Fifth
The 21st Board of independent directors show the following facts of attendance: (2023/01/1~2023/05/30, the Board of Directors convened a total of 3 board of directors meetings)					
Jung-Nien Lai	◎	◎	☆		
Stephanie Lin	◎	◎	◎		
Yi-Sheng Tseng	◎	◎	◎		
The 22nd Board of independent directors show the following facts of attendance: (2023/05/30~2023/12/31, the Board of Directors convened a total of 5 board of directors meetings)					
Jung-Nien Lai	◎	◎	◎	◎	◎
Stephanie Lin	◎	◎	◎	◎	◎
Yi-Sheng Tseng	◎	◎	◎	◎	◎

3.3.3 Assessment of execution of the Board of Directors

On 2019/11/07 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 2023/01/01 to 2023/12/31 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 2024/03/13 :

The frequency of assessment	The period of assessment	Scope of Evaluation	Methods of assessment	Contents of Evaluation	Result of Evaluation
Annually	From 2023/01/01 to 2023/12/31	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 regulations. The election process of board directors is based on the diversity policy and measurement standards. There is good interaction between the board of directors and the management team.
Annually	From 2023/01/01 to 2023/12/31	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 the company's future development goals, and they assured abide by confidentiality obligations when performing their duties as directors.

The frequency of assessment	The period of assessment	Scope of Evaluation	Methods of assessment	Contents of Evaluation	Result of Evaluation
Annually	From 2023/01/01 to 2023/12/31	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 give a positive appraisal for the operations of the committee. The information provided by the company to the Audit Committee is complete, timely and of certain quality. The members are composed of professional knowledge and experience. They are with expertise in the decision-making and are able to perform their due functions. They can make reasonable suggestions in a timely, professional and objective manner, and have appropriate follow-up on the meeting resolutions.
Annually	From 2023/01/01 to 2023/12/31	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 give a positive appraisal for the operations of the Remuneration Committee. The discussion proposals submitted by the company to the Remuneration Committee are appropriate. The number of members of the committee complied with the regulations. They had the expertise required for the decision-making process, and maintain their independence during their tenure.

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 2023 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. Audit Committee convened a total of 7 Audit Committee meetings in 2023. The attendance status of members was as follows:

2023/12/31

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 was as follow: (2023/01/01~2023/05/30, Audit Committee convened a total of 3 Audit Committee meetings in 2023.)					
Independent Director	Jung-Nien Lai	2	1	67%	
Independent Director	Stephanie Lin	3	0	100%	
Independent Director	Yi-Sheng Tseng	3	0	100%	
The attendance status of members was as follow: (2023/05/30~2023/12/31, Audit Committee convened a total of 4 Audit Committee meetings in 2023.)					
Independent Director	Jung-Nien Lai	4	0	100%	
Independent Director	Stephanie Lin	4	0	100%	
Independent Director	Yi-Sheng Tseng	4	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 14-5 of the Securities and Exchange Act states:					
Date of Audit Committee meeting	Resolutions	Independent Directors’ objections, reservations or major suggestions and Resolution of Audit Committee		Resolution of Audit Committee and the company’s response to the Audit Committee’s opinion	
17th of the 2nd Audit Committee meeting (2023/01/17)	1.Ratify the derecognition of the right-of-use assets of 2 vessels. 2.Set general principles for implementing the company’s policies of advanced approval of non-assurance services.	1.Independent Directors’ objections, reservations or major suggestions: None. 2.Approved by the Chairman with the consent of all members present.		Approved by the 18th meeting of the 21st Board of Directors.	
18th of the 2nd Audit Committee meeting (2023/03/13)	1.The company’s Financial Statements and Consolidated Financial Statements for the fiscal year 2022. 2.The company’s Financial Statements, Consolidated Financial Statements and Business Report for the fiscal year 2022. 3.Assessment of independency of certified public accountants, evaluation of their quality indexes and their fees for 2023. 4.The distribution of earnings for 2022. 5.Amend the International Financial Reporting Standards. 6.The effectiveness assessment of internal control systems for 2022 7.The acquisition of the right-of-use assets of 1 vessel from Wan Hai Lines (Singapore) Pte. Ltd. 8.The matter in which WAN HAI LINES (USA) LTD., the reinvestee, leased an office from WAN HAI LINES (ARIZONA) LLC.	1.Independent Directors’ objections, reservations or major suggestions: None. 2.Approved by the Chairman with the consent of all members present.		Approved by the 19th meeting of the 21st Board of Directors.	
19th of the 2nd Audit Committee meeting (2023/05/10)	1.The company’s Consolidated Financial Statements for the first quarter of 2023. 2.The company’s Consolidated Financial Statements with Independent Auditors’ Report for the first quarter of 2023. 3.The matter in which BLUE OCEAN LOGISTICS CO. LTD., the reinvestee, leased an office from Yi Yuan (Shanghai) Real Estate Co., Ltd. 4.Appointing directors of the subsidiary company BAO SHENG SHIPPING AGENCY CO., LTD.	1.Independent Directors’ objections, reservations or major suggestions: None. 2.Approved by the Chairman with the consent of all members present.		Approved by the 20th meeting of the 21st Board of Directors.	
1st of the 3rd Audit Committee meeting (2023/06/09)	1.Transfer the new container ship acquisition contract to Wan Hai Lines (Singapore) Pte Ltd. 2.Guarantee concerning the construction by the subsidiary, Wan Hai Lines (Singapore) Pte Ltd. 3.Wan Hai Lines (Singapore) Pte Ltd provided Wan Hai Lines (its parent company) with secured financing for ship mortgages.	1.Independent Directors’ objections, reservations or major suggestions: None. 2.Approved by the Chairman with the consent of all members present.		Approved by the 2nd meeting of the 22nd Board of Directors.	

Date of Audit Committee meeting	Resolutions	Independent Directors' objections, reservations or major suggestions and Resolution of Audit Committee	Resolution of Audit Committee and the company's response to the Audit Committee's opinion
2nd of the 3rd Audit Committee meeting (2023/08/10)	1.The company's Consolidated Financial Statements for the second quarter of 2023. 2.The company's Consolidated Financial Statements with Independent Auditors' Report for the second quarter of 2023. 3.Acted as a bank loan guarantor of Japan Bank for International Cooperation, Citibank, N.A., Tokyo Branch and Mizuho Bank for the subsidiary, Wan Hai Lines (Singapore) Pte Ltd. 4.The matter in which Wan Hai Lines (Singapore) Pte. Ltd. acquired external equity of Wan Hai Lines Mexico, S.A. de C.V. 5.Ratify the derecognition of the right-of-use assets of 1 vessel. 6.The acquisition of the right-of-use assets of 6 vessels from Wan Hai Lines (Singapore) Pte. Ltd. 7.The authorized procurement amount for the construction of the Kaohsiung Container Terminal 5 Pier 79/80/81, Port of Kaohsiung.	1.Independent Directors' objections, reservations or major suggestions: None. 2.Approved by the Chairman with the consent of all members present.	Approved by the 3rd meeting of the 22nd Board of Directors.
3rd of the 3rd Audit Committee meeting (2023/11/10)	1.The company's Consolidated Financial Statements for the third quarter of 2023. 2.The company's Consolidated Financial Statements with Independent Auditors' Report for the third quarter of 2023. 3.Credit limit of capital loan to WAN HAI LINES (LIBERIA) LTD. 4.The acquisition of the right-of-use assets of 2 vessels from Wan Hai Lines (Singapore) Pte. Ltd. 5.Ratify the derecognition of the right-of-use assets of 3 vessels. 6.The procurement of new containers.	1.Independent Directors' objections, reservations or major suggestions: None. 2.Approved by the Chairman with the consent of all members present.	Approved by the 4th meeting of the 22nd Board of Directors.
4th of the 3rd Audit Committee meeting (2023/12/21)	1.Internal audit plan FY 2023 2.Amend the International Financial Reporting Standards. 3.Credit limit of capital loan to Wan Hai Lines (Singapore) Pte Ltd. 4.Ratify the derecognition of the right-of-use assets of 2 vessels.	1.Independent Directors' objections, reservations or major suggestions: None. 2.Approved by the Chairman with the consent of all members present.	Approved by the 5th meeting of the 22nd Board of Directors.
	Amend Internal Control Systems	1.Independent Directors' objections, reservations or major suggestions: It is difficult to immediately understand the amendments and the reasons for the amendments in the format and explanatory content of the attachments provided in the agenda materials. It is recommended that in future detailed explanations be provided in the attachments to the proposals. 2.Resolution of Audit Committee: Approved by the Chairman with the consent of all members present and requested Auditing Division to provide supplementary information on the amendment of internal control systems after meeting.	Approved by the 5th meeting of the 22nd Board of Directors and the supplementary information was provided to all members of Independent Directors on 2023/12/27.

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 2023 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 Accountants	
	Contents of Communications	Results of Communications
2023/03/13	The delivery methods for internal audit report.	The Independent Directors agree to deliver the report by e-Signature Platform.
	The effectiveness assessment of internal control systems - The self-evaluation results of each division and subsidiary and follow up on problem solution to suggest.	The Independent Directors have no objection.
2023/12/21	Internal audit plan for 2023.	The Independent Directors have no objection.
	Amend internal control systems and some articles of internal audit implementation rules.	The Independent Directors recommend viewing and strengthening internal control systems for the risk events happened in the industry recently.

2. Communications between independent directors and accountants: The 2023 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
2023/03/13	Independency	1.After evaluation, it is concluded that there are no relationships and other matters between the firm/alliance firms in 2022. 2.It is available to offer explanation of assurance/ non-assurance services and the content of non-assurance services in 2022.
	Audit coverage	1.Key Audit Matters: Freight revenue is recognized by percentage of completion method, and because freight shipping days refer to estimation, it is adopted as one of key audit matters to financial statements. 2.Executive way and results: Compare the freight shipping days of the system with the actual voyage by systematic sampling. No major abnormality was found in using computer audit and manual audit.
	Audit findings	1.In 2022, the company made organizational and operational adjustments and no significant abnormalities was found. 2.The Accountants replied to the questions of independent directors and the two sides fully communicated and discussed. The Independent Directors have no objection.
2023/12/21	Key Audit Matters and corresponding audit procedures and matters to be implemented	1.Revenue recognition: Freight revenue is recognized by percentage of completion method, and because freight shipping days refer to estimation, it is adopted as one of key audit matters to financial statements. The main audit procedures include understanding the method on how the system compute the voyage days of each route and evaluating its reasonableness by systematic sampling. 2.Evaluation of impairment: The industry is affected by the global economic situation and the fierce competition in the container shipping market. It is necessary to determine whether there is any indication of impairment. The main audit procedures include understanding Cash-Generating Units which the company uses to evaluate the indication of impairment, understanding the indicators which the company uses to evaluate the indication of impairment ,and how the company uses the indicators to evaluate the indication of impairment.
	Regulations Governing Application of Accrued Income from Controlled Foreign Company for Profit-Seeking Enterprise (CFC)	1.Definition: (1) Control requirements; (2) Low-tax country. 2.Exemption threshold: (1) Substantial operating activities; (2) CFC earnings are below certain amount. 3.Applicable enterprises: An enterprise that hold CFC shares; The enterprise shall calculate CFC investment income and be subject to profit-seeking enterprise income tax. 4.Avoidance of double taxation: (1) When receiving dividends, the amount shall not be included in taxable income again; (2) Foreign tax credits; (3) When disposing of CFC shares and calculating capital gains CFC investment/business income recognized previously can be deducted.

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. Please refer to the official website for excerpts. (https://www.wanhai.com/views/content/ContentList.xhtml?web_code=whl_www&file_num=119558&file_num=119558&parent_id=85401&top_file_num=85261)	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.21.	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 2023 assessment of performance of the Board of Directors, the period was from 2023/01/01 till 2023/12/31. 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 2024/03/13. Methods of assessment include internal self-assessment by the Board of Directors, and self-assessment by individual directors. A. 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	
(4) Does the company regularly evaluate the independence of the CPAs?	✓		Result of Self-Evaluation in 2023 is above standards. The board of directors is held in accordance with regulations. The election process of board directors is based on the diversity policy and measurement standards. There is good interaction between the board of directors and the management team. B. Assessment of performance of 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 in 2023 is above standards. All members of the board of directors understand the company's business philosophy and the company's future development goals, and they assured abide by confidentiality obligations when performing their duties as directors. C. Assessment of performance of Audit Committee - Level of participation in operations of the company. - Cognition of the jobs and duties of Audit Committee - Enhancing the quality of making decisions. - Election the member of Audit Committee - Internal control. Result of Self-Evaluation in 2023 is above standards. Remuneration Committee members give a positive appraisal for the operations of the Remuneration Committee. The discussion proposals submitted by the company to the Remuneration Committee are appropriate. The number of members of the committee complied with the regulations. They had the expertise required for the decision-making process and maintain their independence during their tenure. D. Assessment of performance of the Remuneration Committee includes: - Level of participation in operations of the company. - Cognition of the jobs and duties of Remuneration Committee - Enhancing the quality of making decisions. - Election the member of Remuneration Committee - Internal control. Result of Self-Evaluation in 2023 is above standards. Remuneration Committee members give a positive appraisal for the operations of the Remuneration Committee. The discussion proposals submitted by the company to the Remuneration Committee are appropriate. The number of members of the committee complied with the regulations. They had the expertise required for the decision-making process and maintain their independence during their tenure. (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 5 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 2024/1/18 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. Evaluation on the Certified CPA's Independence(Note 1)	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 2019/03/22, 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 12 hours of training in 2023, in conformity with the requirements of the law, and the courses are detailed as follows: 2023/07/14 : Taiwan Stock Exchange -2023 Cathay Sustainable Finance and Climate Change Summit Forum (6 Hours) 2023/09/07 : Securities and Futures Institute -How does the audit committee supervise the effectiveness of internal control (3 Hours) 2023/11/14 : Taiwan Independent Director Association -The group's M&A strategy and post-investment management (3 Hours) 2023 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 on the company's website. And each department is responsible for handling communication with stakeholders. The result of the interaction with stakeholders is reported to the Board of Directors annually. The latest report was made on 2023/12/21. Wan Hai has identified the key stakeholders, issue of concern, communication and response methods and the outcome, the report has been published on company's website: https://esg.wanhai.com/wanhai/SustainabilityRoadmap/1787955245646441203902e
6. Does the company appoint a professional shareholder services agency to deal with shareholder affairs?	✓		Hua Nan Securities Co., Ltd. Registrar & Transfer Agency Dept.

Item	Description of the operation		Distinction from the operation and governance of those TWSE/TPEX listed companies
	Yes	No	
7. Disclosure of Information	✓		
(1) Has the company established a website disclosing financial operations and corporate governance information?			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)?	✓		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?		✓	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
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.	✓		No Difference
			(1) The company's Director Po-Ting Chen had completed Practical Analysis of Risk Detection and Supervision Integrating Technology Tools and Data Analysis Technology by Taiwanese Corporate Governance Association. (2) The company's Director Chih-Chao Chen had completed Practical Analysis of Risk Detection and Supervision Integrating Technology Tools and Data Analysis Technology by Taiwanese Corporate Governance Association. (3) The company's Director Randy Chen had completed Practical Analysis of Risk Detection and Supervision Integrating Technology Tools and Data Analysis Technology by Taiwanese Corporate Governance Association. (4) The company's Director Chiu-Ling Wu had completed ESG trends and epidemic environment talk about the world and Courses such as Taiwan Tax Reform and Corporate Tax Governance by Taiwanese Corporate Governance Association. (5) The company's Director Chiu-Ling Wu had completed Practical Analysis of Risk Detection and Supervision Integrating Technology Tools and Data Analysis Technology by Taiwanese Corporate Governance Association. (6) The company's Independent Director Jung-Nien Lai had completed Practical Analysis of Risk Detection and Supervision Integrating Technology Tools and Data Analysis Technology by Taiwanese Corporate Governance Association. (7) The company's Independent Director Stephanie Lin had completed Initiation of Inheritance Plan - Employee Reward Plan and Equity Inheritance by Taiwanese Corporate Governance Association. (8) The company's Independent Director Yi-Sheng Tseng had completed Business Secret Risks and Management under Digital Transformation by Taiwanese Corporate Governance Association. (9) The company's Independent Director Yi-Sheng Tseng had completed Practical Analysis of Risk Detection and Supervision Integrating Technology Tools and Data Analysis Technology by Taiwanese Corporate Governance Association.

Item	Description of the operation			Distinction from the operation and governance of those TWSE/TPEX listed companies
	Yes	No	Remark	
			(10) 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. (11) The company has set health center (with on-site medical specialist), stress relief studio, breastfeeding room and AED (Automated External Defibrillator) to promote the health for all employees and maternal health protection. All branches (including Taichung port and Kaohsiung port) have CPR & AED accreditation. (12) The company continues to give health lectures and sends occupational safety and health messages through physical, 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. (13) 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. (14) 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. (15) The company provides real medical securities to the employees by buying group term insurance policies. (16) The company follows WCO SAFE (Framework of Standards to Secure and Facilitate Global Trade) and obtained customs certification of AEO (Authorized Economic Operator). (17) 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. (18) 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. The company passed/obtained the ISO27001 certification for the year of 2023. Certification valid period is from 2023/01/13 to 2025/10/31. (19) 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.	
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. Results of the corporate governance evaluation: Ranked top 6% to 35% amid all TWSE listed companies from 2014 to 2023. Key points of the improvements include: 1. Establishing a policy prohibiting insiders such as directors and employees from trading their stocks during a closed period of thirty days before financial report announcements and fifteen days before each quarterly financial report announcement. 2. Implementing a framework for managing information and communication technology security risks, with disclosure on the company website and in the annual report. 3. Disclosing the linkage between director and executive performance evaluations and compensation. 4. Disclosing the annual greenhouse gas emissions, water usage, and total waste weight for the past two years.				

Note 1: Evaluation on the Certified CPA's Independence

Independent evaluation item	Results	Independent
Does the CPA have direct or indirect substantial financial interest relationship with the company?	No	Yes
Does the CPA have financing or guarantee actions with the company and the company's directors?	No	Yes
Does the CPA have close business relationship and potential employment relationship with the company?	No	Yes
Have the CPA and their audit team members served as directors, managers or positions that have significant influence on audit work in the company at present or in the last two years?	No	Yes
Does the CPA have non-audit service items that may directly affect the audit work have been provided to the company?	No	Yes
Does the CPA have intermediation of stocks or other securities issued by the company?	No	Yes
Has the CPA act as the defender of the company or coordinate conflicts with third parties on behalf of the company?	No	Yes
Does the CPA have a relative relationship with the company's directors, managers or positions that have significant influence on audit work in the company?	No	Yes

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.)
Po-Ting Chen	Director	2023/11/10	Taiwanese Corporate Governance Association	Practical Analysis of Risk Detection and Supervision Integrating Technology Tools and Data Analysis Technology	3
Chih-Chao Chen	Director	2023/11/10	Taiwanese Corporate Governance Association	Practical Analysis of Risk Detection and Supervision Integrating Technology Tools and Data Analysis Technology	3
Randy Chen	Director	2023/11/10	Taiwanese Corporate Governance Association	Practical Analysis of Risk Detection and Supervision Integrating Technology Tools and Data Analysis Technology	3
Chiu-Ling Wu	Director	2023/05/12	Taiwanese Corporate Governance Association	ESG trends and epidemic environment talk about the world and Courses such as Taiwan Tax Reform and Corporate Tax Governance	3
		2023/11/10	Taiwanese Corporate Governance Association	Practical Analysis of Risk Detection and Supervision Integrating Technology Tools and Data Analysis Technology	3
Jung-Nien Lai	Independent Director	2023/11/10	Taiwanese Corporate Governance Association	Practical Analysis of Risk Detection and Supervision Integrating Technology Tools and Data Analysis Technology	3
Stephanie Lin	Independent Director	2023/06/02	Taiwanese Corporate Governance Association	Initiation of Inheritance Plan - Employee Reward Plan and Equity Inheritance	3
Yi-Sheng Tseng	Independent Director	2023/09/26	Taiwanese Corporate Governance Association	Business Secret Risks and Management under Digital Transformation	3
		2023/11/10	Taiwanese Corporate Governance Association	Practical Analysis of Risk Detection and Supervision Integrating Technology Tools and Data Analysis Technology	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	2023/01/31	The Institute of Internal Auditors-Chinese Taiwan	Self-assessment practice	6
		2023/02/07	The Institute of Internal Auditors-Chinese Taiwan	Risk-based internal audit methods and practices	6

*Continuing Education/Training for the Financial Division personnel:

Name	Title	Date	Sponsor unit	Course	Time (hr.)
Chia-Yi Hsiao	Accounting Supervisor	2023/10/27	Securities and Futures Institute	Analysis of unconventional transaction practice cases	3
		2023/12/14	Shih Chien University Continuing Education Center	Impact of climate change on financial statements	3
		2023/12/20	The Institute of Internal Auditors- Chinese Taiwan	How to Use Excel Functions to Improve Auditing and Financial Efficiency Practical Workshop	6
Chih-Hsien Chen	Financial Supervisor	2023/08/24	Securities and Futures Institute	Various methods of cost control and strengthening and improving execution ability	6
		2023/09/13	Securities and Futures Institute	Analysis of practical cases of insider trading	3
		2023/10/18	Securities and Futures Institute	Non-financial information reporting under ESG development trends	3

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. 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 latest report was made on 2023/12/21. 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. The governance framework and implementation results of sustainable development, please refer to the website: https://esg.wanhai.com/wanhai/SustainabilityRoadmap/27641510864635a4405c73	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 has 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 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. The risk assessment boundary covers the Company, its branches and subsidiaries with consolidated financial statements. Base on the materiality principle, 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 and adjust them on a rolling basis. The SRU is also responsible for submitting a risk management report to the Audit Committee and the Board of Directors annually. The latest report was made on 2023/11/10. 2023 risk evaluation and countermeasures, please refer to the website: https://www.wanhai.com/views/content/Content_RiskManagemet_EN.xhtml?web_code=whl_www&file_num=119562&file_num=119562&parent_id=85401&top_file_num=85261	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. Waste oil generated from engine room will be recorded and disposed off by a qualified company. C. Bilge water from the engine room must be treated by a 15 PPM bilge water separator before being released, and the quantity must also be properly recorded. D. Garbage and wastewater are processed, registered in the record book and discharged in according to regulations E. Gas emission produced and discharged by ships shall comply with the regulation and standards. F. Vessels use low-sulfur fuel in ECA (Emission Control Area), impact on the environment. G. In accordance with international laws and regulations, the entire fleet is now using low sulfur fuel. H. In adherence to the International Convention for the Control and Management of Ship's Ballast Water and Sediments, the vessel has undergone approved refurbishment of its ballast water management system within the validity period of its certification. The upgraded system now meets the stringent standards set forth by the International Convention, ensuring full compliance with the regulations governing ship's ballast water management. I. All newly built ships after 2020 will use the latest electric fuel injection that meet the IMO phase 2 requirements for Energy Efficiency Design Index (EEDI), effectively reduce energy consumption and exhaust emissions. J. 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. K. 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, ensuring 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).	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.	✓		L. Starting from 2022, the company has conducted greenhouse gas inventories and obtained certification in accordance with ISO 14064-1:2018 and the GHG Protocol to track carbon emissions. The scope of inventory has gradually expanded from the parent company to encompass the subsidiary entities included in the consolidated financial reports. For more information on the environmental management policy, please refer to the website:https://esg.wanhai.com/wanhai/EnvironmentalManagement/880780857649294d0c4795 (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. Notably, the company has transitioned to using high-efficiency paints for our vessel's external hull, also for its purchased-in second-hand vessels. 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 adapt the latest electronic lubricator systems (alpha lubricators) to improve the efficiency and reduce lubricating oil consumption. Furthermore, the company has conducted an assessment of the operational status of the main engine cylinder oil injectors within its fleet, configuring the optimal oil injection calculation mode. Adjusting the condition of the main engines the optimization reduced spare parts consumption, minimized maintenance costs, and enhanced operational safety. As a result of the accompanied adjustment in cylinder oil consumption, we have achieved cost savings in cylinder oil consumption by implementing a more rational and accurate adjustment. 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's exclusive terminals at Kaohsiung Port and Taichung Port facilities are installed smart meters. J. When renewing machineries and tools for exclusive terminals, it shall be carried out in the directions of automation and electrification, so as to raise operation efficiency and effectively conserve energy and reduce greenhouse 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. The company installed self-service gas station at Kaohsiung Port and Taichung Port 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. Reefer containers will be installed compressor for energy saving. P. The company installed GC intelligent system to improve equipment and machinery efficiency and to minimize resources wastage at Kaohsiung Port and Taichung Port. Q. All parking lights in the basement parking lot were replaced with sensor light tubes at Neihu office from March 2022. R. All eligible employees obtained subsidies of TWD 24,000 each for purchasing electric motorcycles from January 2022. (5 employees were subsidized with a total of TWD 120,000 in 2023) S. All T5 light tubes were replaced with energy-efficient LED panel lights at SongJiang office and Tunhua office. T. Infrared sensors shall be installed in visitors' meeting rooms at Neihu office to automatically turn off air conditioners and lightings when not in use, to reduce energy consumption. U. Neihu office elevators shall be dispersed for peak and off-peak hours and set to operate between lower and higher floor intervals, so as to raise operation efficiency and to reduce energy consumption of starting and stopping at every floor. V. WH28x/32x/Axx 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. W. WH50x/28x/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. X. The new built ship WH32x/Axx 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. Y. WH51x installation & new built ship WH35x/Axx 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. Follow up installation expansions are being studied and planned. Z. New built ship WH32x/Axx 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 and reduce emissions pollution. AA. 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

Items	Y	N	Status of Work	Difference between promoting sustainability and OTC companies code of practice of sustainable development and reason for 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 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. In 2021, the company voluntarily adopted the recommendations developed by the Task Force on Climate-Related Financial Disclosures (TCFD) and 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. 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 and reports to the Board of Directors every year. The company completed the latest climate risk assessment in 2023, focusing on the following high-risk and high-opportunity items identified from 24 climate risk factors: Investment in low carbon technology/vessels and low carbon fuel, Increasingly stringent domestic and international carbon emissions regulations/enhancement in emissions reporting obligations, Carbon pricing mechanism, Increased frequency of extreme weather - drought/heavy rainfall/flooding/heavy snowfall/high waves, Improvement in resource/energy utilization efficiency, Developing low-carbon services, Enhancing disaster resilience. The details of climate-related risk and opportunities have been disclosed in our sustainability report. Please refer to the website: https://esg.wanhai.com/wanhai/EnvironmentalManagement/1598521876649e76a844662	No Difference
(4) Does the company calculate total greenhouse gas emission, water and waste for past two years and make policies for reducing carbon emission, greenhouse gas, water and waste?	✓		(4) The company keeps a record of its greenhouse gas emissions, water consumption and waste for the past two years, and published in its Sustainability Report under Environmental Protection section. For more detail data please refer to the Note 3 below. 1.Greenhouse gas emissions and reduction management a.The greenhouse gas emissions record of the company was verified by the international third party and obtained both ISO 14064-1:2018 and GHG Protocol certifications since 2021. b.Total greenhouse gas emission of the company in 2023 was 4,502,617.10 tCO₂e (100% of total emission). The verification was conducted in accordance with ISO 14066:2011, ISO 14065:2020, ISO 14064-3:2019 and the emissions were verified with reasonable level of assurance. The greenhouse gas inventory data for the year 2023 has not been verified yet and is expected to be certified by June. The final data will be included in the 2023 Sustainability Report. 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 base year: The target is to achieve a 50% reduction in carbon emissions intensity by 2030 and net zero by 2050. The company has reduced by 48% in 2023. d.The company made suitable shipping plans to efficiently carry out its shipping operations, through replacing old ships with new ones and modifications. It also achieved energy conservation and carbon reduction effects in conjunction with data monitoring, and at the same time lowered the emissions of nitrogen oxides (NOx), sulfur oxides (SOx) and particulate matters (PM10). e.Total emission of Scope 1 and Scope 2 was 4,502,617.10 tCO₂e in 2023. It comes mainly from Scope 1 fuel consumption of fleet, accounting for almost 100% of the total emissions. 2.Water resources management a.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. The company plans to minimize the adverse impacts on the environment. b.Total water withdrawal was 181.49 million liters in 2023. c.The company promoted reduction at source and recycling of water resources and emphasized the scarcity of water resources and the importance of water conservation. The company's fleets implemented water resources management policies, and lowered wasting water resources by distilling sea water to fresh water for use on ships and installing water conservation devices on faucets. Taichung Terminal was equipped with wastewater treatment equipment with the function of reusing recycled wastewater, recycled 4.516 tons of wastewater in 2023 and the water recycling rate was 73.74%. The company actively promote water conservation measures, such as installing water-saving devices in pantry and toilets in the offices. 3.Waste management a.The company has established a comprehensive fleet waste management program that lays down detailed rules regarding collecting, sorting, storing, disposing, and recording waste to avoid environmental pollution and health hazards caused by improper operations. In business location on land, toxic waste is recycled by legal garbage collecting companies, while non-hazardous waste is sorted out in accordance with the waste classification guidelines and then recycled. The company continuously advocates garbage classification and waste reduction to its staffs. b.Total waste in fleet was 5,323.44 M3 and total waste in business location on land was 392.14 tons.	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". In 2023, there was one reported case of workplace misconduct, which has been addressed according to company policies and regulations. 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 have implemented a remediation plan for child labor. Please refer to the 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: Organize "Prevention and Practice of Workplace Violence (Including Workplace Bullying)" and "Sexual Harassment Prevention" courses to enable employees to understand relevant laws and regulations and preventive measures against illegal violations in the workplace, and to eliminate workplace harassment, bullying and violence. 2 human rights training- related courses were held, with a total of 6 hours, and the coverage rate of human rights education was 100%. b. Seafarers Humanized Management - Establish an automated 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.	
(2) Does the company implement the reasonable individual's welfare measures (including salary, leaves and other welfares), and reflect operating performance in employee compensation?	✓		(2) A. In accordance with local laws and regulations, the company sets salary standards according to an individual's education and work experiences and professional skills, and does 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 % of the annual profit should be appropriated as remuneration for employees. B. The company provides labor and health insurances, maternal/parental leaves, pension reserves, and also takes out group insurance for the employees. The 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 are able to apply leaving 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. In 2023, the average proportion of female office staff was 50.20% and 37.87% of the supervisors are female. To strengthen the company's commitment to preventing and handling complaint of sexual harassment, the number of members of the Sexual Harassment Complaints Handling Committee has been increased from 3 to 4 since 2023. Additionally, in response to amendments to the Gender Equality in Employment Act, the company has legally revised its "Measures of Prevention, Correction, Complaint and Discipline of Sexual Harassment" and added a "Written Statement for prohibition of sexual harassment at workplace by WAN HAI LINES LTD". Simultaneously, the company has created a dedicated section on its official website to publicly disclose the aforementioned policies and written statement related to sexual harassment prevention. In addition to formulating relevant procedures, a specialized email box has been established to allow individuals to directly report sexual harassment to the Sexual Harassment Complaint Handling Committee. If harassment is verified, appropriate actions will be taken based on the severity of the harassment.	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
(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.	✓		E. The company complies with the "Employment Service Act" and prohibits discrimination in employment; and recruits foreign workers in accordance with the provisions of the "Qualifications and Criteria Standards for Foreigners Undertaking the Jobs Specified under the Employment Service Act". At the end of 2023, the company had total of 11 employees with disabilities, including 9 men and 2 women in Taiwan, surpassing the required number of hires as per relevant regulation. The company provides a safe and friendly working environment with multiple facilities such as lactation room, barrier-free elevators, accessible restrooms, and accessible parking spaces in the workplace to meet the needs of different groups. Please refer to company website: https://esg.wanhai.com/wanhai/download (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. B. Healthy working environment: Regularly carry out test and check on the CO₂ concentration, illumination and drinking water. Cleaning the air-con and 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 is adhered by all the suppliers working at the terminals. Apart from risk management and operational audit, health and safety committee also meets 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. 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 all employees and maternal health protection. 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. G. Office staff involved in occupational accidents in 2023: 6 persons, accounting for 0.56% of total employees, and the main cause was traffic accidents while commuting. Improvement measures include: Holding traffic safety seminars; distributing traffic safety information; and providing commuting transportation means. Employees are also encouraged to use TPASS for public transportations, which will also reduce carbon footprints. H. Number of fire disasters in 2023: 1, with 0 casualties. Improvement measures: Recover fire sites and replace electric wires and switches (including lightings)	No difference
(4) Should the company establish an effective career training program for its employees?	✓		(4) The company values great importance to the growth and development of its employees. In order to enrich colleagues professional knowledge and develop their own potential, the company plans complete functional training for supervisors and colleagues at all levels to help colleagues continue to grow through multiple learning methods. The training courses include freshmen training, professional functional training for general colleagues, reserve cadre training, professional courses for supervisors, Welfare Committee courses, outbound training courses, etc. A total of 928 courses have been held in 2023, with a total of 25,184 people participating.	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 established the "Supplier Management Policy" and the "Supplier Code of Conduct" as the basis for implementing supplier management. It requires all its suppliers to pay attention to business ethics, labor rights, safety, health and environmental protection to reduce potential social impact. The company requires all its suppliers to comply with its "Supplier Management Policy" and "Supplier Code of Conduct" incorporating sustainable clauses into contracts and signing the "Supplier Corporate Social Responsibility Commitment" in order to develop and implement sustainability 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 DNV Business Assurance Co., Ltd. an independent third-party certification organization, complies with GRI Universal Standard 2021 and type 1 of AA1000 Assurance Standard (v3) at a moderate level of assurance, Sustainability Accounting Standards Board (SASB) maritime industry sustainability accounting metrics and Task Force on Climate-Related Financial Disclosures (TCFD). The assurance statement from the independent third parties is being attached in the report. The sustainability report of Wan Hai Lines Ltd. please refer to the website: https://esg.wanhai.com/wanhai/index	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
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 to promote environmental protection. (1) Sustainability-related indices, ratings, and awards: A. As of Dec. 2023, our company performed in the top decile (Top 6%) in the TRA: Transportation and Transportation Infrastructure Industry in the S&P Global Corporate Sustainability Assessment and has been included in 2024 Sustainability Yearbook. B. The company was among the top 100 companies selected by the "Excellence in Corporate Social Responsibility Awards" for two consecutive years (2022-2023). C. The company was awarded the "The 16th TCSA Taiwan Sustainability Award". D. The company ranked top 3 in the "Greater China Business Sustainability Index" for two consecutive years (2022-2023). E. The company was included in the "TWSE Corporate Governance 100 Index" by the Taiwan Stock Exchange for two consecutive years (2022-2023). F. The company was included in the "TWSE RAFI Taiwan High Compensation 100 Index" for six consecutive years (2018-2023). (2) Environment: A. Continuously participating in domestic and international environmental and shipping associations, supporting the goals and initiatives of carbon reduction and environmental protection in the shipping industry. * Joining the Getting to Zero Coalition and the Silk Alliance, we aim to achieve the vision of decarbonizing the shipping industry through collaboration with value chain members. * Participating in the Clean Cargo Working Group (CCWG) to enhance the exchange of environmental knowledge, information, and technology with industry peers, thereby promoting energy efficiency and carbon reduction in our fleet. * Obtained "Management level (B-)" for Carbon Disclosure Project (CDP) - Climate Change in 2023. B. Green banking/Green finance The company had a 10-year, TWD 3 billion sustainability-linked loan (SLL) with Standard Chartered Bank. This marks the first sustainability -linked shipping finance done by the container shipping industry in Taiwan. While actively pursuing its own carbon reduction goals, Wan Hai supports environmentally friendly financial solutions and contributes to sustainable development. C. Planting and Forestation Maintenance Project Since 2022, the company collaborated with the government, academic institutions, and environmental organizations on tree planting and afforestation projects. The company has also invited stakeholders to participate in tree planting activities. In addition, the overseas locations of the company also conducted tree planting activities locally, aligning with the spirit of planting and forestation maintenance project. D. Marine conservation * In response to the Protecting Blue Whales and Blue Skies Program, as well as the Green Flag Program, voluntary vessel slowdowns are conducted in specific maritime areas to reduce coastal air and noise pollution. This also decreases the risk of whale collisions, thereby avoiding potential impacts on marine ecosystems. * Throughout the year 2023, the company organized a total of three beach cleanup events in Taiwan and Singapore, calling on employees, their families, volunteers, and environmental groups to participate. In addition to improving the beach environment, these activities planted seeds of environmental awareness in the hearts of each participant, making important contributions to the preservation of marine ecology. * The company participated in the Singapore Sister Islands Coral Reef Restoration Donation Project, supporting the restoration of coral reefs provides suitable growth areas for marine life, contributing to the overall health and balance of marine ecosystems. (3) Social: A. Inclusive workplace: * The company was awarded the "Gold Award - Happiness Enterprise Survey". * Obtained the "Sports Enterprise Certification" and "Health Promoting Workplace Badge" showing the corporate culture spirit of work-life balance. B. Public Welfare and Charity * Since 2022, the company has been collaborating with Step-30 Organization and Love Binti International to dig and repair more than 60 wells in African countries, including Uganda, Kenya, Eswatini Togo and etc. * Since 2022, 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. * The naming ceremony for the new ship is conducted in a simple yet dignified manner, with the cost savings directed towards charitable activities. By donating supplies to local charitable organizations, we aim to assist the underprivileged communities in the vicinity of the shipyard. C. Cultural and Artistic Activities In 2023, Wan Hai Charity Foundation sponsored over TWD 16.85 million to organize a variety of cultural and artistic events, including talent shows, concerts, and art exhibitions. The revenue, without deducting any costs, are entirely allocated to the "Shine Love Project," taking concrete actions to support small and medium-sized social welfare organizations in serving vulnerable groups. * Love is Promising talent show: Inviting 19 groups of performers with disabilities to 12 high schools for a talent show tour, with an audience exceeding 9,300 people. * Let Love Shine Wan Hai Charity Concert: Inviting 6 renowned singers to perform at the charity event, with an audience exceeding 2,500 people. * Care in & Change out - Let Love Shine Art Exhibition: Gathered 73 celebrities and artists to participate in philanthropic art creation, spreading love through paintings. The exhibition took place in the historical Bopiliao area in Wanhua, attracting approximately 500 visitors over the three-day period. (4) Governance: A. Sustainability ESG Risk Rating /Shipping industry - Low risk. B. Adhering to the World Customs Organization's (WCO) supply chain security standards, we have obtained customs certification as a high-quality enterprise AEO (Authorized Economic Operator). Since the certification approval in the year 105, we consistently meet all official certification criteria for various aspects, including security and customer privacy, on an annual basis. C. The company was awarded by the Ministry of Transportation and Communications for achieving excellent performance for five awards: the third highest total revenue of the year; 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.				
For more information about the implementation of sustainable development, please refer to the 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 2023 will be based on the numbers reported in the company's 2023 sustainability report.)

The greenhouse gas emission for past two years:

The company, with a capital of over TWD 10 billion, follows the disclosure requirements outlined in the "Code of Practice of Sustainable Development by Corporations Listed in the TWSE or the Taipei Exchange", disclosing the greenhouse gas inventory and assurance for both the parent company and consolidated financial reports of subsidiary companies.

Scope 1

Year	Boundary	Total CO ₂ emissions (tCO ₂ e)	GHG emission intensity (tCO ₂ e/TWD 1 million)	Assurance Organization	Assurance Conditions
2022	Parent company and the fleet	5,359,084.49	20.70	DNV Business Assurance Co., Ltd.	GHG Protocol, ISO 14064-1:2018
2023	Parent company and the fleet	4,488,458.30	44.79	DNV Business Assurance Co., Ltd.	
	All subsidiary companies	6,772.03	0.07		

Scope 2

Year	Boundary	Total CO ₂ emissions (tCO ₂ e)	GHG emission intensity (tCO ₂ e/TWD 1 million)	Assurance Organization	Assurance Conditions
2022	Parent company and the fleet	13,409.89	0.05	DNV Business Assurance Co., Ltd.	GHG Protocol, ISO 14064-1:2018
2023	Parent company and the fleet	14,158.80	0.14	DNV Business Assurance Co., Ltd.	
	All subsidiary companies	5,707.01	0.06		

Scope 3

Year	Boundary	Total CO ₂ emissions (tCO ₂ e)	GHG emission intensity (tCO ₂ e/TWD 1 million)	Assurance Organization	Assurance Conditions
2022	Parent company and the fleet	2,046,302.54	7.90	DNV Business Assurance Co., Ltd.	GHG Protocol, ISO 14064-1:2018
2023	Parent company, the fleet and all subsidiary companies	1,993,690.10	19.89	DNV Business Assurance Co., Ltd.	

- 1.Scope 3 inventory items include: capital goods, fuel and energy related activities (not included in scope 1 or scope 2) and waste generated in operations.
2.The greenhouse gas inventory data for the year 2023 has not been verified yet and is expected to be certified by June. The final data will be based on the sustainability report for the year 2023.

The water management for past two years:

Year	Total water withdrawal (Million liters)	Total water discharge (Million liters)
2022	205.4	38.14
2023	181.49	41.76

Note: Water withdrawal includes own ships, Taipei Office, Kaohsiung Office, Taichung Terminal and Kaohsiung Terminal. Water discharge includes Taipei Office, Kaohsiung Office, Taichung Terminal and Kaohsiung Terminal.

The waste management for past two years:

Year	Hazardous waste		Non-hazardous waste	
	Fleet (M ³)	Business location on land (tons)	Fleet (M ³)	Business location on land (tons)
2022	2,499.66	0	2,435.25	1,868.22
2023	2,680.24	0	2,643.20	392.14

- Note:
1.Business location on land includes terminals and offices.
2. Final statistics for 2023 will be based on the information in the company's 2023 sustainability report.

Climate-related information

The implementation status of climate-related information.

Item	Status of Work
Has the company established a suited environmental management system to its industry characteristics?	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.
Describe how identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, long-term).	The company completed the latest climate risk assessment in 2023, focusing on the high-risk and high-opportunity items identified from various climate risk factors. We analyzed their short-term, medium-term, and long-term impacts on the company's business, strategy, and finances. The details of climate-related risk and opportunities has been disclosed in our sustainability report, please refer to the website: https://esg.wanhai.com/wanhai/EnvironmentalManagement/1598521876649e76a844662
Describe the financial impact of extreme weather events and transition actions.	The financial impacts of different extreme weather events and transition actions may include but are not limited to increased costs, increased capital expenditures, increased revenue, etc. The details of climate-related risk and opportunities has been disclosed in our sustainability report, please refer to the website: https://esg.wanhai.com/wanhai/EnvironmentalManagement/1598521876649e76a844662

Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	The company adopted the recommendations developed by the Task Force on Climate-Related Financial Disclosures (TCFD) and 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. 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 and reports to the Board of Directors every year.
If using scenario analysis to assess resilience to climate change risks, please provide details on the scenarios, parameters, assumptions, analysis factors, and major financial impacts used.	Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the company considers the global net zero trend by 2050 and the goals set by the Paris Agreement. We reference scenarios from the International Energy Agency (IEA), the Intergovernmental Panel on Climate Change (IPCC), and the Taiwan Climate Change Projection and Adaptation Platform (TCCIP) to conduct assessments of climate-related risks and opportunities. For details on the scenarios, parameters, assumptions, analysis factors, and major financial impacts used in our climate change risk and opportunity analysis, please refer to the website: https://esg.wanhai.com/wanhai/EnvironmentalManagement/1598521876649e76a844662
If there are transformation plans to manage climate-related risks, please describe the contents of these plans, as well as the indicators and goals used to identify and manage physical and transition risks.	The company has implemented relevant research plans and response measures for identified high risks (including physical risks and transition risks). The detailed plans, as well as indicators and targets used to identify and manage physical and transition risks, please refer to the website: https://esg.wanhai.com/wanhai/EnvironmentalManagement/1598521876649e76a844662
If internal carbon pricing is used as a planning tool, please explain the basis for price determination.	The company has not implemented an internal carbon pricing mechanism.
If climate-related targets are set, please provide information on the activities covered, scope of greenhouse gas emissions, planning timeline, progress achieved each year, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related objectives, please explain the source and quantity of offset carbon credits or the quantity of RECs.	The company continues to promote the reduction of greenhouse gas emission. The targets of reducing CO ₂ emissions of the fleet are as follows, with 2008 as the base year: The target is to achieve a 50% reduction in carbon emissions intensity by 2030 and net zero by 2050. The company has reduced by 48% in 2023. The company does not utilize carbon offsets or Renewable Energy Certificates (RECs) to achieve the target.
Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action plans.	Please refer to below for the company's greenhouse gas inventory and assurance status in the past two years and the greenhouse gas reduction targets, strategies, and specific action plans.

The company's greenhouse gas inventory and assurance status in the past two years

Greenhouse gas inventory

Describe the greenhouse gas emission (tCO ₂ e), intensity (tCO ₂ /million dollars) and the coverage in the past two years
Please refer to P.46 Note 3 The greenhouse gas emission for past two years.

The assurance status

Describe the assurance status for the most recent two years up to the publishing date of the annual report, including the scope of assurance, assurance provider, assurance standards, and assurance opinion.
Please refer to P.46 Note 3 The greenhouse gas emission for past two years.

Greenhouse gas reduction targets, strategies, and specific action plans.

Describe the base year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and the status of achieving reduction targets.
The company continues to promote the reduction of greenhouse gas emission. The targets of reducing CO ₂ emissions of the fleet are as follows, with 2008 as the base year (CO ₂ intensity was 109.9 g/TEU-km): The target is to achieve a 50% reduction in carbon emissions intensity by 2030 and net zero by 2050. The company has reduced by 48% in 2023. The company made suitable shipping plans to efficiently carry out its shipping operations, through replacing old ships with new ones and modifications. It also achieved energy conservation and carbon reduction effects in conjunction with data monitoring. The company has not yet set reduction targets for greenhouse gas emissions within the boundary of the consolidated financial statements.

3.3.9 Methods of disclosure and inquiries of corporate governance principles

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, 2024

Based on the self-assessment of Company's internal control system for year ended of 2023, 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, 2023 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 5 directors and objected by 0 directors of the company present at the meeting held on March 13, 2024.

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 publishing date of the annual report, 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 the Board of Directors Meeting from the past year and current year up to the publishing date of the annual report

1. Major Resolutions of the General Shareholders Meeting:

The 2023 Annual General Meeting of Shareholders of the company was convened on 2023/05/30 at 2F, No. 16, Section 4, Zhongshan North Road, Taipei City, Jing-Guo Memorial Hall, China Youth Corps Chientan Youth Activity Center, Auditorium. Major Resolutions was as follows:

Ratification Items/Issues discussed and Resolutions				Execution of resolutions
Issues discussed: Amendment of the "Articles of Incorporation of Wan Hai Lines Ltd." for discussion. Resolution: All motions passed based on electronic and on-site votes.				Executed in accordance with the resolutions.
Issues discussed: Amendment of the "Procedures for General Shareholder Meeting Rules by Wan Hai Lines Ltd." for discussion. Resolution: All motions passed based on electronic and on-site votes.				Executed in accordance with the resolutions.
Issues discussed: Amendment of the "Procedures for General Shareholder Meeting Rules by Wan Hai Lines Ltd." for discussion. Resolution: All motions passed based on electronic and on-site votes.				Relevant statements and reports were filed with competent authorities according to the company Law and relevant laws.
Ratification Items: The 2022 Disposition of Net Profit was submitted for ratification. Resolution: All motions passed based on electronic and on-site votes.				Disposition of net profit was ratified cash dividend per share was TWD 5. The record date was 2023/07/09. The distribution date of cash dividend was 2023/07/25.
Elections: The 22nd Election of Directors and independent director for election. Resolution:				New directors already assumed office and registered items were changed.
Position	Name	No. of Shareholder account or National Identity Card	Approval votes	
Director	Jiufu Garden Co.,Ltd. Representative: Po-Ting Chen	175910	2,950,313,574 shares	
Director	Taili Corporation Representative: Randy Chen	53808	2,446,802,521 shares	
Director	Chen-Yung Foundation Representative: Chih-Chao Chen	53808	2,523,121,942 shares	
Director	Sun Shine Construction Co., Ltd Representative: Chiu-Ling Wu	79923	2,372,095,421 shares	
Independent Director	Jung-Nien Lai	C12077****	1,574,150,739 shares	
Independent Director	Stephanie Lin	290720	1,496,210,781 shares	
Independent Director	Yi-Sheng Tseng	A12331****	1,526,574,197 shares	
Elections: Release the Prohibition on new Directors from Participation in Competitive Business for discussion. Resolution: All motions passed based on electronic and on-site votes.				Executed in accordance with the resolutions.

2. Major resolutions of the Board of Directors

No	Date	Resolutions
1	18 th meeting of the 21 st Board (2023/01/28)	Motion: Propose to disposal 2 ships right-of-use. Resolution: The motions were passed by all directors present at the meeting.
2	18 th meeting of the 21 st Board (2023/01/28)	Motion: Propose to determine reasons for 2022 convening general shareholders' meeting Resolution: The motions were passed by all directors present at the meeting.
3	19 th meeting of the 21 st Board (2023/03/13)	Motion: Proposed to acquire right-of-use for 1 ship from Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
4	19 th meeting of the 21 st Board (2023/03/13)	Motion: Propose to the reinvestee, WAN HAI LINES (USA) LTD., lease an office from WAN HAI LINES (ARIZONA) LLC. Resolution: The motions were passed by all directors present at the meeting.
5	19 th meeting of the 21 st Board (2023/03/13)	Motion: Propose to 2022 Financial Statements and Consolidated Financial Statements. Resolution: The motions were passed by all directors present at the meeting.
6	19 th meeting of the 21 st Board (2023/03/13)	Motion: Propose to issue domestic unsecured corporate bonds Resolution: The motions were passed by all directors present at the meeting.
7	19 th meeting of the 21 st Board (2023/03/13)	Motion: Propose to 2022 surplus distribution. Resolution: The motions were passed by all directors present at the meeting.
8	20 th meeting of the 21 st Board (2023/05/10)	Motion: Propose to remove the non-compete clause for the managerial officers. Resolution: The motions were passed by all directors present at the meeting.
9	20 th meeting of the 21 st Board (2023/05/10)	Motion: Propose to the company's consolidated financial report for 2023/Q1. Resolution: The motions were passed by all directors present at the meeting.
10	20 th meeting of the 21 st Board (2023/05/10)	Motion: Propose to the reinvestee, BLUE OCEAN LOGISTICS CO. LTD., lease an office from Yi Yuan (Shanghai) Real Estate Co., Ltd. Resolution: The motions were passed by all directors present at the meeting.
11	1 st meeting of the 22 nd Board (2023/05/30)	Motion: Regarding election of the 22nd term Chairman of the Board, discussion was requested. Resolution: Jiufu Garden Company (Represented by Po-Ting Chen) was chosen to be the 22nd term Chairman of the Board, and the recommendation was unanimously passed by all directors present at the meeting.
12	1 st meeting of the 22 nd Board (2023/05/30)	Motion: Election of the 22nd term Vice-Chairman. Resolution: Randy Chen (Representative Chen-Yung Foundation) was chosen to be the 22nd term Vice-Chairman of the Board, and the recommendation was unanimously passed by all directors present at the meeting.
13	2 nd meeting of the 22 nd Board (2023/06/09)	Motion: Appointment of the 5th term members of the remuneration committee. Resolution: The motions were passed by all directors present at the meeting.
14	2 nd meeting of the 22 nd Board (2023/06/09)	Motion: Determining the surplus distribution, ex-dividend date and cash dividend issue date of 2022. Resolution: The motions were passed by all directors present at the meeting.
15	2 nd meeting of the 22 nd Board (2023/06/09)	Motion: Proposed to transfer new shipbuilding procurement to Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
16	3 rd meeting of the 22 nd Board (2023/08/10)	Motion: Propose to disposal 1 ship right-of-use. Resolution: The motions were passed by all directors present at the meeting.
17	3 rd meeting of the 22 nd Board (2023/08/10)	Motion: Propose to acquire 6 ships right-of-use from Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
18	3 rd meeting of the 22 nd Board (2023/08/10)	Motion: Propose to the authorized procurement amount for the construction of the Kaohsiung Container Terminal 5 Pier 79/80/81, Port of Kaohsiung. Resolution: The motions were passed by all directors present at the meeting.
19	3 rd meeting of the 22 nd Board (2023/08/10)	Motion: Propose to the company's consolidated financial report for 2023/Q2. Resolution: The motions were passed by all directors present at the meeting.

No	Date	Resolutions
20	4 th meeting of the 22 nd Board (2023/11/10)	Motion: Propose to acquire 2 ships right-of-use from Wan Hai Lines (Singapore) Pte Ltd. Resolution: The motions were passed by all directors present at the meeting.
21	4 th meeting of the 22 nd Board (2023/11/10)	Motion: Propose to disposal 3 ships right-of-use. Resolution: The motions were passed by all directors present at the meeting.
22	4 th meeting of the 22 nd Board (2023/11/10)	Motion: Propose to the company's consolidated financial report for 2023/Q3. Resolution: The motions were passed by all directors present at the meeting.
23	4 th meeting of the 22 nd Board (2023/11/10)	Motion: Proposed to purchase new containers. Resolution: The motions were passed by all directors present at the meeting.
24	5 th meeting of the 22 nd Board (2023/12/21)	Motion: Propose to remove the non-compete clause for the managerial officers. Resolution: The motions were passed by all directors present at the meeting.
25	5 th meeting of the 22 nd Board (2023/12/21)	Motion: Propose to disposal 2 ships right-of-use. 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 publishing date of the annual report 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 publishing date of the annual report that connected with the company's financial report: None

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

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 14, 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 1,265 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 14, 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 a 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 2020/08/10 and expired on 2023/06/22.
The tenure of 5th term members commenced on 2023/06/09 and expired on 2026/05/29.
The Remuneration Committee convened 2 meetings in 2023. The qualification and attendance of members is as follows:

2023/12/31

Position	Name	Number of actual participations (B)	Number of actual participations through a proxy	Rate of actual participations(%) (B / A)	Remarks
The attendance of members of the 4 th Remuneration Committee: 2023/01/01~2023/06/08					
Convener	Jung-Nien Lai	1	0	100%	
Member	Stephanie Lin	1	0	100%	
Member	Ming-Zhu Chen	1	0	100%	
The attendance of members of the 5 th Remuneration Committee: 2023/06/09~2023/12/31					
Convener	Jung-Nien Lai	1	0	100%	
Member	Stephanie Lin	1	0	100%	
Member	Ming-Zhu Chen	1	0	100%	

4. Major resolutions of the Remuneration Committee

The company's Remuneration Committee has met to review and evaluate of company's remuneration in 2023 as follows:

Date	Resolutions
The 6 th meeting of the 4 th Remuneration Committee (2023/03/13)	1. Motion: Distribution of remuneration to directors and employees, (including managerial officers) in 2022. All members of the remuneration committee agreed to pass the motion and submitted it to the Board of Directors for approval. Motion: Giving managerial officers a raise in 2023. 2.All members of the remuneration committee agreed to pass the motion and submitted it to the Board of Directors for approval. Above motions were passed at the 6 th meeting of the 4 th remuneration committee and were passed without objection by all directors attending the 19 th Board meeting of the 21 st Board of Directors.
The 1 st meeting of the 5 th Remuneration Committee (2023/12/21)	Motion: Annual bonus for managerial officers in 2023. The motion was passed by all members attending the 1st meeting of the 5 th remuneration committee and was lawfully submitted to the Board of Directors for approval, and subsequently passed without objection by all directors attending the 5 th meeting of the 22 nd 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 19th, 2018 under the approval of the Board of Directors. The aforementioned policies have specified the form of unethical behaviors, fair and transparent business activities, illegitimate interests including offering and accepting bribery, avoidance of conflicts of interest, and plans to prevent unethical behaviors. The policies have also clearly stipulated disciplinary actions for violating the policies and the report system. The designated unit of the company (Administration Division) is responsible for promoting and supervising the implementation of ethical corporate management policies and prevention plans.	No Difference
2. Ethical Management Practices				
(1) Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		(1) A. The company has stipulated regulations for ethical record assessment and enactment of clauses for ethical behaviors. 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 Corporate Social Responsibility 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 2023/12/21	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 employee codes of conduct, business ethics, trade secrets law, competition law and international sanctions law, etc. In 2023, twenty training sessions were held with a total duration of 4.45 hours and an attendance of 3,574 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. There are no breaches of ethical conducts by the Company staff in 2023.	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	2023/01/01 ~ 2023/12/31	5,200	3,589	8,789	-

Non-audit fees include: Transfer pricing reports, Certification on corporate income tax return and undistributed surplus earnings, Subsidiary computer auditing, Tax audit reports, Fees for CPA's business trip, 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 2024/01/18		
Reasons and Explanation of Changes	Due to the internal adjustment requirements of KPMG, the current CPA Chun-Kuang Chen will be replaced by Yi-Chun Chen starting from 2024Q1.		
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	Yi-Chun Chen
Date of Engagement	Approved by BOD on 2024/01/18
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 publishing date of the annual report

Title	Name	2023/01/01~2023/12/31		2024/01/01~2024/03/31	
		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.	0	(1,500,000)	0	0
	Representative: Po-Ting Chen	0	0	0	0
Vice Chair (Resigned on 2023/05/30)	TAILI Corporation	0	0	0	0
	Representative: Randy Chen	0	0	0	0
Vice Chair	Randy Chen	0	0	0	0
	(Representative of Chen-Yung Foundation)	0	0	0	0
Director	Chih-Chao Chen	0	0	0	0
	(Representative of Chen-Yung Foundation)	0	0	0	0
Director	Sunshine Construction Co., Ltd	0	0	0	0
	Representative: Chiu-Ling Wu	0	0	0	0
Independent Director	Jung-Nien Lai	0	0	0	0
Independent Director	Stephanie Lin	0	0	0	0
Independent Director	Yi-Sheng Tseng	0	0	0	0
Main shareholder	Yi Chun Navigation Inc.	0	0	0	0
President	Fur-Lung Hsieh	0	0	0	0
Executive Vice President	Wen-Chau Yeh	0	0	0	0
Senior Vice President	Wei-Chien Chuang	0	0	0	0
Senior Vice President	Chien-Cheng Hsiao	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	(24,000)	0	0	0
Vice President (concurrently act as the manager of Corporate Governance)	Li-Mei Su	0	0	0	0
Vice President	Fei-Fei Chuang	0	0	0	0
Project Vice President	Wei-Shin Sheu (Retired on 2023/03/22)	0	0	0	0
Vice President	Hung-Chuan Chien	0	0	0	0
Vice President	Huey-Jang Chung (Retired on 2023/07/28)	0	0	0	0
Vice President (concurrently act as Finance Officer)	Chih-Hsien Chen	(23,000)	0	0	0
Vice President	Chien-Feng Wu	0	0	0	0

Title	Name	2023/01/01~2023/12/31		2024/01/01~2024/03/31	
		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	0	0	0	0
Vice President	Han-Peng Chu	0	0	0	0
Vice President	Yi-Cheng Lin	0	0	0	0
Vice President	Chiu-Feng Lin	0	0	0	0
Vice President	Shyue-Jih Ma	0	0	0	0
Deputy Vice President, Engineering Division	Chun-Jie Chen	0	0	0	0
Deputy Vice President, Planning Division I	Cheng-Cheng Liow	0	0	0	0
Deputy Vice President, Planning Division II	Fu-An Yang	0	0	0	0
Deputy Vice President, Documentation Business Division	Meng-Chuan Chang	0	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, Occupational Safety and Health/Risk Management Division	Pei-Shan Yu	0	0	0	0
Deputy Vice President, Auditing Division	Mei-Hua Lin	0	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	0	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

2024/03/30

Name	Shareholding		Spouse and minors shareholding on current date		Shareholding in others name		The company's 10 largest shareholders are related parties		Remark
	Shares	Holding ratio	Shares	Holding ratio	Shares	Holding ratio	Name	Relation	
Yi Chun Navigation Inc.	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

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

2024/03/30; 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%	300,100	100%	300,100	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%	550,000	50%	550,000	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.	No shares issued	0%	3,196,288	80%	3,196,288	80%
PT. Sinergi Bahtera Mitra	24,000	50%	0	0%	24,000	50%

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

Unit:TWD

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

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 SFC 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

2024/03/30

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

2024/03/30

	Government institution	Financial institution	Other Corporation	Individual	Foreign institutions and individuals	Total
Stockholder's No	2	32	252	138,769	683	139,738
Holding shares	21,853,128	17,175,390	873,613,668	785,953,020	1,107,551,087	2,806,146,293
Holding percentage	0.78%	0.61%	31.13%	28.01%	39.47%	100.00%

4.1.3 Shares' Distribution

2024/03/30

Shares Level	Stockholder's No.	Holding shares	Holding percentage
1-----999	42,811	9,352,966	0.33%
1,000-----5,000	77,589	157,877,453	5.63%
5,001-----10,000	10,652	78,111,239	2.78%
10,001-----15,000	3,505	43,589,810	1.55%
15,001-----20,000	1,623	29,123,291	1.04%
20,001-----30,000	1,427	35,723,532	1.27%
30,001-----40,000	574	20,203,886	0.72%
40,001-----50,000	321	14,636,308	0.52%
50,001----100,000	597	41,831,877	1.49%
100,001----200,000	271	37,302,218	1.33%
200,001----400,000	138	39,656,799	1.41%
400,001----600,000	51	24,886,116	0.89%
600,001----800,000	32	21,971,940	0.78%
800,001----1,000,000	15	13,218,805	0.47%
1,000,001 and above	132	2,238,660,053	79.79%
Total	139,738	2,806,146,293	100.00%

4.1.4 Main share holders

2024/03/30

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	2023	2022	2024/01/01- 2024/03/31 (Note 9)
Market Price per share (Note 1)	Highest		83.1	205	59.3
	Lowest		43.7	62.10	43.75
	Average		60.89	128.51	51.28
Net Value per share (Note 2)	Before Distribution		73.41	80.40	-
	After Distribution		72.04	75.53	-
Earnings per share	Weighted Average shares		2,806,146,293	2,806,146,293	2,806,146,293
	Earning Per Share (Note 3)		-2.07	33.17	-
Dividend per share	Cash Dividend		1.5	5	-
	Stock Dividend	Dividends from Retained Earnings	0	0	-
		Dividends from Capital Surplus	0	0	-
	Accumulated dividend not paid (Note 4)		0	0	-
Return on Investment	Price / Earning Ratio (Note 5)		-29.42	3.87	-24.77
	Price / Dividend Ratio (Note 6)		40.59	25.70	34.19
	Cash Dividend Yield Rate (Note 7)		0.02	0.04	0.03

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 net deduction of other rights and interests accumulated in the previous period shall be included in the special surplus reserve of the same amount from the undistributed surplus of the previous period. If there is still insufficient, the net profit of the current period plus the net profit after tax of the current period shall be included in the current period. The amount of undistributed surplus is withdrawn.

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 2023 net loss after tax was TWD 5,796,413,576, after the deduction of other comprehensive loss TWD 71,562,731 (2023 re-measurement of the defined benefit plans), and plus the unappropriated retained earnings TWD 144,482,865,425 at the beginning, there were TWD 138,614,889,118 available for distribution. It is proposed to distribute TWD 4,209,219,440 cash dividends to shareholders, which is TWD 1.5 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: N/A
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 2023, the Company got loss before tax; thus no employees' compensation and directors' compensation was appropriated.
 - (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 2023.
 - (3) The annual report shall assess the effect upon imputed earnings per share of any proposed distribution of employees' and directors' compensation: N/A
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 744,674,151 as employees' compensation, and TWD 124,112,359 as directors' compensation of year 2022. 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 2019		2nd Ordinary unsecured bond issuing of 2019		1st Ordinary unsecured bond issuing of 2020
	A	B	A	B	
Issue date	2019/06/18		2019/10/07		2020/10/23
Par value	TWD1,000,000		TWD1,000,000		TWD 1,000,000
Place of listing	At R. O. C.		At R. O. C.		At R. O. C.
Issue price	At Par value		At Par value		At Par value
Total issue amounts	TWD1,500 million	TWD3,300 million	TWD1,200 million	TWD2,000 million	TWD2,500 million
Coupon rate	Fixed annual rate at 0.95%	Fixed annual rate at 1.05%	Fixed annual rate at 0.97%	Fixed annual rate at 1.07%	Fixed annual rate at 0.97%
Maturity date	3-year , Date of maturity : 2022/06/18	5-year , Date of maturity : 2024/06/18	5-year , Date of maturity : 2024/10/07	7-year , Date of maturity : 2026/10/07	5-year , Date of maturity : 2025/10/23
Guarantee institute	None		None		None
Trustee	Taipei Fubon Commercial Bank. Trust Dept.		Taipei Fubon Commercial Bank. Trust Dept.		Taipei Fubon Commercial Bank. Trust Dept.
Lead manager	Yuanta Securities		Master link Securities		Master link Securities
Endorsement lawyer	Modern Law office		Modern Law office		Modern Law office
Endorsement accountant	KPMG		KPMG		KPMG
Redemption	on the Maturity Date		on the Maturity Date		on the Maturity Date
Outstanding amount	TWD3,300,000,000		TWD3,200,000,000		TWD2,500,000,000
Redemption / Call option	None		None		None
Restriction covenants	None		None		None
Rating institute Rating date Rating result of the bond	None		None		None
Rights	The amounts of bonds converted	None	None		None
	Terms and Conditions for issuance and conversion	None	None		None
Terms and Conditions for issuance and conversion		None	None		None
Trustee for conversion		None	None		None

4.3 Status of preferred stock: None.

4.4 Status of Global Depositary Receipt: None.

4.5 Status of Employee Stock Options and Limit on Employee New Bonus Share: None.

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. 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 2023/12/31	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%	

B. 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 2023/12/31	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%	

C. 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 2023/12/31	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 (96.79%)
2. Shipping agency (0.58%)
3. Purchase & sales of vessels and containers (1.76%)
4. Container freight station business (0.86 %)
5. Leasing of vessels and containers (0.01 %)

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, Nepal, Sri Lanka, Maldives, Bangladesh, the Middle East, Egypt, Jordan, 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.

2023 was a turbulent year of the container shipping industry and global economy. The Russia-Ukrainian conflict had not yet ceased, and in October, the Israel-Palestinian war broke out, followed by a military crisis in the Red Sea region. Although China lifted its lockdown, economic activity fluctuated. The tightening policy implemented by the U.S. Federal Reserve somewhat curbed the inflation caused by rising energy and commodity prices, but the global economy performed poorly and staggered forward. IMF estimated that the world economic growth rate in 2023 was 3.0%, a decline compared to the economic growth rate of 3.5% in 2022. The French Data Base Alphaliner predicted the global cargo growth rate in 2023 was 1.4%, and the capacity growth rate was 7.9%. The global economy was affected by the chain reaction triggered by geopolitical wars and the weakness of major economic activities. Market demand declined, and supply was clearly in excess. The overall shipping industry started well but turned bad in 2023. Affected by the high global inflation, consumer end demand slumped, and oversupply led to a collapse in freight rates, severely affecting operational efficiency.

In 2024, IMF predicted a global economic growth of 2.9% and Alphaliner estimated that a global throughput growth of 2.2% and a fleet capacity growth of 9.9%. It is expected that a large number of new large ships will be delivered, greatly increasing the total cabin capacity. However, in response to the International Maritime Organization (IMO) regulations and requirements to reduce carbon emissions, shipowners or shipping companies may consider accelerating the retirement of old ships in the hope of offsetting the increase in total capacity. 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 2023 large vessels with a capacity of more than 10,000 TEU, increased to 801 ships which accounted for 43% of total carrying capacity of all container ships. By the end of 2024 the number of large vessels with a capacity of more than 10,000 TEU will increase to 921 and will account for 44.8% of the overall carrying capacity of all container ships. It is estimated that in 2025 the number of large vessels with a capacity of more than 10,000 TEU will increase again to 1,009, which will account for 46.8% 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 research 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, 2023), total shipping capacity of the top five shipping companies of the world was 18,221,285 TEU or 64.5% of global cellular vessel capacity, and the total shipping capacity of the top ten shipping companies was 23,671,699 TEU, or 83.8% 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, COSCO and OOCL. 3. THE Alliance formed by Hapag-Lloyd, ONE, Yang Ming and HMM. The 2M Alliance has announced that it will disband in January 2025 due to an oversupply of capacity, which may harm market competition. We should keep an eye on the renewal and development of various

alliances.

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 publishing date of the annual report.

In 2023 Wan Hai Lines invested TWD 846 million. As of 2024/03/31 the company invested TWD 245 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) 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.
Operations	(1) Optimize container stowage systems. (2) Develop cold chain tracking systems. (3) Research and education and training regarding new types of freezer equipment. (4) To enhance cold chain logistic expertise in cooperation with academic institutions.
Information	(1) To strengthen safety of harbor information system. (2) To enhance computing capacities and information safety of the Data Center. (3) To enhance safety and stability of fleet operation systems and back-up. (4) To install cloud data centers. (5) Enhance global procurement and management of mobile devices.

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

The company plans to invest TWD 981 million in research and development and construction of the following items

Category	Item
Planning	(1) To optimize existing shipping routes and adjust shipping routes in response to demands. (2) Research in deployment of optimized ship types for the shipping routes. (3) Research on expanding the ocean markets. (4) Expand and develop niche and region markets. (5) Expand the development of strategic alliances. (6) Draw up plans for old ships so as to lower overall fleet ages. (7) Promote e-commerce business.
Vessels	(1) Set up an efficient satellite network to boost fleet operations and management. (2) Maintain a smart fuel system for safer fleet fuel management. (3) Enhance navigation safety with optimized monitoring systems (Wan Hai Eagle-Eye). (4) Use AI for smarter and safer and more efficient navigation management. (5) Use quality hull paint and regular cleaning for fuel efficiency. (6) Provide E-Learning and personal networks for crew training and well-being.

Category	Item
Operations	(1) Optimize container stowage systems. (2) Develop and introduce cold chain tracking systems. (3) To enhance cold chain logistic expertise in cooperation with academic institutions. (4) Enhance usage of container turnover.
Information	(1) Core system migrate to Cloud and Endpoint security protection and enhancement (2) Introduce an automated host configuration and patch management system in order to compliance security regulations. (3) Create New Generation Database Server (4) Enhance and optimize of work-from-home operation platform and its security.

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 2024

Fleet: by the end of year 2024, Wan Hai to have a total fleet of 130 vessels among which, 124 are self-owned vessels and 6 are chartered vessels.

Service Profile: Wan Hai's service can be categorized in three different types: A. Independent Service 18 strings; B. Joint Venture Services 31 strings; and C. Slot Charter 4 strings.

1. Independent Services: 18 strings

- (1) Vietnam / South China / American West Coast (AA3) deployed with eight vessels
Vietnam – South China – American West Coast
- (2) Asia – South America I (AS1) deployed with eight vessels.
Hong Kong – Central China – North China – South America West Coast.
- (3) South China / Philippines (CL1) deployed with one vessel
South China – Philippines
- (4) China / Thailand/ Cambodia (CTK) deployed with two vessels
South China – Thailand – Cambodia
- (5) South China / Malaysia / Haiphong (CVM) deployed with one vessel
South China – Malaysia – Haiphong
- (6) Taiwan / Fuzhou (FOC) deployed with one vessel
Taiwan – Fuzhou – Jiangyin – Xiamen
- (7) Taiwan / Hong Kong III (HKG III) deployed with one vessel
Taiwan – Hong Kong
- (8) Taiwan / Haiphong I (HPH) deployed with one vessel.
Taiwan – Haiphong
- (9) Japan / South China / Vietnam (JSH) deployed with two vessels
Japan Kansai – Korea – Taiwan – Hong Kong – South China – Haiphong
- (10) Japan Kansai / Thailand service (JST) deployed with four vessels.
Japan Kansai – Taiwan – Shekou – Thailand
- (11) Japan Kansai / Vietnam (JSV) deployed with two vessels.
Japan Kansai – Korea – Taiwan – Vietnam
- (12) Japan Kanto / S.E.A (JTS) service deployed with four vessels.

- Japan Kanto – Taiwan – Hong Kong – Singapore – Malaysia
- (13) Japan Kanto / Thailand service (JTT) deployed with four vessels.
Japan Kanto – Taiwan – Hong Kong – Thailand – Vietnam
- (14) Korea / South-East Asia (KSS), deployed with four vessels
Korea – Taiwan – Hong Kong – Shekou – South-East Asia
- (15) Korea / Vietnam / S.E.A service (KVS) deployed with four vessels.
Korea – Taiwan – Vietnam – Singapore – Malaysia
- (16) Mindanao / Hong Kong / Taiwan (MHT) deployed with one vessel
Taiwan – Cebu – Mindanao – Hong Kong
- (17) Taiwan / Hong Kong / Indonesia service (TPI) deployed with three vessels
Taiwan – Hong Kong – South China – Indonesia
- (18) Taiwan / Philippines I (TPS) deployed with one vessel Taiwan – Philippines

2. Joint Service: 31 stings

- (1) China to American East Coast (AA7) joint venture with Hapag-Lloyd, WHL deploys eight vessels, HLC deploys three vessels.
Central China – South China – Taiwan – Singapore – Malaysia – American East Coast
- (2) 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.
- (3) 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.
- (4) Taiwan / Central & South China / West Coast of South America (ASA), joint venture with EMC, COSCO and PIL. WHL deploys six vessels, PIL deploys three vessels and COSCO and EMC each deploys one vessel.
South China – Central China – West Coast of South America
- (5) 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
- (6) China / Singapore / Malaysia / India (CI2), joint venture with IAL. WHL deploys four vessels and IAL deploys two vessels.
China – Singapore / Malaysia – India
- (7) 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
- (8) 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
- (9) 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
- (10) Vietnam/ South China / India (CI7) joint venture with IAL, WHL deploys four vessels, IAL deploys one vessel.
Vietnam – South China – Singapore – Malaysia – India
- (11) 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
- (12) China – Philippines feeder (CPF), joint venture with SINOTRANS. WHL and SINOTRANS each deploys one vessel.
Central China – Philippines
- (13) China / Singapore / Malaysia / Indonesia (CS1), joint venture with CNC. WHL deploys one vessel, CNC deploys three vessels.
Taiwan – South China – Singapore / Malaysia – Indonesia
- (14) 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

- (15) 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
 - (16) 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
 - (17) China / Vietnam I (CV1), joint venture with IAL. WHL deploys two vessels and IAL deploys one vessel.
China – Vietnam
 - (18) Japan / China / Vietnam (JCV), joint venture with IAL. WHL deploys two vessels and IAL deploys one vessel.
Japan – China – Hong Kong / South China – Vietnam
 - (19) Japan / Taiwan / Haiphong (JH2), joint venture with EMC, WHL deploys two vessels and EMC deploys one vessel.
Japan – Taiwan – Hong Kong / South China – Haiphong
 - (20) Japan Kansai to Taiwan (JTH), joint venture with EMC. WHL deploys one vessel and EMC deploys one vessel.
Japan Kansai –Taiwan – Hong Kong
 - (21) Taiwan to North China I (NCT), joint venture with SINOTRANS. WHL and SINOTRANS each deploy one vessel.
Taiwan – North China
 - (22) Taiwan to North China II (NCT II), joint venture with SINOTRANS. WHL and SINOTRANS each deploy one vessel.
Taiwan – North China
 - (23) 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
 - (24) 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
 - (25) Japan to South-East Asia V (NS5), joint venture with IAL, WHL deploys three vessels and IAL deploys one vessel.
Japan – Taiwan / South China–Vietnam – Singapore – Malaysia
 - (26) 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
 - (27) Pakistan / Saudi Arabia (PSX), joint venture with Unifeeder (UF). WHL and UF each deploys one vessel.
Pakistan – Saudi Arabia
 - (28) Singapore / Malaysia / Chennai (SC1), joint venture with Bengal Tiger Line (BTL). WHL and BTL each deploys one vessel.
Singapore / Malaysia – Chennai (Madras)
 - (29) Singapore / Malaysia / Chittagong (SBX) joint venture with XPF. WHL and XPF each deploys one vessel.
Singapore / Malaysia – Chittagong
 - (30) India / Middle East I (IM1), joint venture with Unifeeder (UF). WHL and UF each deploys one vessel.
Indian – Middle East
 - (31) Taiwan / Shanghai (SHA), joint venture with Shanghai Minsheng. WHL deploys one vessel and Shanghai Minsheng deploys one vessel.
Taiwan–Shanghai
3. Fixed Slot Charter: 4 strings
- (1) Fuzhou to Taiwan (FT1+FT2+FT3)
 - (2) Hochiming to Cambodia (PNH)
 - (3) Singapore / Malaysia / Calcutta (CCU)
 - (4) 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

Japan's economic growth rate in 2023 was 2.1%, better than the 1.8% growth rate in 2022, mainly due to recovery of exports. However, living expenses are still plagued by high inflation and the Japanese Yen exchange rate falls to a historical new low, causing the prices of imported goods to soar, which lower the willingness to purchase and impact the stability of financial markets. South Korean economy plummeted due to global economic downturn, manufacturing industries shrinkage, poor export, energy price hikes and the low birth rate. The 2023 economic growth rate was 1.4%, lower than the growth rate of 2.6% for 2022. The International Monetary Fund predicted that the economic growth rates in 2024 for Japan and South Korea will be 1.0% and 2.2% respectively and the slowdown of Japanese economic growth rate is a warning. Wan Hai has been cultivating the North-East Asian market for a long time and has a stable foundation. We will respond timely after grasping regional characteristics and trends to meet market demands. Apart from adjusting the current shipping routes, and actively exchanging shipping slots with other shipping companies to indicate our flexible strategies and will seek survival opportunities in the long-standing shipping routes to implement our "customer first" business philosophy.

(2) Mainland China Markets

IMF predicted that the economic growth of China was 5% in 2023. China lifted lock-down and Zero Covid-19 policies at the beginning of 2023, although economic growth for the first two quarters rebounded after hitting rock bottom, it was impacted by global inflation, declining exports, rising unemployment rates for young people and consumer, service sectors and real estate investments were less than desirable, and due to insufficient confidence of the people, IMF predicted that China's economic growth in 2024 will be 4.2%, sliding 0.8% from the 2023 growth rate. We have established a comprehensive network in China, and we actively form shipping alliances in the Chinese market to meet our operational needs, and to provide diversified choices and quality services to our customers.

(3) South East Asian Markets

In 2023, China lifted the strict Zero Covid-19 policy, which diminished the dividend of transferring the supply chain to South-East Asian countries and adversely affected their export performances. The average economic growth for five ASEAN countries in 2023 was 4.2%, 1.3% less than the growth rate of 2022, and among them Vietnam and Malaysia were hit the hardest. IMF predicted that in 2024, the average economic growth rate will be 4.5% for the five ASEAN countries (Indonesia, Malaysia, the Philippines, Thailand and Vietnam), an increase of 0.3% over that of 2023. It is expected that the economic performance of the South-East Asian market will recover slowly. Wan Hai cultivated the South-East Asian region for many years, and apart from establishing comprehensive shipping route networks, Wan Hai also actively form shipping alliances and exchange shipping slots with other shipping companies operating in the South-East Asian region, to enhance operational performances and to provide more diversified, complete and efficient services to our customers.

(4) Indian, Pakistan and the Middle East Markets

India enjoys a demographic dividend, and its domestic market has a great potential for development, and in recent years the Indian government actively promoted the development of digital economies, signed many Free Trade Agreements, attracted foreign investments and localized manufacturing, which were all advantageous in maintaining India's high economic growth rate. However due to instability in the global economic environment and price fluctuations of energy and commodities due to regional wars etc., IMF predicted India's economic growth in 2023 was 6.3% and will remain the same in 2024. The average economic growth rate for the Middle Eastern Region in 2023 was 2%, a big drop from the 5.6% in 2022, and the main reasons were a sluggish global manufacturing industry and a downturn in demand. Although the Organization of the Petroleum Exporting Countries (OPEC) decided to cut oil production to stabilize oil prices, due

to global economic recession, the economic growth for the Middle Eastern Region was still poor. OPEC predicts that even if energy transition is now the mainstream trend, demand for fossil fuels will continue for several years, and economic growth will rebound to 3.4%.

For enhancing our services on the Asia-India-Pakistan-Middle East routes, as well as to coordinate with diversified trade developments in the Gulf countries, Wan Hai will form shipping alliances with other companies to expand our services on the Far East to India, Pakistan and Middle East routes as well as to expand into the Red Sea Region. Wan Hai will establish comprehensive shipping route networks and through shared ships and capacities, will lower costs and raise efficiency, to timely expand our market shares.

(5) The Americas

Federal Reserve System, in an effort to contain domestic inflation, raised benchmark interest rates to 5.25% to 5.5% after several hikes since 2022. High interest rates cause economic activities and purchasing power to slow down, especially in the real estate market, and the manufacturing and retail sectors. IMF predicted that the U.S. economic growth rate for 2023 was 2.1%, and the rate for 2024 was predicted to fall further to 1.8%. The U.S.A. is a major consumer country, and Wan Hai will flexibly adjust its Asia to U.S. shipping routes according to market demands. Latin American countries are also impacted by inflation and complicated political and economic situations and the economies of most countries are in recession, IMF predicted that in 2023 the economic growth for Latin American and Caribbean countries was 2.3%, a reduction of 1.8% from the 4.1% of 2022. The economic growth for 2024 was predicted to be the same 2.3%. Wan Hai will continue to enhance its competitive edge in the South American West Coast markets. Apart from forming shipping alliances with major shipping companies to jointly operate in the South American West Coast markets and will flexibly adjust shipping spaces or increase new shipping routes to provide more comprehensive services to our customers.

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

Alphaliner predicted that in 2024 the global demand for shipping spaces will grow by 2.2%, mainly due to the sluggish growth of the U.S. and Chinese economies which impact global economic recovery, and the chain reaction impact caused by regional conflicts. It is predicted that the market demand in 2024 will be sluggish. The shipping capacity will grow by 9.9%, mainly due to the fact that new ships will be gradually delivered. However, in response to international sustainability targets and zero carbon emission policies, it is expected that old ship replacements will accelerate to partly offset the growth of shipping capacities of new ships. The covid-19 pandemic and the regional conflicts changed the supply chains, and big corporations are all thinking about reorganizations and redeployments, and thus changed the direction of logistics of international trading, and it is expected that new shipping routes will be required. Wan Hai will uphold its philosophies of providing our customers with diversified and quality services, pay attention to market trends and to operate flexibly and nimbly to achieve our goal of steady and healthy growth.

3. Strength, challenges, and action plan

(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

	2023	2022
Consolidated Revenue(TWD)	100.22 billion	258.95 billion
Operating Capacity (TEU)	4,490 thousand	4,460 thousand
Vessels in Operation (owned & chartered)	124 (113 & 11)	145 (112 & 33)

5.3 Human Resources Statistics

Data of employees for the past two years and up to the publishing date of the annual report.

Location \ Year		2023	2022	2024 as of Mar.31
No. of Employees	Offices	3,187	3,173	3,194
	Terminals	2,039	1,816	1,868
	Total	5,226	4,989	5,062
Average Age		38.2	38.1	38.3
Average Years of Service		8.9	8.5	9.3
Level of Education	Ph. D Degree	0.04%	0.04%	0.04%
	Master's Degree	6.01%	6.62%	6.44%
	College Degree	50.51%	50.95%	52.87%
	Associate Degree	22.29%	25.57%	21.41%
	High School	12.13%	9.90%	12.72%
	Below High School	9.02%	6.92%	6.52%

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

5.4 Disbursements for environmental protection

5.4.1 The company has not been subject to any environmental protection penalties from the past year and current year up to the publishing date of the annual report.

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 Prevent Certificate (IAPP).
 - The main engine and auxiliary machinery for all new-built ships conform to the IMO limiting the discharge of nitrogen oxide (NOx) compounds. Manufacturers provided technical files and parameters of diesel engines have passed the relevant examinations. The Engine International Air Pollution Prevention Certificate (EIAPP) has been issued by the Classification Society after passing examinations.
- (2) The anti-fouling paint for the outside hull of the vessel has been certified by the material safety data sheet (MSDS), the statement of the AFS and the corresponding information by the paint maker in line with the convention of the IMO for International Convention on the Control of Harmful Anti-fouling Systems on Ship (referred to henceforth as the AFS pact).
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, major illness subsidy 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 2005/07/01 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
 - (1) Office Staff

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 928 classes were run in 2023, with a total of 25,184 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	672	168	343
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. On-the-job training lectures for employees (1) The pursuit of ESG = the pursuit of sustainable happiness for companies and individuals (2) Michelin Management and the Soul of the Staff (3) Communication across generations (4) Stress relief oral show (5) 2024 Economic Trends and Industry Outlook 5. Various online courses (1) Computer skills such as Word, Excel, PowerBI (2) Professional ethics: Code of conduct for employees (3) The road to career success	25,272.05	24,282	1,887
Professional training for supervisors	Series courses for middle-level managers and executive level managers: 1. Prevention and practice of workplace violence (including workplace bullying) 2. 2023 Economic Trends and Industry Outlook 3. 2024 Economic Trends and Industry Outlook	1,743	249	40
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	5,174.25	485	1,444
TOTAL		32,861.3	25,184	3,714

(2) Seafarer

The education and training of our crew members are collaboratively planned by the Marine Technology Division, Engineering, and Marine Division. In addition to sharing expertise in ship-to-shore operations, the training initiatives involve partnerships with the Singapore Maritime Officers Union, maritime institutions, and equipment manufacturers.

Through these collaborations, specialized training programs and professional seminars are organized to assist our crew members in strengthening their theoretical knowledge, ship handling, and equipment operation skills. It aims to enhance the stability of equipment operations, ensuring the safety of maritime navigation comprehensively.

Statistics in 2023, we offered 271 training classes, with a total of 76,884 attendances.

Class type	Content	Time (hr.)	Number of participants	Number of Trainees	Total Cost (Unit: TWD thousand)
Crew Training	1. Based on the different job requirements at various stages of crew members' careers, they are categorized into 6 main types of training, including Engine/Deck specialized Training, Project-specific Training, New Vessel Delivery Training, Promotion training for newly Promoted Supervisors, Pre-joining Orientation training, and Orientation training for new coming crew members. 2. In addition to professional competencies, the company consistently cares for and conducts health education programs for crew members. This includes E-Learning lessons and the periodic online health courses.	49,170.3	76,884	3,432	64,030

5.5.2 Losses suffered due to labor-management disputes during the most recent year and up to the publishing date of the 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

We continue to implement employee health and safety training through on-site and on-line courses, and at the same time we provide health care aids such as health education consultation and health and safety courses and information etc., to offer proper health and safety management to our employees.

The company follow the standard of ISO45001 and TOSHMS (Taiwan Occupational Safety and Health Management System) with verification to promote occupational safety and health performance since 2020



2. Regulations and work rules for occupational safety and health coordination

With well policy making and revise Safety and Health Management regulations and work rules, Our good company has been going on regular inspections and maintenance of automatic equipment as required by law, and enacting occupational safety and health management system and implement consultation and participation of workers and representatives. By better understanding the concepts of occupational safety and health, we hope to create a surprise-free workplace, and prevent the occurrence of occupational hazards.

3. Standard on-site pier working safety

With regard to port operations and safety management, we establish an

“Occupational Health and Safety Committee “, make health and safety management plans, implement operation environment surveillances, promote employee health, and ascertain contractors’ health and safety management, in accordance with the law. We also introduce an occupational health and safety management system and the Authorized Economic Operator (AEO) system, and we do monthly performance checks to ensure efficient port health and safety management, and to avoid accidents. Our Kaohsiung and Taichung Exclusive Terminals established occupational health and safety management systems in compliance with OHSAS 18001 since 2014.

We established occupational health and safety management systems in compliance with ISO 45001 and TOSHMS (Taiwan Occupational Safety and Health Management Standards) standards in 2020 and we obtained certification. We also set up healthy workplaces and CPR+AED sites to ensure overall operational safety.

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 2023/01/13 Certification valid period is from 2023/01/13 to 2025/10/31.

3. Effectiveness of information security protection in 2023

Establish and revise information security-related norms and policies	128 hours
Information security notices/graphic propaganda	2 times
Annual information security online education and training	2 times
Training Hours of Information Security Professionals	4 times
the Information Security Committee holds a regular meeting on information security	110 hours
2023 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	7,000 times
Information security personnel obtain professional information security certificates	8
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 reasonable estimation is not feasible, it should be explained accordingly.
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	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	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	-	2023/07/28	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	-	2023/11/01	China to Southeast Asia	no
Joint Venture	APL CO. PTE LTD.	2014/12/28	-	90 days pre-notice	Taiwan to Southeast Asia	no
Charter	BENGAL TIGER LINE PTE LTD.	2017/12/25	-	30 days pre-notice	Southeast Asia area	no
Swap	COSCO SHIPPING LINES CO., LTD.	2013/05/03	-	90 days pre-notice	Asia to West Coast of South America	no
Joint Venture	HAPAG-LLOYD AKTIENGESELLSCHAFT	2023/04/27	-	90 days pre-notice	Asia to East Coast of North America	no
Charter		2023/03/23	-	90 days pre-notice	Far East to India	no
Joint Venture	KOREA MARINE TRANSPORT CORPORATION PACIFIC INTERNATIONAL LINES (PTE) LTD. REGIONAL CONTAINER LINES CHINA UNITED LINES LTD.	2022/03/30	-	90 days pre-notice	Asia to Middle East	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
Swap	CHENG LIE NAVIGATION CO. LTD.	2023/11/13	-	30 days pre-notice	Intra East Asia	no
Joint Venture	EVERGREEN MARINE CORP. LTD.	2002/19/01	-	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	-	45 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	-	2023/09/14	Middle East	no
Swap		2016/09/30	-	2023/09/14	Middle East	no
Charter		2020/03/30	-	2023/07/07	Middle East	no
Joint Venture		2023/09/15	-	90 days pre-notice	Middle East	no
Joint Venture	UNIFEEDER FZCO	2023/07/31	-	90 days pre-notice	India to Middle East	no
Swap		2023/07/31	-	90 days pre-notice	Middle East	no
Swap		2023/09/15	-	60 days pre-notice	Middle East	no

Charter	INTERASIA LINES, LTD.	2023/06/01	-	45 days pre-notice	Japan to Southeast Asia	no
Joint Venture		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
Joint Venture		2023/09/10	-	60 days pre-notice	China to East India	no
Charter		2015/10/30	-	2023/04/30	China to Southeast Asia	no
Joint Venture		2017/01/16	-	90 days pre-notice	Japan to Vietnam	no
Joint Venture		2019/04/10	-	60 days pre-notice	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	-	2023/07/01	Northeast Asia to Southeast Asia	no
Charter		2019/04/11	-	2023/09/04	Japan to Singapore & Malaysia	no
Joint Venture		2017/02/23	-	60 days pre-notice	Far East to India	no
Joint Venture		2020/07/24	-	2023/05/15	Taiwan to Southeast Asia	no
Charter		2019/09/11	-	2023/12/13	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
Charter		2023/01/02	-	45 days pre-notice	Intra Southeast Asia	no
Swap		2021/08/26	-	30 days pre-notice	South China to Philippine	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	-	2023/03/30	South China to Southeast Asia	no
Swap		2019/12/06	-	2023/01/14	Intra Asia	no
Charter		2020/12/09	-	2023/04/05	Intra Asia	no
Charter	NEW PORT CYPRESS JOINT STOCK COMPANY	2015/10/04	-	30 days pre-notice	Southeast Asia	no
Swap	OCEAN NETWORK EXPRESS	2018/08/05	-	2023/03/24	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	-	2023/06/30	China to Southeast Asia	no
Charter	SHANGHAI JINJIANG SHIPPING GROUP CO. LTD.	2019/06/07	-	2023/08/15	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	-	2023/06/30	East China to Southeast Asia	no
Charter		2019/06/28	-	2023/07/02	South China to Southeast Asia	no
Swap		2019/08/01	-	30 days pre-notice	South China to Philippine	no
Joint Venture	X-PRESS FEEDERS	2020/11/03	-	60 days pre-notice	Southeast Asia to India	no
Swap		2020/11/03	-	60 days pre-notice	Southeast Asia to India	no
Swap	KANWAY LINE CO., LTD.	2023/04/22	-	30 days pre-notice	Taiwan Cross-Strait service	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	-	30 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	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	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	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.	-
Commercial Paper	Mega Bills Finance Corporation	2023/05/29~2026/05/28	The principal shall be repaid a time.	-
Commercial Paper	Grand Bills Finance Corporation	2023/05/29~2026/05/28	The principal shall be repaid a time.	-
Commercial Paper	Ta Ching Bills Finance Corporation	2023/06/29~2026/06/28	The principal shall be repaid a time.	-
Commercial Paper	Mega Bills Finance Corporation	2023/06/29~2026/06/28	The principal shall be repaid a time.	-
Commercial Paper	China Bills Finance Corporation	2023/06/29~2026/06/28	The principal shall be repaid a time.	-
Bank Credit Loan	Standard Chartered Bank	2022/08/08~2025/08/03	The principal shall be repaid a time.	-
Bank Credit Loan	Yuanta Commercial Bank	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	Taipei Fubon Bank	2022/09/20~2025/09/19	The principal shall be repaid a time.	-
Bank Credit Loan	CTBC Bank Co., Ltd.	2023/05/29~2026/03/28	The principal shall be repaid a time.	-
Bank Credit Loan	The Shanghai Commercial & Savings Bank East Taipei Branch	2023/06/27~2028/06/27	The principal shall be repaid in 20 successive quarterly installments.	-
Bank Credit Loan	Chang Hwa Bank Chilin Branch	2023/06/29~2028/06/29	The principal shall be repaid in 6 successive semiannual installments.	-
Bank Credit Loan	Land Bank of Taiwan Chang An Branch	2023/07/21~2026/07/21	The principal shall be repaid in 8 successive quarterly installments.	-
Bank Credit Loan	The Export-Import Bank of the Republic of China Taipei Branch	2023/07/21~2026/07/21	The principal shall be repaid a time.	-
Bank Credit Loan	Hua Nan Bank Cheng Tung Branch	2023/07/21~2026/07/21	The principal shall be repaid in 6 successive semiannual installments.	-
Bank Credit Loan	Far Eastern International Bank Business Department	2023/08/08~2026/06/12	The principal shall be repaid a time.	-
Bank Credit Loan	DBS Bank(Taiwan) Ltd	2023/12/14~2025/10/04	The principal shall be repaid a time.	-
Bank Credit Loan	KGI Bank	2023/12/25~2025/08/23	The principal shall be repaid a time.	-
Bank Credit Loan	Tashin International Bank	2023/12/25~2026/05/31	The principal shall be repaid a time.	-
Bank Credit Loan	E.Sun Bank	2023/12/25~2026/12/25	The principal shall be repaid a time.	-
Bank Mortgage Loan	Standard Chartered Bank	2023/07/21~2033/07/21	The principal shall be repaid in 40 successive quarterly installments.	Financial Covenants
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	Japan Bank for International Cooperation/ Citi Bank/Mizuho Bank	2023/03/27~2035/04/30	The principal shall be repaid in 24 successive semiannual installments.	Financial Covenants



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)					2024 as of Mar.31
		2023	2022	2021	2020	2019	
Current Assets		139,969,249	194,889,426	132,697,578	31,336,570	27,514,862	-
Property, Plant and Equipment		153,973,543	114,914,338	82,634,574	54,166,521	43,728,724	-
Right-of-Use		9,917,984	18,207,190	18,245,877	7,727,240	5,097,810	-
Intangible Assets		52,901	40,351	75,808	81,857	77,322	-
Other Assets		28,662,494	37,051,993	24,026,988	15,285,430	11,185,534	-
Total Assets		332,576,171	365,103,298	257,680,825	108,597,618	87,604,252	-
Current Liabilities	Before distribution	34,667,134	48,366,437	48,060,731	24,749,262	16,722,195	-
	After distribution	(Note 3)	62,397,168	73,682,067	26,967,560	18,496,833	-
Non-current Liabilities		91,544,963	90,765,787	65,047,654	39,676,014	34,533,592	-
Total Liabilities	Before distribution	126,212,097	139,132,224	113,108,385	64,425,276	51,255,787	-
	After distribution	(Note 3)	153,169,955	138,729,721	66,643,574	53,030,425	-
Equity attributable to owners of parent		205,998,474	225,602,942	144,275,026	43,902,409	36,104,182	-
Common Stock		28,061,464	28,061,464	24,401,273	22,182,975	22,182,975	-
Capital surplus		1,271,775	1,271,775	1,271,775	1,271,775	1,271,775	-
Retained Earnings	Before distribution	166,625,351	186,524,058	122,589,473	23,687,262	14,169,113	-
	After distribution	(Note 3)	172,493,327	96,968,137	21,468,964	12,394,475	-
Other Equity		10,039,884	9,745,645	(3,987,495)	(3,239,603)	(1,519,681)	-
Treasury Stock		0	0	0	0	0	-
Non-Controlling Interest		365,600	368,132	297,414	269,933	244,283	-
Total stockholders'	Before distribution	206,364,074	225,971,074	144,572,440	44,172,342	36,348,465	-
	After distribution	(Note 3)	211,904,343	118,951,104	41,954,044	34,573,827	-

Note 1: The summarized financial data for 2019~2023 have been certified by CPA.

Note 2: There is no financial data for 2024Q1 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)					2024 as of Mar.31
	2023	2022	2021	2020	2019	
Operating revenue	100,220,040	258,953,171	228,005,453	81,880,182	72,951,183	-
Gross profit	(1,505,978)	126,429,981	134,652,600	17,581,367	7,230,018	-
Operating income	(6,302,558)	117,923,423	127,913,831	12,781,658	2,851,286	-
Non-operating income & expense	3,808,051	6,055,956	1,280,909	1,468,337	1,703,907	-
Net income before income tax	(2,494,507)	123,979,379	129,194,740	14,249,995	4,555,193	-
Profit after tax from continuing operations	(5,783,195)	93,128,881	103,417,228	11,357,488	3,587,706	-
Losses from discontinued segments	0	0	0	0	0	-
Profit (Loss) from this period	(5,783,195)	93,128,881	103,417,228	11,357,488	3,587,706	-
Other comprehensive profit and loss (Net value after tax)	224,437	13,906,475	(769,977)	(1,748,561)	(706,100)	-
Total Comprehensive profit and loss from this period	(5,558,758)	107,035,356	102,647,251	9,608,927	2,881,606	-
Net earnings attributable to owners of parent	(5,796,413)	93,072,097	103,342,908	11,316,981	3,573,703	-
Net earnings attributable to non-controlling interest	13,218	56,784	74,320	40,507	14,003	-
Total comprehensive profit and loss attributable to owners of parent	(5,573,737)	106,967,397	102,590,915	9,572,865	2,863,197	-
Total comprehensive profit and loss attributable to non-controlling interest	14,979	67,959	56,336	36,062	18,409	-
Earnings per share (Note 3)	(2.07)	33.17	36.83	4.03	1.27	-

Note 1: The summarized financial data for 2019-2023 have been certified by CPA.

Note 2: There is no financial data for 2024Q1 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)					2024 as of Mar.31
		2023	2022	2021	2020	2019	
Current Assets		74,705,162	94,277,826	71,336,110	26,510,110	20,708,950	N/A
Property, Plant and Equipment		48,652,613	50,738,133	33,657,439	20,976,137	17,953,542	
Right-of-Use		8,307,597	20,705,054	120,322,046	74,302,608	85,001,414	
Intangible Assets		49,916	38,926	74,245	80,514	76,285	
Other Assets		171,478,597	177,153,111	120,269,262	45,047,625	37,258,492	
Total Assets		303,193,885	342,913,050	345,659,102	166,916,994	160,998,683	
Current Liabilities	Before distribution	23,627,417	36,924,225	50,798,787	25,909,864	19,695,635	
	After distribution	(Note 2)	50,954,956	76,420,123	28,128,162	21,470,273	
Non-current Liabilities		73,567,994	80,385,883	150,585,290	97,104,721	105,198,866	
Total Liabilities	Before distribution	97,195,411	117,310,108	201,384,077	123,014,585	124,894,501	
	After distribution	(Note 2)	131,340,839	227,005,413	125,232,883	126,669,139	
Common Stock		28,061,464	28,061,464	24,401,273	22,182,975	22,182,975	
Capital surplus		1,271,775	1,271,775	1,271,775	1,271,775	1,271,775	
Retained Earnings	Before distribution	166,625,351	186,524,058	122,589,473	23,687,262	14,169,113	
	After distribution	(Note 2)	172,493,327	96,968,137	21,468,964	12,394,475	
Other Equity		10,039,884	9,745,645	(3,987,495)	(3,239,603)	(1,519,681)	
Treasury Stock		0	0	0	0	0	
Total stockholders' equity	Before distribution	205,998,474	225,602,942	144,275,025	43,902,409	36,104,182	
	After distribution	(Note 2)	211,572,211	118,653,690	41,684,111	34,329,544	

Note 1: The summarized financial data for 2019~2023 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)					2024 as of Mar.31
	2023	2022	2021	2020	2019	
Operating revenue	59,212,366	127,041,698	116,005,228	61,915,516	59,102,119	N/A
Gross profit	862,246	55,723,001	58,788,261	9,187,405	3,378,077	
Operating income	(430,134)	51,289,331	54,757,204	6,534,039	1,147,748	
Non-operating income & expense	(2,748,340)	71,954,241	73,928,675	7,540,399	3,293,183	
Net income before income tax	(3,178,474)	123,243,572	128,685,879	14,074,438	4,440,931	
Profit after tax from continuing operations	(5,796,413)	93,072,097	103,342,908	11,316,981	3,573,703	
Losses from discontinued segments	0	0	0	0	0	
Profit (Loss) from this period	(5,796,413)	93,072,097	103,342,908	11,316,981	3,573,703	
Other comprehensive profit and loss (Net value after tax)	222,676	13,895,300	(751,993)	(1,744,116)	(710,506)	
Total Comprehensive profit and loss from this period	(5,573,737)	106,967,397	102,590,915	9,572,865	2,863,197	
Earnings per share (Note 2)	(2.07)	33.17	36.83	4.03	1.27	

Note 1: The summarized financial data for 2019-2023 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
2019	Yi-Chun, Chen Chung-Yi Chiang	Unqualified opinion.
2020	Rou-Lan Kuo Chung-Yi Chiang	Unqualified opinion.
2021	Rou-Lan Kuo Chun-Kuang Chen	Unqualified opinion.
2022	Rou-Lan Kuo Chun-Kuang Chen	Unqualified opinion.
2023	Rou-Lan Kuo Chun-Kuang Chen	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)					2024 as of Mar.31 (Note 2)
		2023	2022	2021	2020	2019	
Financial structure (%)	Debt ratio	37.95	38.11	43.89	59.32	58.51	-
	Ratio of long-term capital to property, plant and equipment	193.48	275.63	253.67	154.80	162.09	-
Solvency	Current ratio (%)	403.75	402.94	276.10	126.62	164.54	-
	Quick ratio (%)	390.04	389.37	266.50	116.89	151.34	-
	Times interest earned	(0.34)	84.09	178.00	28.02	7.58	-
Operating Performance	Accounts receivable turnover (turns)	23.61	42.06	41.18	27.81	28.39	-
	Average collection period	15.45	8.67	8.86	13.12	12.85	-
	Inventory turnover (turns)	-	-	-	-	-	-
	Accounts payable turnover (turns)	9.36	11.21	9.45	7.79	8.34	-
	Average days in sales	-	-	-	-	-	-
	Property, plant and equipment turnover (turns)	0.75	2.62	3.33	1.67	1.67	-
	Total assets turnover (turns)	0.29	0.83	1.24	0.83	0.89	-
Profitability	Return on total assets (%)	(1.23)	30.29	56.79	12.01	5.03	-
	Return on equity (%)	(2.68)	50.27	109.58	28.21	10.08	-
	Ratio to issued capital of pre-tax income (%)	(8.89)	441.81	529.46	64.24	20.53	-
	Profit ratio (%)	(5.77)	35.96	45.36	13.87	4.92	-
	Earnings per share (\$)	(2.07)	33.17	36.83	4.03	1.27	-
Cash flow (%)	Cash flow ratio	(12.82)	279.39	275.91	70.98	47.97	-
	Cash flow adequacy ratio	166.98	224.30	224.09	96.63	99.52	-
	Cash reinvestment ratio	(5.26)	29.98	52.93	12.44	5.59	-
Leverage	Operating leverage	(3.20)	1.27	1.18	2.11	5.91	-
	Financial leverage	0.77	1.01	1.01	1.04	1.32	-

Reasons for financial ratios of 2023 increased/decreased more than 20% comparing to 2022:

1. Ratio of long-term capital to property, plant and equipment decreased since property, plant and equipment increased.
2. Times interest earned decreased since net income before income tax decreased.
3. Accounts receivable turnover decreased, and average collection period increased since collection frequency back to normal as before the epidemic.
4. Property, plant and equipment turnover & total assets turnover decreased since operating revenue decreased.
5. Return on total assets, return on equity, ratio to issued capital of pre-tax income, profit ratio & earnings per share decreased since net income before income tax decreased.
6. Cash flow ratio, cash flow adequacy ratio & cash reinvestment ratio decreased since net cash provided by operating activities decreased.
7. Operating leverage & financial leverage decreased since operating income decreased.

Note 1: The financial data for 2019~2023 have been certified by CPA.

Note 2: There is no financial data for 2024Q1 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)					2024 as of Mar.31
		2023	2022	2021	2020	2019	
Financial structure (%)	Debt ratio	32.06	34.21	58.26	73.70	77.57	N/A
	Ratio of long-term capital to property, plant and equipment	574.62	603.07	876.06	672.23	787.05	
Solvency	Current ratio (%)	316.18	255.33	140.43	102.32	105.14	
	Quick ratio (%)	307.59	249.55	138.30	96.98	97.35	
	Times interest earned	(2.05)	63.23	65.47	9.79	3.51	
Operating Performance	Accounts receivable turnover (turns)	50.69	71.72	67.66	59.53	60.79	
	Average collection period	7.20	5.08	5.39	6.13	6.00	
	Inventory turnover (turns)	-	-	-	-	-	
	Accounts payable turnover (turns)	9.66	6.63	5.23	7.50	9.00	
	Average days in sales	-	-	-	-	-	
	Property, plant and equipment turnover (turns)	1.19	3.01	4.25	3.18	3.62	
	Total assets turnover (turns)	0.18	0.37	0.45	0.38	0.52	
Profitability	Return on total assets (%)	(1.54)	27.49	40.95	7.68	4.38	
	Return on equity (%)	(2.69)	50.33	109.84	28.29	10.11	
	Ratio to issued capital of pre-tax income (%)	(11.33)	439.19	527.37	63.45	20.02	
	Profit ratio (%)	(9.79)	73.26	89.08	18.28	6.05	
	Earnings per share (\$)	(2.07)	33.17	36.83	4.03	1.27	
Cash flow (%)	Cash flow ratio	(23.14)	157.20	126.46	54.27	51.29	
	Cash flow adequacy ratio	141.56	171.00	233.62	129.45	83.65	
	Cash reinvestment ratio	(6.68)	10.56	32.65	15.40	12.48	
Leverage	Operating leverage	(39.53)	1.47	1.28	2.83	11.54	
	Financial leverage	0.29	1.04	1.04	1.32	(1.84)	

Reasons for financial ratios of 2023 increased/decreased more than 20% comparing to 2022:

1. Current ratio & quick ratio increased since current liabilities decreased.
2. Times interest earned decreased since net income before income tax decreased.
3. Accounts receivable turnover decreased, and average collection period increased since collection frequency back to normal as before the epidemic.
4. Accounts payable turnover increased since average payable decreased.
5. Property, plant and equipment turnover & total assets turnover decreased since operating revenue decreased.
6. Return on total assets, return on equity, ratio to issued capital of pre-tax income, profit ratio & earnings per share decreased since net income before income tax decreased.
7. Cash flow ratio & cash reinvestment ratio decreased since net cash provided by operating activities decreased.
8. Operating leverage & financial leverage decreased since operating income decreased.

Note 1: The financial data for 2019~2023 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 2023

6.3.1 Audit Committee's Review Report for Fiscal Year 2023 (Consolidated)

The Board of Directors has prepared the Company's consolidated financial statements for 2023 and consolidated business report for 2023. Of which, the Company's consolidated financial statements for 2023 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 2024

WAN HAI LINES LTD.

Chair of the Audit committee:

Rung-Nian Lai



Mar.13, 2024

6.3.2 Audit Committee's Review Report for Fiscal Year 2023

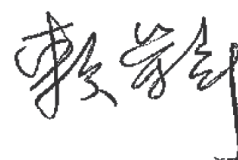
The Board of Directors has prepared the Company's financial statements for 2023, business report and earnings distribution. Of which, the Company's financial statements for 2023 have been audited by the CPA firm of KPMG through entrustment by the Board of Directors, and an audit report with unqualified 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 2024

WAN HAI LINES LTD.

Chair of the Audit committee:

Rung-Nian Lai



Mar.13, 2024

6.4 Consolidated Financial Statements for Fiscal Year 2023

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 balance sheet as of December 31, 2023 and 2022, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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.

2. Impairment assessment of property, plant and equipment

Please refer to Notes (4)(l) “Property, plant and equipment”, Notes (4)(o) “Impairment of non-financial assets”, Notes (5)(b) “Impairment of property, plant and equipment”, and Notes (6)(j) “Property, plant and equipment”.

How the matter was addressed in our audit

The Group is mainly engaged in international shipping, agency services for transportation affair, port container terminal operation, vessel and container trading, leasing and other businesses. Since the industry the Group belongs to is affected by the global economic situation and fierce competition in the shipping market, there may be risks of asset impairment. The Group's assessment of whether there are signs of assets impairment is included as one of the key areas our audit focused on.

Our principal audit procedures included:

Understanding the cash-generating unit used by the Company to assess asset impairment; understanding the various indicators used by the Group to assess asset impairment indicators, and assessing impairment for each indicator. If there is any indication of impairment, evaluating the rationality of the future cash flow assumptions predicted by the Company, and reviewing the rationality of the discount rate parameters used.

Other Matter

Wan Hai Lines Ltd. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2023 and 2022, 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 (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Kuo, Rou-Lan and Chen, Chun-Kuang.

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2024

Notes to Readers

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

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

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

WAN HAI LINES LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023.12.31		2022.12.31			2023.12.31		2022.12.31		
	Amount	%	Amount	%		Amount	%	Amount	%	
Assets					Liabilities and Equity					
Current assets:					Current liabilities:					
Cash and cash equivalents (note 6(a))	1100		\$ 119,639,666	36	Current financial liabilities for hedging (notes 6(e) and (q))	\$	152,727	-	628,486	-
Current financial assets at fair value through profit or loss (notes 6(b) and (aa))	1110		7,109,410	2	Accounts payable (notes 6(aa) and (7))		9,463,110	3	12,269,193	3
Current financial assets at amortized cost (notes 6(d) and (aa))	1137		-	-	Other payables (notes 6(a) and (7))		3,477,904	1	5,028,694	1
Notes receivable, net (notes 6(f) and (v))	1150		36,278	-	Current tax liabilities (note 6(s))		5,127,533	2	13,544,287	4
Accounts receivable, net (notes 6(i), (v) and (7))	1170		3,569,685	1	Current lease liabilities (notes 6(q), (aa) and (7))		5,116,815	1	8,966,835	3
Current contract assets (note 6(v))	1140		1,293,917	-	Current portion of long-term loans (notes 6(o), (p) and (8))		10,098,693	3	6,491,887	2
Other receivables, net (notes 6(aa) and (7))	1200		1,794,496	1	Payables to agents (notes 6(aa) and (7))		54,911	-	87,802	-
Inventories (note 6(k))	1330		4,081,718	1	Other current liabilities (notes 6(v), (aa) and (7))		1,175,441	-	1,349,253	-
Receivables from agents (note 7)	1475		705,001	-			34,667,134	10	48,366,437	13
Other current assets (notes 7) and (8))	1479		1,739,078	1	Non-Current liabilities:					
			139,969,249	42	Non-current financial liabilities for hedging (notes 6(e) and (q))		477,627	-	1,370,731	1
Non-current assets:					Bonds payable (note 6(p))		4,500,000	3	9,000,000	3
Non-current financial assets at fair value through other comprehensive income (notes 6(c) and (aa))	1517		5,881,016	2	Long-term borrowings (notes 6(o), (aa) and (8))		51,170,749	16	40,757,890	11
Investments accounted for using equity method, net (note 6(b))	1550		1,399,850	1	Deferred tax liabilities (note 6(s))		29,280,566	9	30,473,656	8
Property, plant and equipment (notes 6(k), (8) and (9))	1600		153,973,543	46	Non-current lease liabilities (notes 6(q), (aa) and (7))		4,083,068	1	7,440,318	2
Right-of-use assets (notes 6(k) and (9))	1755		9,917,984	3	Accrued pension liabilities non-current (note 6(r))		373,667	-	405,391	-
Investment property (notes 6(l) and (8))	1760		3,778,864	1	Guarantee deposits received (note 6(aa))		1,659,286	1	1,317,801	-
Intangible assets (note 6(m))	1780		52,901	-			91,544,963	28	90,765,787	25
Prepayments for business facilities	1915		17,164,483	5	Total liabilities		126,212,097	38	139,132,224	38
Other non-current assets (notes 8) and (9))	1990		438,281	-	Equity attributable to owners of parent (note 6(i)):					
			192,606,922	58	Share capital:					
					Ordinary share		28,061,464	9	28,061,464	8
					Capital surplus		1,271,775	-	1,271,775	-
					Retained earnings:					
					Legal reserve		28,010,462	8	18,688,851	5
					Special reserve		-	-	3,987,494	1
					Retained earnings-unappropriated		138,614,889	42	163,847,713	45
							166,625,351	50	186,524,058	51
					Other equity interest:					
					Exchange differences on translation of foreign financial statements		9,572,519	3	9,636,366	3
					Unrealized gains (losses) on financial assets at fair value through other comprehensive income		435,107	-	171,052	-
					Gains (losses) on hedging instruments (note 6(e))		32,258	-	(61,773)	-
							10,039,884	3	9,745,645	3
					Total equity attributable to owners of parent:		205,998,474	62	225,602,942	62
					Non-controlling interests		365,600	-	368,132	-
					Total equity		206,364,074	62	225,971,074	62
Total assets			\$ 332,576,171	100	Total liabilities and equity		\$ 332,576,171	100	\$ 365,103,298	100

Seeing accompanying notes to financial statements.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes (6)(v) and (7))	\$ 100,220,040	100	258,953,171	100
5000	Operating costs (notes (6)(g) and (7))	(101,726,018)	(102)	(132,523,190)	(51)
	Gross profit	(1,505,978)	(2)	126,429,981	49
6000	Operating expenses	(6,592,940)	(6)	(8,612,289)	(3)
6500	Net other income (expenses) (note (6)(x))	1,796,360	2	105,731	-
	Income from operations	(6,302,558)	(6)	117,923,423	46
	Non-operating income and expenses (notes (6)(h), (y) and (7)):				
7100	Interest income	5,991,625	6	2,350,371	1
7010	Other income	370,858	-	403,569	-
7020	Other gains and losses	(1,068,916)	-	4,473,270	2
7050	Finance costs	(1,857,854)	(2)	(1,492,030)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	372,338	-	320,776	-
	Total non-operating income and expenses	3,808,051	4	6,055,956	2
7900	Profit before tax	(2,494,507)	(2)	123,979,379	48
7950	Less: Income tax expenses (note (6)(s))	3,288,688	4	30,850,498	12
	Net Profit	(5,783,195)	(6)	93,128,881	36
	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))	(70,312)	-	189,144	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	258,006	-	(274,625)	-
8349	Less: Income tax related to components of other comprehensive income that may not be reclassified subsequently (note (6)(s))	(1,251)	-	(26,984)	-
	Total items that may not be reclassified subsequently to profit and loss	186,443	-	(112,465)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation	(69,979)	-	14,279,088	5
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	6,049	-	-	-
8368	Gains (losses) on hedging instrument (note (6)(e))	94,031	-	(245,601)	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(s))	7,893	-	(14,547)	-
	Total items that may be reclassified subsequently to profit and loss	37,994	-	14,018,940	5
	Other comprehensive income (net of tax)	224,437	-	13,906,475	5
8500	Total comprehensive income	\$ (5,558,758)	(6)	107,035,356	41
	Profit (loss), attributable to:				
8610	Owners of the parent company	\$ (5,796,413)	(6)	93,072,097	36
8620	Non-controlling interests	13,218	-	56,784	-
		\$ (5,783,195)	(6)	93,128,881	36
	Comprehensive income attributable to:				
8710	Owners of the parent company	\$ (5,573,737)	(6)	106,967,397	41
8720	Non-controlling interests	14,979	-	67,959	-
		\$ (5,558,758)	(6)	107,035,356	41
9750	Basic earnings per share (New Taiwan Dollar) (note (6)(u))	\$ (2.07)		33.17	
9850	Diluted earnings per share (New Taiwan Dollar) (note (6)(u))	\$ (2.07)		33.05	

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 CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
	Equity					Other Equity Items				
	Stock	Capital Surplus	Legal reserve	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
Balance at January 1, 2022	\$ 24,401,273	1,271,775	8,354,970	3,239,603	(4,617,000)	445,077	183,828	144,275,026	297,414	144,572,440
Net income	-	-	-	-	-	-	-	93,072,097	56,784	93,128,881
Other comprehensive income (loss)	-	-	-	-	-	-	-	13,895,300	11,175	13,906,475
Total comprehensive income (loss)	-	-	-	-	-	-	-	106,967,397	67,959	107,035,356
Appropriation of retained earnings:										
Legal reserve	-	-	10,333,881	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	747,891	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	(25,621,336)	-	(25,621,336)
Stock dividends of ordinary share	3,660,191	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	(18,145)	10,508	(7,637)
Balance at 2022.12.31	28,061,464	1,271,775	18,688,851	3,987,494	9,636,366	171,052	(61,773)	225,602,942	368,132	225,971,074
Net income	-	-	-	-	-	-	-	(5,796,413)	13,218	(5,783,195)
Other comprehensive income (loss)	-	-	-	-	-	-	-	222,676	1,761	224,437
Total comprehensive income (loss)	-	-	-	-	-	-	-	(5,573,737)	14,979	(5,558,758)
Appropriation of retained earnings:										
Legal reserve	-	-	9,321,611	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	(14,030,731)	-	(14,030,731)
Reversal of special reserve	-	-	-	(3,987,494)	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(17,511)	(17,511)
Balance at December 31, 2023	\$ 28,061,464	1,271,775	28,010,462	-	9,572,519	435,107	32,258	205,998,474	365,600	206,364,074

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before income tax	\$ (2,494,507)	123,979,379
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	18,133,374	21,300,304
Amortization expense	31,403	51,689
Net (gain) loss on financial assets at fair value through profit or loss	(1,016,494)	687,672
Interest expense	1,857,854	1,492,030
Gain on disposal of debt instruments measured at fair value through other comprehensive income	(1,017)	-
Interest revenue	(5,991,625)	(2,350,371)
Dividend income	(370,284)	(402,107)
Share of income of associates and joint ventures accounted for using equity method	(372,338)	(320,776)
Gain on disposal of property, plant and equipment	(1,796,360)	(105,731)
Impairment loss on non-financial assets	2,602,404	-
Loss (gain) on unrealized foreign exchange gain	(796,123)	1,386,895
Others	(3,199)	(6,070)
Total adjustments to reconcile profit (loss)	12,277,595	21,733,535
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	301,304	(820,816)
Contract assets	689,181	5,852,424
Notes receivable	6,200	30,126
Accounts receivable	1,267,470	2,519,843
Other receivables	(39,540)	(88,711)
Inventories	948,828	(1,174,858)
Receivables from agents	763,238	405,335
Other current assets	281,826	(628,928)
Total changes in operating assets, net	4,218,507	6,094,415
Changes in operating liabilities, net:		
Accounts payable	(2,792,200)	876,701
Other payables	(2,448,505)	144,404
Payables to agents	(32,891)	(50,335)
Other current liabilities	(187,059)	(1,256,839)
Accrued pension liabilities	(102,036)	(43,844)
Total changes in operating liabilities, net	(5,562,691)	(329,913)
Total changes in operating assets and liabilities	(1,344,184)	5,764,502
Total adjustments	10,933,411	27,498,037
Cash inflow generated from operations	8,438,904	151,477,416
Income taxes paid	(12,881,765)	(16,347,572)
Net cash provided by operating activities	(4,442,861)	135,129,844
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(791,540)	(62,855)
Proceeds from disposal of financial assets at fair value through other comprehensive income	31,816	-
Acquisition of investments accounted for using equity method	(27,292)	(2,418)
Acquisition of property, plant and equipment	(31,291,902)	(35,726,579)
Proceeds from disposal of property, plant and equipment	4,070,201	185,491
Acquisition of intangible assets	(35,053)	(16,169)
Acquisition of investment property	(34,495)	(4,565)
Other non-current assets	15,382	(146,765)
Prepayments for business facilities	(12,649,702)	(13,426,143)
Interest received	5,515,791	2,194,950
Dividends received	777,522	605,098
Net cash used in investing activities	(34,419,272)	(46,399,955)
Cash flows from financing activities:		
Decrease in short-term loans	-	(30,000)
Repayments of bonds	-	(3,600,000)
Proceeds from long-term loans	40,839,553	26,278,985
Repayment of long-term loans	(29,722,479)	(11,737,095)
Guarantee deposits received	354,732	181,418
Payments of lease liabilities	(8,258,687)	(12,872,232)
Cash dividends paid	(14,030,731)	(25,621,336)
Acquisition of ownership interests in subsidiaries	-	(7,637)
Interest paid	(1,791,274)	(1,412,282)
Change in non-controlling interests	(17,511)	(7,749)
Net cash used in financing activities	(12,626,397)	(28,827,928)
Foreign exchange rate effects	(623,999)	8,848,416
Net increase in cash and cash equivalents	(52,112,529)	68,750,377
Cash and cash equivalents, beginning of period	171,752,195	103,001,818
Cash and cash equivalents, end of period	\$ 119,639,666	171,752,195

Seeing accompanying notes to financial statements.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023 and 2022

(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, 2024.

(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, 2023:

- 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"

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

- (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, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of Material 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 material 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) Financial assets at 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 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 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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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.

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
			2023.12.31	2022.12.31	
The Company	Wan Hai Lines (Singapore) Pte. Ltd. (WHL Singapore)	Transportation and shipping agency service, chartering of ships, and international transportation and shipping services	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)	Terminal operation and management service, and vessel rental service	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)	Managing container, storage and logistics services	100.00 %	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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of investor	Name of subsidiary	Principal activity	Shareholding %		Note
			2023.12.31	2022.12.31	
The Company	Wan Hai Lines (H.K.) Ltd. (WHL Hong Kong)	Transportation and shipping agency services	100.00 %	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 %	100.00 %	
WHL Singapore	Wan Hai Lines Mexico, S.A. DE C.V. (WHL Mexico)	Transportation and shipping agency services	80.00 %	- %	
WHL Singapore	Wan Hai Line (M) Sdn. Bhd. (WHL Malaysia)	Transportation and shipping agency services	100.00 %	100.00 %	
WHL Singapore	Wan Hai Lines (Phils.), Inc. (WHL Phils.)	Transportation and shipping agency services	100.00 %	100.00 %	
WHL Singapore	Wan Hai Lines (Korea) Ltd. (WHL Korea)	Transportation and shipping agency services	100.00 %	100.00 %	
WHL Singapore	Wan Hai International Pte. Ltd. (WHL INTL.)	Transportation and shipping agency services	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)	Transportation and shipping agency services	100.00 %	100.00 %	
WHL Singapore	Wan Hai Lines (Thailand) Limited. (WHL Thailand)	Transportation and shipping agency services	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	Wan Hai Lines Ecuador S.A. (WHL Ecuador)	Transportation and shipping agency services	100.00 %	100.00 %	
WHL Singapore	Wan Hai Lines (USA) Ltd. (WHL USA)	Transportation and shipping agency services	100.00 %	100.00 %	
WHL Singapore	Bravely International Pte. Ltd. (BI)	Transportation and investment	100.00 %	100.00 %	

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of investor	Name of subsidiary	Principal activity	Shareholding %		Note
			2023.12.31	2022.12.31	
WHL Singapore	HE CHUN LOGISTICS COMPANY LTD. (HE CHUN)	ODD operations	100.00 %	100.00 %	
WHL Singapore	Wan Hai Shipping Limited. (WHL Shipping)	Transportation and shipping agency services	70.00 %	70.00 %	
WHL Singapore 、 WHL INTL.	Wan Hai Lines Peru S.A.C.(WHL Peru)	Transportation and shipping agency services	100.00 %	100.00 %	
WHL USA	Wan Hai Lines (Arizona) LLC (WHL Arizona)	House rental and management	100.00 %	100.00 %	
WHL INTL.	Wan Hai Lines (India) PVT Ltd. (WHL India)	Transportation and shipping agency services	100.00 %	100.00 %	
WHL INTL.	Infinite Marine Investment Co., Ltd.(IM)	Investment	100.00 %	100.00 %	
BI	Bravely (Myanmar) Transport and Logistics Company Limited. (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 acting as agent 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 %	100.00 %	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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of investor	Name of subsidiary	Principal activity	Shareholding %		Note
			2023.12.31	2022.12.31	
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.

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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.

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) 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;
- 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.

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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), debt investments measured at FVOCI 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 assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

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'.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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. Based on its experience, there have been no corporate customer recoveries after 365 days.

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

2. Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Financial liabilities

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

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

3) Derecognition of financial liabilities

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

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

4) Offsetting of financial assets and liabilities

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

3. Hedge accounting

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

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

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1) Cash flow hedges

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

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

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

(h) Inventories

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

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

(i) Investment in associates

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

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

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

(j) Joint Arrangements

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

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

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

(k) Investment property

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

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

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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 ~ 60 years
2) Vessel equipment	1 ~ 27.5 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 ~ 17 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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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.

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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.

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	7~10 years

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

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(o) Impairment of non-financial assets

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

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

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

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

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

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

(p) Revenue

1. Revenue from contracts with customers

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

1) Service revenue

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

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
2. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

Deferred 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 reverse, 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

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

(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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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.

(b) Impairment of property, plant and equipment

The industry to which the Group belongs is affected by the global economic conditions and fierce competition in the shipping market. Evaluating the potential indicators of asset impairment is subject to the management's subjective judgment of various indicators, and any change in estimates due to changes in economic conditions or corporate strategies may result in significant impairment losses or reversal of recognized impairment losses in the future.

(6) Explanation to Significant Accounts**(a) Cash and cash equivalents**

	<u>2023.12.31</u>	<u>2022.12.31</u>
Cash	\$ 121,785	117,492
Savings accounts	38,232,026	69,925,416
Time deposits	<u>81,285,855</u>	<u>101,709,287</u>
Cash and cash equivalents in statement of cash flows	<u><u>\$ 119,639,666</u></u>	<u><u>171,752,195</u></u>

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

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

	<u>2023.12.31</u>	<u>2022.12.31</u>
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Stocks listed on domestic markets	\$ 7,109,410	6,382,530
Emerging stocks on domestic markets	<u>-</u>	<u>11,690</u>
Total	<u><u>\$ 7,109,410</u></u>	<u><u>6,394,220</u></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, 2023 and 2022, the Group's financial assets were not pledged as collateral.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	<u>2023.12.31</u>	<u>2022.12.31</u>
Debt investments at fair value through other comprehensive income		
Corporate bonds	\$ <u>733,536</u>	<u>-</u>
Equity investments at fair value through other comprehensive income		
Stocks listed on domestic markets	3,918,230	3,630,772
Stocks listed on foreign markets	702,080	682,312
Stocks unlisted on domestic markets	<u>527,170</u>	<u>565,589</u>
Subtotal	<u>5,147,480</u>	<u>4,878,673</u>
Total	<u>\$ <u>5,881,016</u></u>	<u><u>4,878,673</u></u>

1. Debt investments at fair value through other comprehensive income

The Group has assessed that the following securities are held within a business model whose objective is achieved by both collecting the contractual cash flows and by selling securities; therefore, they have been classified as debt investments at fair value through other comprehensive income.

For the gain or loss arising from the disposal of investment, please refer to note 6(y).

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.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2023 and 2022.

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, 2023 and 2022, the financial assets of the Group had not been pledged as collateral.

(d) Financial assets at amortized cost

	<u>2023.12.31</u>	<u>2022.12.31</u>
Current	\$ <u>-</u>	<u>70,790</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).

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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>2023.12.31</u>	<u>2022.12.31</u>
Cash flow hedge:		
Financial liabilities used for hedging:		
Current lease liabilities	\$ 152,727	628,486
Non-current lease liabilities	<u>477,627</u>	<u>1,370,731</u>
Total	<u><u>\$ 630,354</u></u>	<u><u>1,999,217</u></u>

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
		2023.12.31	2022.12.31		
Freight revenue (USD)	Lease liabilities	\$ -	1,140,432	-	-
WHL terminal revenue (JPY)	Lease liabilities	630,354	858,785	2023~2028	2023~2028

Items	<u>2023</u>	<u>2022</u>
Amounts recognized as other comprehensive income	<u><u>\$ 94,031</u></u>	<u><u>(245,601)</u></u>

For the years ended December 31, 2023 and 2022, 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

	<u>2023.12.31</u>	<u>2022.12.31</u>
Notes receivable	\$ 36,278	42,478
Accounts receivable	3,571,368	4,838,838
Less: Allowance for doubtful receivables	<u>(1,683)</u>	<u>(1,683)</u>
	<u><u>\$ 3,605,963</u></u>	<u><u>4,879,633</u></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:

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2023.12.31		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 2,902,108	0%~0.0302%	-
Overdue 0~30 days	601,971	0%~0.147%	11
Overdue 31~120 days	82,219	0%~1.2392%	24
Overdue 121~365 days	16,481	0%~10.4371%	2
Overdue more than 365 days	4,867	0%~100%	1,646
	\$ 3,607,646		1,683
	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
	\$ 4,881,316		1,683

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

	For the years ended December 31,	
	2023	2022
Ending balance (equal to beginning balance)	\$ 1,683	1,683

Please refer to note 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

	2023.12.31	2022.12.31
Light marine diesel oil	\$ 485,134	742,439
Heavy marine diesel oil	3,247,992	3,989,422
Fresh lubricating oil	443,514	427,627
Subtotal	4,176,640	5,159,488
Less: Allowance for inventory valuation and obsolescence losses	(94,922)	(128,942)
Total	\$ 4,081,718	5,030,546

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023, the write-downs of inventories to net realizable value amounting to \$34,607 thousand was 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.

For the year ended December 31, 2022, the write-downs of inventories to net realizable value amounting to \$125,508 thousand was recognized as losses on inventory valuation, which were reported as operating costs.

As of December 31, 2023 and 2022, 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:

	2023.12.31	2022.12.31
Associates	\$ 1,173,776	1,257,120
Joint venture	226,074	195,608
	\$ 1,399,850	1,452,728

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:

	2023.12.31	2022.12.31
The carrying amount of individually non-significant associates' equity	\$ 1,173,776	1,257,120

	For the years ended December 31,	
	2023	2022
Attributable to the Group:		
Profit (loss) from continuing operations	\$ 313,156	283,563
Total comprehensive income	\$ 313,156	283,563

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Joint venture

For the second half of 2023, the Group acquired 50% of the shares of PT. Sinergi Bahtera Mitra (SBM) for USD 800 thousand in cash. The Group has a residual interest in the net assets of SBM. Accordingly, the Group has classified its interest in SBM as a joint venture and accounted for using the equity method.

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

	<u>2023.12.31</u>	<u>2022.12.31</u>
The carrying amount of individually non-significant joint venture equity	<u>\$ 226,074</u>	<u>195,608</u>
	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Attributable to the Group:		
Profit (loss) from continuing operations	\$ 59,182	37,213
Total comprehensive income	<u>\$ 59,182</u>	<u>37,213</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, 2023.

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	(7,637)
Difference between the actual price and book value of subsidiary equity acquisition	<u>\$ (18,145)</u>

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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, 2023 and 2022, were as follows:

	Land	Buildings	Vessels	Containers	Other equipment	Privileged wharf equipment	Total
Cost:							
Balance at January 1, 2023	\$ 2,234,265	2,247,467	131,506,664	43,622,819	2,861,669	3,006,538	185,479,422
Additions	4,350	26,451	30,067,981	1,688,668	306,708	18,703	32,112,861
Reclassification	-	-	22,026,205	-	12,084	-	22,038,289
Disposals	-	-	(15,904,320)	(2,123,732)	(260,149)	(135,547)	(18,423,748)
Effect of movements in exchange rates	(45)	(15,326)	(168,066)	-	(12,690)	(1,905)	(198,032)
Balance at December 31, 2023	<u>\$ 2,238,570</u>	<u>2,258,592</u>	<u>167,528,464</u>	<u>43,187,755</u>	<u>2,907,622</u>	<u>2,887,789</u>	<u>221,008,792</u>
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>
Depreciation and impairment loss:							
Balance at January 1, 2023	\$ -	633,120	50,350,655	16,533,749	1,425,637	1,621,923	70,565,084
Depreciation	-	53,069	6,941,983	2,922,468	315,251	178,271	10,411,042
Loss of impairment	-	-	2,262,661	-	-	-	2,262,661
Disposals	-	-	(13,991,498)	(1,777,814)	(248,866)	(112,950)	(16,131,128)
Effect of movements in exchange rates	-	(5,705)	(58,124)	-	(7,515)	(1,066)	(72,410)
Balance at December 31, 2023	<u>\$ -</u>	<u>680,484</u>	<u>45,505,677</u>	<u>17,678,403</u>	<u>1,484,507</u>	<u>1,686,178</u>	<u>67,035,249</u>
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>
Carrying amounts:							
Balance at December 31, 2023	<u>\$ 2,238,570</u>	<u>1,578,108</u>	<u>122,022,787</u>	<u>25,509,352</u>	<u>1,423,115</u>	<u>1,201,611</u>	<u>153,973,543</u>
Balance at January 1, 2022	<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>
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>

1. Impairment loss

In 2023, affected by the global economic conditions and fierce competition in the shipping market, the Group tested its vessel equipment for impairment on December 31, 2023, and an impairment loss amounting to \$2,262,661 thousand was recognized. The estimate value in use was determined using a pre-tax discount rate of 6.95~7.80 percent.

2. Collateral

As of December 31, 2023 and 2022, 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).

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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:

	Wharfs	Buildings	Containers	Others	Vessel Equipment	Total
Cost:						
Balance as of January 1, 2023	\$ 4,895,627	381,227	4,188,942	87,788	24,335,084	33,888,668
Additions	99,098	56,163	1,757,420	10,983	-	1,923,664
Decreases	(11,270)	(86,939)	(2,428,961)	(8,878)	(11,801,969)	(14,338,017)
Remeasurement	(28,620)	14,434	-	(4,040)	-	(18,226)
Effect of changes in foreign exchange rates	(2,626)	(2,558)	(22,439)	(986)	131,883	103,274
Balance as of December 31, 2023	<u>\$ 4,952,209</u>	<u>362,327</u>	<u>3,494,962</u>	<u>84,867</u>	<u>12,664,998</u>	<u>21,559,363</u>
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>
Accumulated depreciation and impairment losses:						
Balance as of January 1, 2023	\$ 1,869,745	246,815	1,566,634	36,229	11,962,055	15,681,478
Depreciation	480,884	79,121	992,535	22,308	6,110,132	7,684,980
Impairment loss	-	-	-	-	339,743	339,743
Decreases	(11,270)	(78,060)	(1,408,225)	(8,425)	(10,588,689)	(12,094,669)
Effect of changes in foreign exchange rates	(264)	(1,453)	(11,883)	(572)	44,019	29,847
Balance as of December 31, 2023	<u>\$ 2,339,095</u>	<u>246,423</u>	<u>1,139,061</u>	<u>49,540</u>	<u>7,867,260</u>	<u>11,641,379</u>
Balance as of January 1, 2022	\$ 1,408,683	172,642	1,405,292	39,918	6,305,423	9,331,958
Remeasurement	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>
Carrying amount:						
Balance as of December 31, 2023	<u>\$ 2,613,114</u>	<u>115,904</u>	<u>2,355,901</u>	<u>35,327</u>	<u>4,797,738</u>	<u>9,917,984</u>
Balance as of January 1, 2022	<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>
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>

In 2023, affected by the global economic conditions and fierce competition in the shipping market, the Group conducted the impairment test of its right-of-use vessel equipment assets, and an impairment loss amounting to \$339,743 thousand was recognized.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(I) 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, 2023	\$ 2,971,592	913,568	3,885,160
Purchases	4,265	30,230	34,495
Reclassification	-	857	857
Effect of changes in foreign exchange rates	(112)	(294)	(406)
Balance at December 31, 2023	<u>\$ 2,975,745</u>	<u>944,361</u>	<u>3,920,106</u>
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>
Depreciation and impairment losses:			
Balance at January 1, 2023	\$ -	104,003	104,003
Depreciation	-	37,352	37,352
Effect of changes in foreign exchange rates	-	(113)	(113)
Balance at December 31, 2023	<u>\$ -</u>	<u>141,242</u>	<u>141,242</u>
Balance at January 1, 2022	\$ -	65,431	65,431
Depreciation	-	36,099	36,099
Effect of changes in foreign exchange rate	-	2,473	2,473
Balance at December 31, 2022	<u>\$ -</u>	<u>104,003</u>	<u>104,003</u>
Carrying amount:			
Balance at December 31, 2023	<u>\$ 2,975,745</u>	<u>803,119</u>	<u>3,778,864</u>
Balance at January 1, 2022	<u>\$ 2,957,267</u>	<u>822,527</u>	<u>3,779,794</u>
Balance at December 31, 2022	<u>\$ 2,971,592</u>	<u>809,565</u>	<u>3,781,157</u>
Fair value:			
Balance at December 31, 2023			<u>\$ 4,577,377</u>
Balance at December 31, 2022			<u>\$ 4,436,925</u>

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2023 and 2022, the fair value of investment properties in America was based on the discounted cash flow analysis method under the income approach and the comparative method. The discounted cash flow analysis method under the income approach would have been used by considering the aggregate estimated cash flows expected to be received from leasing properties and discounting them using a rate of return that reflects the specific risks inherent in the net cash flows in order to determine the value of those properties. The inputs used in the fair value valuation technique are classified as Level 3.

As of December 31, 2023 and 2022, the fair value of investment properties in Taiwan was based on the valuation by a qualified independent appraiser who has recent valuation experiences in the location and category of the investment properties being valued. The inputs used in the fair value valuation technique are classified as Level 3.

The evaluation of fair value was based on the discounted cash flow analysis method under the income approach and the comparative method. The discounted cash flow analysis method under the income approach would have been used by considering the aggregate estimated cash flows expected to be received from leasing properties and discounting them using a rate of return that reflects the specific risks inherent in the net cash flows in order to determine the value of those properties.

As of December 31, 2023 and 2022, the fair value of investment properties in Peru was based on the valuation by a qualified independent appraiser who has recent valuation experiences in the location and category of the investment properties being valued. The inputs used in the fair value valuation technique are classified as Level 3.

The evaluation of fair value is carried out by the comparative method. The evaluation method is to collect and analyze similar properties information in the area, and make a reasonable estimate of the market price by reference to the location, environment and size of the properties to determine the value of the properties.

The ranges of yields applied in the year of 2023 and 2022 were as follows:

Location	2023	2022
America	7%~7.5%	6.5%~7.25%
Taiwan	1.93%~2.845%	1.73%~2.22%

The investment properties are commercial real estates which were bought for operation planning in Taiwan, America and Peru in 2023, 2020, 2019 and 2017. That property has been currently leasing out for rental income, and no contingent rents are charged. The rent revenue is \$71,163 thousand and \$71,612 thousand for the year 2023 and 2022, respectively.

The details of investment property that has been pledged as collateral for long-term borrowings and guaranteed financing on December 31, 2023 and 2022, please refer to note (8).

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(m) Intangible assets

The costs of intangible assets, amortization, and impairment loss of the Group in 2023 and 2022 were as follows:

	Computer software	Trademarks	Others	Total
Costs:				
Balance at January 1, 2023	\$ 146,239	4,026	-	150,265
Additions	34,400	158	495	35,053
Reclassification	8,757	154	-	8,911
Disposals	(94,112)	(204)	-	(94,316)
Effect of movement in exchange rates	(173)	-	-	(173)
Balance at December 31, 2023	<u>\$ 95,111</u>	<u>4,134</u>	<u>495</u>	<u>99,740</u>
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>-</u>	<u>150,265</u>
Amortization and impairment loss:				
Balance at January 1, 2023	\$ 107,760	2,154	-	109,914
Amortization for the year	30,783	620	-	31,403
Disposals	(94,112)	(202)	-	(94,314)
Effect of movement in exchange rates	(164)	-	-	(164)
Balance at December 31, 2023	<u>\$ 44,267</u>	<u>2,572</u>	<u>-</u>	<u>46,839</u>
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>-</u>	<u>109,914</u>
Carrying amounts:				
Balance at December 31, 2023	<u>\$ 50,844</u>	<u>1,562</u>	<u>495</u>	<u>52,901</u>
Balance at December 31, 2022	<u>\$ 38,479</u>	<u>1,872</u>	<u>-</u>	<u>40,351</u>
Balance at January 1, 2022	<u>\$ 73,534</u>	<u>2,274</u>	<u>-</u>	<u>75,808</u>

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Recognition of amortization and impairment

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

	<u>2023</u>	<u>2022</u>
Operating costs	\$ <u>19,675</u>	<u>34,385</u>
Operating expense	\$ <u>11,728</u>	<u>17,304</u>

(n) Short-term borrowings

The borrowings were summarized as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Unused short-term credit lines	\$ <u>5,657,822</u>	<u>5,945,048</u>

1. Issuance and repayment of short-term borrowings

For the years ended December 31, 2023 and 2022, the proceeds from short-term borrowings amounted to \$17,220,000 thousand and \$2,540,000 thousand, respectively, and the repayments amounted to \$17,220,000 thousand and \$2,570,000 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:

	<u>Expiration date</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Unsecured bank loans—USD	-	\$ -	276,525
Unsecured bank loans—TWD	2025/08/03 ~ 2028/06/29	22,130,000	8,500,000
Secured bank loans—USD	2034/10/31-2035/04/30	12,748,444	23,886,376
Secured bank loans—TWD	2033/07/21 ~ 2042/06/24	6,883,323	4,156,741
Secured bank loans—JPY	2033/04/28	5,019,940	5,932,224
Commercial paper	2025/01/14-2026/06/28	10,000,000	4,500,000
Less: Discount on commercial paper		(12,265)	(2,089)
Current portion		<u>(5,598,693)</u>	<u>(6,491,887)</u>
Total		\$ <u>51,170,749</u>	<u>40,757,890</u>
Unused long-term credit lines		\$ <u>10,548,050</u>	<u>17,326,438</u>
Range of interest rates		0.83%~6.33%	0.28%~5.95%

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

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Issuance and repayment of long-term borrowings

For the years ended December 31, 2023 and 2022, the proceeds from long-term borrowings amounted to \$40,839,553 thousand and \$26,278,985 thousand, respectively, and the repayment amounted to \$29,722,479 thousand and \$11,737,095 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, 2023, the unused long-term credit lines are \$1,835,250 thousand.

3. Financial ratio covenant

The Company and its subsidiary, Wan Hai Lines (Singapore) Pte. Ltd., entered into syndicated credit agreements with financial institutions, under which, the Group shall maintain certain net worth ratios and debt service ratios on the annual and semi-annual balance sheet dates in the consolidated financial statements during the term of the loans. Otherwise, the loan will be repayable by the financial institutions based on the results of the negotiation. As of December 31, 2023, there was no violation of the terms of the contract.

(p) Bonds payable

2023.12.31				
	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><u>\$ 9,000,000</u></u>
Current				\$ 4,500,000
Non-current				<u>4,500,000</u>
Total				<u><u>\$ 9,000,000</u></u>

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	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>

1. Unsecured bond-2019 first domestic bond issue

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

1) Issue amount

TWD 4,800,000 thousand. There are two series of bonds categorized by the terms, with series A amounting to TWD 1,500,000 thousand and series B amounting to TWD 3,300,000 thousand.

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

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

4) Issued price: at par value

5) Nominal interest rate

1) Series A: 0.95%

2) Series B: 1.05%

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

7) Redemption on the maturity date

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

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

9) Trustee

The trustee is Taipei Fubon Commercial Bank Co., 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

Taipei Fubon Commercial Bank Co., Ltd., Shima 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.

2. 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%

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Taipei Fubon Commercial Bank Co., 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

Taipei Fubon Commercial Bank Co., Ltd., Shima 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.

3. 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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Taipei Fubon Commercial Bank Co., 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

Taipei Fubon Commercial Bank Co., Ltd., Shima 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:

	2023.12.31	2022.12.31
Current	\$ <u>5,269,542</u>	<u>9,595,321</u>
Non-current	\$ <u>4,560,695</u>	<u>8,811,049</u>

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

As of December 31, 2023 and 2022, the Group's lease liabilities recognized as current financial liabilities for hedging were \$152,727 thousand and \$628,486 thousand; non-current financial liabilities for hedging were \$477,627 thousand and \$1,370,731 thousand; current lease liabilities were \$5,116,815 thousand and \$8,966,835 thousand; non-current lease liabilities were \$4,083,068 thousand and \$7,440,318 thousand, respectively.

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	\$ <u>451,443</u>	<u>509,964</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>11,183</u>	<u>9,775</u>
Expenses relating to short-term leases	\$ <u>351,255</u>	<u>4,000,367</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>1,823</u>	<u>509,649</u>

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	<u>2023</u>	<u>2022</u>
Total cash outflow for leases	\$ <u>9,074,391</u>	<u>17,901,987</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 3 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 2 to 3.5 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 12 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.

(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:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Present value of defined benefit obligation	\$ 1,259,735	1,260,813
Fair value of plan assets	<u>(886,068)</u>	<u>(855,422)</u>
Recognized liabilities for defined benefit obligations	<u>\$ 373,667</u>	<u>405,391</u>

The Group'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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 \$886,068 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:

	2023	2022
Defined benefit obligation at January 1	\$ 1,260,813	1,414,464
Current service costs and interest cost	64,486	59,548
Remeasurement on the net defined benefit liability		
— Actuarial loss (gain) arising from changes in financial assumptions	75,400	(129,973)
Benefit paid	(140,964)	(83,226)
Defined benefit obligation at December 31	<u>\$ 1,259,735</u>	<u>1,260,813</u>

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:

	2023	2022
Fair value of plan assets at January 1	\$ 855,422	776,085
Interest income	12,929	4,089
Remeasurement on the net defined benefit liability		
— Return on plan assets (excluding current interest)	5,088	59,171
Contribution paid by employer	64,489	65,954
Benefit paid	(51,860)	(49,877)
Fair value of plan assets at December 31	<u>\$ 886,068</u>	<u>855,422</u>

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4) Expenses recognized in profit or loss

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

	2023	2022
Current service costs	\$ 46,658	52,553
Net interest of net liabilities (assets) for defined benefit obligation	4,899	2,906
	<u>\$ 51,557</u>	<u>55,459</u>
Operating costs	\$ 51,939	54,141
Operating expenses	(382)	1,318
	<u>\$ 51,557</u>	<u>55,459</u>

5) Actuarial assumptions

The following are the Group's principal actuarial assumptions:

	2023	2022
Discount rate	1.31 %	1.48 %
Future salary increase rate	3.00 %	3.00 %

The Group will pay to the defined benefit plans which amounted to \$63,815 thousand within 1 year after the report day of 2023.

The weighted-average lifetime of the defined plans is 1~18 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligation	
	Increased 0.50%	Decreased 0.50%
December 31, 2023		
Discount rate	\$ (58,037)	62,762
Future salary increasing rate	55,247	(51,772)
December 31, 2022		
Discount rate	(54,656)	58,778
Future salary increasing rate	51,468	(48,495)

The aforementioned sensitivity analysis is based on the effect of changes in a single assumption with all other assumptions held constant. Practically, changes in many assumptions may be linked. The method used in the sensitivity analysis is consistent with the calculation of net pension liability in the balance sheet.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

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 \$68,235 thousand and \$67,180 thousand for the years ended December 31, 2023 and 2022, respectively.

The foreign Group's pension cost under the local law were \$64,818 thousand and \$63,698 thousand for the years ended December 31, 2023 and 2022.

(s) Income taxes

1. Income tax expense

The amount of income tax was as follows:

	<u>2023</u>	<u>2022</u>
Current income tax expense:		
Current period	\$ 4,524,212	19,253,120
Adjustment for prior periods	<u>(43,265)</u>	<u>44,211</u>
	<u>4,480,947</u>	<u>19,297,331</u>
Deferred tax expense (benefit):		
Origination and reversal of temporary differences	<u>(1,192,259)</u>	<u>11,553,167</u>
Income tax expense	<u>\$ 3,288,688</u>	<u>30,850,498</u>

For the years ended December 31, 2023 and 2022, no income taxes were recognized in equity and other comprehensive income.

The amount of income tax recognized in other comprehensive income for 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	\$ <u>1,251</u>	<u>26,984</u>
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	\$ <u>(7,893)</u>	<u>14,547</u>

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The reconciliation of income tax and profit before tax for 2023 and 2022 was as follows:

	2023	2022
Profit excluding income tax	\$ (2,494,507)	123,979,379
Income tax using the Company's domestic tax rate	\$ (2,037,361)	39,425,178
Change in tax rate	(3,016)	(2,181)
Permanent difference	55,264	2,965,116
Tax-exempt income	1,792,030	(14,261,661)
Tax incentive	2,987	3,354
Recognition of previously unrecognized tax losses	(367)	(255)
Current-year losses for which unrecognized deferred tax asset was recognized	3,806	1,968
Change in unrecognized temporary difference	2,875	1,955
Under (Over) provision in prior periods	(43,265)	44,129
Additional tax on undistributed earnings Others	3,515,735	2,672,224
Others	-	671
Total	\$ 3,288,688	30,850,498

2. Deferred tax assets and liabilities

1) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

	Investment (loss) gain under the equity method	Deferred depreciation expense	Others	Total
Deferred Tax Liabilities:				
Balance at January 1, 2023	\$ 28,210,986	1,634,206	628,464	30,473,656
Debit (Credit) Income statement	(1,355,498)	207,875	(44,998)	(1,192,621)
Foreign currency translation difference for foreign operations	-	(474)	5	(469)
Balance at December 31, 2023	\$ 26,855,488	1,841,607	583,471	29,280,566
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	\$ 28,210,986	1,634,206	628,464	30,473,656

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Defined Benefit Plans	Others	Total
Deferred Tax Assets:			
Balance at January 1, 2023	\$ 26,454	40,319	66,773
(Debit) Credit Income statement	(9,641)	9,279	(362)
(Debit) Credit Other Comprehensive Income	(1,251)	7,893	6,642
Foreign currency translation difference for foreign operations	153	(155)	(2)
Balance at December 31, 2023	<u><u>\$ 15,715</u></u>	<u><u>57,336</u></u>	<u><u>73,051</u></u>
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><u>\$ 26,454</u></u>	<u><u>40,319</u></u>	<u><u>66,773</u></u>

3. Examination and Approval

The Company's income tax returns through 2021 were examined and approved by the tax authority.

(t) Capital and other equity

As of December 31, 2023 and 2022, the Company's authorized capital consisted both of 3,600,000 thousand shares, amounting to \$36,000,000 thousand, with par value of \$10 (New Taiwan dollars) per share. All of the issued shares were ordinary shares, consisting both of 2,806,146 thousand shares and the funds had been received.

The Company for the years ended December 31, 2023 and 2022 Reconciliation of outstanding shares:

	Ordinary shares	
(in thousands)	2023	2022
Balance at January 1, 2023	2,806,146	2,440,127
Share dividends	-	366,019
Balance at December 31, 2023	<u><u>2,806,146</u></u>	<u><u>2,806,146</u></u>

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Capital surplus

The balance of capital surplus was as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
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>\$ 1,271,775</u>	<u>1,271,775</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 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.

An equal portion of the cumulative changes in the net deduction of other shareholder's equity shall be allocated as special reserve from the undistributed prior period earning. If the special reserve is still insufficient, a portion of the after tax net profit in the period, plus items other than after tax net profit in the period, that are included in the undistributed current period earning, will be allocated as special reserve.

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

WAN HAI LINES LTD. AND SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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 2022 and 2021 annual earning in 2023 and 2022, 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 2022 and 2021 was decided by the general meeting of shareholders held on May 30, 2023 and May 26, 2022, respectively. The relevant dividend distribution to shareholders was as follows:

	2022		2021	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 5.00	14,030,731	10.50	25,621,336
Shares	-	-	1.50	3,660,191
Total		<u>\$ 14,030,731</u>		<u>29,281,527</u>

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 comprehensiv e income	Gains (losses) on hedging instrument	NCI
Balance at January 1, 2023	\$ 9,636,366	171,052	(61,773)	368,132
Net profit (loss)	-	-	-	13,218
Foreign currency translation differences	(63,847)	-	-	1,761
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	265,072	-	-
Cumulative gains (losses) reclassified to profit or loss on disposal of investments in debt instrument at fair value through other comprehensive income	-	(1,017)	-	-
Gains (losses) from changes in the fair value of the hedging instrument:				
-Exchange rate risk for anticipated transactions	-	-	53,099	-
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	-	-	40,932	-
NCI increase from subsidiaries	-	-	-	1,371
Cash dividends from subsidiaries paid to non- controlling interest	-	-	-	(18,882)
Balance at December 31, 2023	<u>\$ 9,572,519</u>	<u>435,107</u>	<u>32,258</u>	<u>365,600</u>
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>

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(u) Earnings per share

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

	<u>2023</u>	<u>2022</u>
Basic earnings per share		
Profit attributable to common shareholders	\$ <u>(5,796,413)</u>	<u>93,072,097</u>
Weighted-average number of common shares (retrospective adjustments)	<u>2,806,146</u>	<u>2,806,146</u>
Basic earnings per share (In Dollars of New Taiwan Dollars)	\$ <u>(2.07)</u>	<u>33.17</u>
Diluted earnings per share		
Profit attributable to common shareholders (adjusted for the effects of all dilutive potential common shares)	\$ <u>(5,796,413)</u>	<u>93,072,097</u>
Weighted-average number of common shares (Basic) (retrospective adjustments)	2,806,146	2,806,146
Effects of employee stock compensation	-	10,163
Weighted average number of common shares (adjusted for the effects of all dilutive potential common shares)	<u>2,806,146</u>	<u>2,816,309</u>
Diluted earnings per share (In Dollars of New Taiwan Dollars)	\$ <u>(2.07)</u>	<u>33.05</u>

Due to the net loss for the year ended December 31, 2023, the effect of employee stock compensation was antidilutive and do not included in the calculation of diluted earnings per share.

(v) Revenue from contracts with customers

1. Disaggregation of revenue

	<u>2023</u>	<u>2022</u>
Primary geographical markets:		
Asia	\$ 45,339,546	76,002,756
the Middle East, India, Red Sea	21,106,340	37,755,372
United States, South America	<u>33,774,154</u>	<u>145,195,043</u>
	<u>\$ 100,220,040</u>	<u>258,953,171</u>
Main service line:		
Freight	\$ 98,733,820	254,476,947
Rentals	6,974	1,959,101
WHL terminal	878,034	852,764
Other service	<u>601,212</u>	<u>1,664,359</u>
	<u>\$ 100,220,040</u>	<u>258,953,171</u>

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Contract balances

	2023.12.31	2022.12.31	2022.1.1
Notes receivable	\$ 36,278	42,478	72,604
Accounts receivable	3,571,368	4,838,838	7,358,681
Less: allowance for doubtful receivables	(1,683)	(1,683)	(1,683)
Total	<u>\$ 3,605,963</u>	<u>4,879,633</u>	<u>7,429,602</u>
Contract assets	<u>\$ 1,293,917</u>	<u>1,983,098</u>	<u>7,835,522</u>
Contract liabilities (recognized as other current liabilities)	<u>\$ 383,868</u>	<u>625,808</u>	<u>305,976</u>

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

The amounts of revenue recognized for the years ended December 31, 2023 and 2022 that were included in the contract liability balance at the beginning of the periods were \$264,757 thousand and \$243,895 thousand, respectively.

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.

Due to the net loss for year ended December 31, 2023, the Company did not estimate the amount of the remunerations to employees and directors. For the years ended December 31, 2022, the Company estimated its employee remuneration amounting to \$744,674 and directors' remuneration amounting to \$124,112. 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. 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.

(x) Other gain and losses

	2023	2022
Gains on disposals of property and equipment	<u>\$ 1,796,360</u>	<u>105,731</u>

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(y) Non-operating income and expenses

1. Interest income

The details of interest income were as follows:

	2023	2022
Interest income from bank deposits	\$ 5,987,678	2,350,060
Interest income from financial assets measured at fair value through other comprehensive income	3,621	-
Other interest income	326	311
	\$ 5,991,625	2,350,371

2. Other revenue

The details of other revenue were as follows:

	2023	2022
Dividend revenue	\$ 370,284	402,107
Other revenue	574	1,462
	\$ 370,858	403,569

3. Other gains and losses

The details of other gains and losses for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Foreign exchange gains	\$ 239,713	4,908,819
Impairment losses on non financial assets	(2,602,404)	-
Gain (loss) on financial assets at fair value through profit or loss	1,016,494	(687,672)
Gain on disposal of investments in debt instrument at fair value through other comprehensive income	1,017	-
Other gains (losses)	276,264	252,123
	\$ (1,068,916)	4,473,270

4. Finance costs

The details of finance costs for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Interest expense:		
Bank loans	\$ 1,224,634	825,305
Bonds payable	91,940	114,003
Commercial paper	89,837	42,758
Lease liabilities	451,443	509,964
	\$ 1,857,854	1,492,030

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(z) Reclassification adjustments of components of other comprehensive income

The details of reclassification of adjustments of components of other comprehensive income for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Debt instruments at fair value through other comprehensive income		
Net change in fair value	\$ 7,066	-
Net change in fair value reclassified to profit or loss	(1,017)	-
Net change in fair value recognized in other comprehensive income	<u>\$ 6,049</u>	<u>-</u>

(aa) 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 and debt securities

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.

Debt investments at fair value through other comprehensive income include government bonds, listed and unlisted debt securities.

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. There are no significant expected losses on other receivables, debt investments measured at fair value through other comprehensive income and the financial assets at amortized cost by assessment. Therefore, the Group did not recognize allowance loss.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2023							
Non-derivative financial liabilities							
Secured bank loans	\$ 24,651,707	29,822,416	1,504,355	1,488,820	2,923,627	8,362,462	15,543,152
Unsecured bank loans	22,130,000	22,842,705	1,786,301	2,021,140	11,635,925	7,399,339	-
Commercial paper	9,987,735	10,273,413	57,696	64,857	3,109,911	7,040,949	-
Account payables (including related parties)	9,463,110	9,463,110	9,463,110	-	-	-	-
Other payables	3,477,904	3,477,904	3,477,904	-	-	-	-
Payables to agents	54,911	54,911	54,911	-	-	-	-
Bonds payable	9,000,000	9,158,990	3,334,650	1,257,290	2,545,650	2,021,400	-
Lease liabilities (partial recognized as financial liabilities for hedging)	9,830,237	10,392,617	3,000,647	2,350,518	2,246,564	1,746,145	1,048,743
Guarantee deposits received (recognized as other current liabilities and non-current guarantee deposits received)	1,769,674	1,769,674	1,769,674	-	-	-	-
	<u>\$ 90,365,278</u>	<u>97,255,740</u>	<u>24,449,248</u>	<u>7,182,625</u>	<u>22,461,677</u>	<u>26,570,295</u>	<u>16,591,895</u>
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 other 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>

The Group did not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	2023.12.31	
			Foreign currency (in thousands)	Carrying amount (in thoudands of TWD)
<u>Financial assets</u>				
<u>Monetary items</u>				
TWD	30.71	USD	\$ 1,934,160	59,388,392
CNY	7.10	USD	32,838	1,008,277
HKD	7.81	USD	23,389	718,168
TWD	0.22	JPY	15,639,947	3,395,253
TWD	4.33	CNY	201,103	870,288
HKD	0.91	CNY	257,397	1,113,906
TWD	0.37	INR	698,223	257,773
TWD	0.90	THB	273,205	244,927
<u>Non-monetary items</u>				
USD	0.00004	VND	554,484,000	702,080
<u>Financial liabilities</u>				
<u>Monetary items</u>				
TWD	0.22	JPY	5,712,466	1,240,111
USD	0.01	JPY	23,126,404	5,020,477
TWD	30.71	USD	100,013	3,070,898
CNY	7.10	USD	16,853	517,465
TWD	4.33	CNY	185,001	800,605
HKD	0.91	CNY	227,850	986,038
TWD	3.93	HKD	110,825	435,531

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

			2022.12.31	
Functional currency	Exchange rate	Foreign currency	Foreign currency (in thousands)	Carrying amount (in thoudands 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

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, 2023 and 2022, would have increased (decreased) the net profit before tax by \$550,037 thousand and \$587,023 thousand, respectively; the cash flow hedge would have increased (decreased) the equity by \$6,304 thousand and \$19,992 thousand, respectively. This analysis assumes that all other variables remain constant, and is performed on the same basis for the years ended December 31, 2023 and 2022.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2023 and 2022, foreign exchange gains (including realized and unrealized portions) amounted to \$239,713 thousand and \$4,908,819 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 \$418,875 thousand and \$378,196 thousand, respectively, for the years ended December 31, 2023 and 2022 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,			
	2023		2022	
	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%	\$ 46,203	56,875	43,131	51,154
Decreasing 1%	(46,203)	(56,875)	(43,131)	(51,154)

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:

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	December 31, 2023				
	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	\$ 7,109,410	7,109,410	-	-	7,109,410
Subtotal	7,109,410	7,109,410	-	-	7,109,410
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	3,918,230	3,918,230	-	-	3,918,230
Foreign listed stocks	702,080	702,080	-	-	702,080
Unquoted equity instrument measured at fair value	527,170	-	-	527,170	527,170
Corporate bonds	733,536	-	733,536	-	733,536
Subtotal	5,881,016	4,620,310	733,536	527,170	5,881,016
Financial assets at amortized cost					
Cash and cash equivalents	119,639,666	-	-	-	-
Notes receivable	36,278	-	-	-	-
Accounts receivable	3,569,685	-	-	-	-
Other receivables	1,794,496	-	-	-	-
Receivables from agents	705,001	-	-	-	-
Guarantee deposits paid (recognized as other current assets and other non-current assets)	356,943	-	-	-	-
Subtotal	126,102,069	-	-	-	-
Total	\$ 139,092,495	11,729,720	733,536	527,170	12,990,426
Financial liabilities measured at amortized cost					
Accounts payable	\$ 9,463,110	-	-	-	-
Other payables	3,477,904	-	-	-	-
Lease liabilities (including financial liabilities for hedging)	9,830,237	-	-	-	-
Payables to agents	54,911	-	-	-	-
Bonds payable (including current portion)	9,000,000	-	-	-	-
Long-term borrowings (including current portion)	56,769,442	-	-	-	-
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	1,769,674	-	-	-	-
Total	\$ 90,365,278	-	-	-	-

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	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	-	-	-	-
Financial assets at amortized cost-current	70,790	-	-	-	-
Notes receivable	42,478	-	-	-	-
Accounts receivable	4,837,155	-	-	-	-
Other receivables	1,252,991	-	-	-	-
Receivable 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>
Financial liabilities at amortized cost					
Accounts payable	\$ 12,269,193	-	-	-	-
Other payables	5,028,694	-	-	-	-
Lease liabilities (including financial liabilities for hedging)	18,406,370	-	-	-	-
Payable 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	<u>\$ 93,456,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2) Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

If quoted prices in active markets are available, the prices are established as fair values. Market prices published by major stock exchange and OTC market, where high volume of central government bonds are traded, are the foundation of fair value of debt instruments with quoted market price in an active market and listed equity instruments.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high-ask spreads is an indication of non-active market.

If the Groups' financial instruments have an active market, wherein their fair values are determined as follows:

Domestic listed stocks and emerging stocks are the financial assets with standard terms and conditions and traded in active markets, which fair values are determined by reference to the quoted market prices.

In addition to the financial instruments with active markets mentioned above, other measurements of fair value of financial instruments without an active market are based on quoted market price provided by third-party institutions' valuation technique or quoted price with reference to counterparties. Fair value obtained by using valuation techniques can be calculated by reference to other similar financial instruments or discounted cash flow method or other valuation techniques, including using models based on market information available at the consolidated balance sheet date.

If the Groups' financial instruments do not have an active market, wherein their fair values are determined as follows:

Debt instrument:

The Company estimates the fair values by using the open quoted market price provided by third-party institutions.

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- 3) For the years ended December 31, 2023 and 2022, there were no transferring of fair value hierarchy.
- 4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Opening balance, January 1, 2023	\$ 565,589
Total gains and losses recognized:	
In other comprehensive income	(38,419)
Ending balance, December 31, 2023	\$ 527,170
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

For the years ended December 31, 2023 and 2022, 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:

	2023	2022
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”	\$ (38,419)	86,284

- 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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2023 and 2022) · Price-to-book ratio (0.68 and 0.77 on December 31, 2023 and 2022, respectively) · EBITDA multiplier (10.49 and 8.22 on December 31, 2023 and 2022, respectively)	The estimated fair value would increase (decrease) if: · the liquidity-adjusted discount rate were lower (higher). · the price-to-book ratio were higher (lower). · the EBITDA multiplier were higher (lower).

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurements in financial instruments fair values are reasonable, but if the Group uses different valuation models or variables, the measurements may vary.

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

	<u>Input</u>	<u>Positive and negative changes</u>	<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Unlisted equity investment	Discount rate	1%	\$ 7,322	(7,322)
Unlisted equity investment	Price-to-book ratio multiplier	1%	5,122	(5,122)
Unlisted equity investment	EBITDA multiplier	1%	130	(130)
			<u>\$ 12,574</u>	<u>(12,574)</u>
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>

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ab) 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.

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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 \$16,205,872 thousand and \$23,271,486 thousand, as of December 31, 2023 and 2022.

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 36.31% 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.

(ac) 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:

	2023.12.31	2022.12.31
Total liabilities	\$ 126,212,097	139,132,224
Less: Cash and cash equivalents	(119,639,666)	(171,752,195)
Net debt	\$ 6,572,431	(32,619,971)
Total equity	\$ 206,364,074	225,971,074
Less: Hedging reserve	(32,258)	61,773
Adjusted equity	\$ 206,331,816	226,032,847
Debt-to-equity ratio	3.19 %	(14.43)%

(ad) 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, 2023 and 2022 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:

	2023.1.1	Cash flows	Non-cash changes		2023.12.31
			Others	Foreign exchange movement	
Long-term borrowings	\$ 47,249,777	11,106,898	-	(1,587,233)	56,769,442
Bonds payable	9,000,000	-	-	-	9,000,000
Lease liabilities (partial recognized as financial liabilities for hedging)	18,406,370	(8,258,687)	(317,446)	-	9,830,237
Total liabilities from financing activities	\$ 74,656,147	2,848,211	(317,446)	(1,587,233)	75,599,679

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

			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>

(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 that the Group is a joint venturer under the joint agreement
PHUC XUAN MARITIME SERVICE CO., LTD. (Phuc Xuan)	Joint venture that the Group is a joint venturer under the joint agreement
TRANSTOTAL AGENCIA MARITIMA S.A. (TAM S.A.)	Related party in substance
Wan Hai Lines (Japan), Ltd. (WHL Japan)	Same director with the Group
Wan Hai Lines (UAE) LLC. (WHL UAE)	An associate
PT. SINERGI BAHTERA MITRA (SBM)	Joint venture that the Group is a joint venturer under the joint agreement
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

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of related party	Relationship with the Company
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 that the Group is a joint venturer under the joint agreement
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
JI CHUN STEVEDORE CORP.	Related party in substance

(b) Significant transactions with related parties

1. Sales to related parties:

	2023	2022
Other related parties	\$ 1,990,472	3,549,718
Joint venture	38,972	23,503
	<u>\$ 2,029,444</u>	<u>3,573,221</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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Consideration for services related to the entity:

	2023	2022
Associate	\$ 373,586	575,373
Joint venture	7,046	3,757
Other related parties	3,717,111	5,360,884
	\$ 4,097,743	5,940,014

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	2023.12.31	2022.12.31
Accounts receivable	Other related parties	\$ 28,059	239,197
Other receivables	Other related parties	29,076	4,465
Receivables from agents	Other related parties — WHL Japan	412,423	833,926
Other current assets	Other related parties	4,358	4,752

4. Payables to related parties and other liabilities

Payables of the Group to related parties were as follows:

Item	Related party categories	2023.12.31	2022.12.31
Accounts payable	Other related parties	\$ 296,326	278,665
Accounts payable	Joint venture	6,397	5,712
Other payables	Other related parties	7,244	6,272
Payables to agents	Associate	1,847	7,508
Other current liabilities	Other related parties	18,506	22

5. Property transactions

1) Disposal of property, plant and equipment

The sales of property, plant and equipment to related parties are summarized as follows:

	2023		2022	
Related party categories	Disposal price	Gain from disposal	Disposal price	Gain from disposal
Other related parties	\$ 227,115	102,094	-	-

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Other related-party transactions

For the years ended December 31, 2023 and 2022, the Group received payments of claims from other related parties amounting to \$1,256 thousand and \$3,639 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Group paid \$1,581 thousand and \$61 thousand, respectively, in claims to other related parties.

For the year ended December 31, 2023, the Group sold fuel inventory to other related parties, amounting to \$20,519 thousand.

For the years ended December 31, 2023 and 2022, the Group received payments of manpower support service, etc. from other related parties amounting to \$21,317 thousand and \$19,200 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Group received payments of manpower support service from associate amounting to \$1,785 thousand and \$1,750 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Group received the payments of rent revenue from other related parties amounting to \$648 thousand and \$620 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Group's miscellaneous purchases from other related parties amounted to \$40,446 thousand and \$27,171 thousand, respectively.

7. 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, 2023 and 2022, the Group recognized the amount of \$416 thousand and \$447 thousand as interest expense, respectively. As of December 31, 2023 and 2022, the balance of lease liabilities amounted to \$9,518 thousand and \$10,431 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, 2023 and 2022, the Group recognized the amount of \$867 thousand and \$1,009 thousand as interest expense, respectively. As of December 31, 2023 and 2022, the balance of lease liabilities amounted to \$39,475 thousand and \$46,384, respectively.

(c) Key management personnel remuneration

Key management personnel remuneration comprised:

	2023	2022
Short-term employee benefits	\$ 39,717	206,671
Post-employment benefits	249	227
	<u>\$ 39,966</u>	<u>206,898</u>

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(8) Pledged Assets

The carrying values of pledged assets were as follows:

Assets	Objective	2023.12.31	2022.12.31
Time deposits (recognized in other current assets)	Registration of container storage and truck lease contract	\$ 5,974	5,921
Time deposits (recognized in other non-current assets)	Refundable deposits of harbor bureau and lease contract for wharf	142,505	142,505
Guarantee deposit paid (recognized in other non-current assets)	Lease contract for wharf, building lease contract and lawsuit	208,464	222,189
Containers (recognized in Property, plant and equipment)	Long-term loans	-	16,009,271
Vessel equipment (recognized in Property, plant and equipment)	Long-term loans	25,644,793	25,395,776
Land and Buildings (recognized in Property, plant and equipment)	Long-term loans	2,175,451	2,188,048
Land and Buildings (recognized in investment property)	Long-term loans	2,877,814	2,897,544
		<u>\$ 31,055,001</u>	<u>46,861,254</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, 2023, the lease deposit amounting to JPY 255,775,000 (approximately TWD 55,526 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 January 2024 to December 2043, for a total of twenty-year lease term, and \$6,149,996 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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

(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 May 31, 2023, all ships have 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, 2023, all ships have been transferred.

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, 2023, the Group has prepaid the amount of \$2,910,834 thousand as prepayments for equipment and 6 ships have 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, 2023, the Group has prepaid \$3,212,790 thousand as prepayments for equipment and 4 ships has been transferred.

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, 2023, the Group has prepaid \$8,093,838 thousand as prepayments for equipment.

(c) Vessel purchase contract

For the year ended December 31, 2022, the Group signed a contract to purchase 8 second-hand container ships at a total price of USD 462,500 thousand (approximately TWD 14,210,313 thousand). As of December 31, 2023, all ships have been transferred.

(d) As of December 31, 2023, the total amount claimed for damages to the Group is approximately TWD 180,387 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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(12) Others

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

By item	By function	2023			2022		
		Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits							
Salary		4,978,222	2,609,077	7,587,299	4,789,933	4,270,280	9,060,213
Labor and health insurance		32,066	368,118	400,184	32,436	327,280	359,716
Pension		69,408	115,202	184,610	72,524	113,813	186,337
Remuneration of directors		-	12,458	12,458	-	144,869	144,869
Others employee benefits		374,260	90,461	464,721	250,506	119,751	370,257
Depreciation		17,734,216	399,158	18,133,374	20,944,964	355,340	21,300,304
Amortization		19,675	11,728	31,403	34,386	17,303	51,689

(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, 2023:

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 (Note 6)	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	3,070,500	3,070,500	-	-	Note 1	-	Note 4	-	Promissory note	3,070,500	82,399,390	82,399,390
0	The Company	WHL Liberia	Other receivables related	Yes	6,886,000	3,377,550	2,486,655	5.43-6.30%	Note 1	-	Note 3	-	Promissory note	3,377,550	82,399,390	82,399,390
1	WHL Singapore	Yi Chun	Other receivables related	Yes	64,870	61,410	19,958	6.05-6.90%	Note 1	-	Note 4	-	Promissory note	61,410	64,302,264	64,302,264

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	411,996,948	66,930,360	47,575,097	40,531,008	-	23.09 %	411,996,948	Y	N	N
1	WHL Singapore	The Company	3	321,511,318	3,000,000	2,925,000	2,925,000	2,925,000	1.82 %	321,511,318	N	Y	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.

3. Securities held as of December 31, 2023 (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	<u>Domestic listed stocks:</u> GREATWALL ENTERPRISE CO., LTD.	-	Financial assets at fair value through profit or loss-current	13,462,880	787,578	1.50 %	787,578	1.56 %	
"	Formosa Plastics Corporation	-	"	376,288	29,802	0.01 %	29,802	0.01 %	
"	Formosa Chemicals & Fibre Corporation	-	"	245,480	15,293	- %	15,293	- %	
"	Tainan Spinning Co., Ltd.	-	"	12,124,898	191,573	0.73 %	191,573	0.73 %	
"	TAIYEN BIOTECH CO., LTD	-	"	1,108,000	37,894	0.55 %	37,894	0.55 %	

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	China Steel Corporation	-	Financial assets at fair value through profit or loss-current	2,291,162	61,861	0.01 %	61,861	0.01 %	
"	Delta Electronics, Inc.	-	"	4,484,000	1,405,734	0.17 %	1,405,734	0.19 %	
"	Taiwan Semiconductor Manufacturing Co., Ltd	-	"	1,401,000	830,793	0.01 %	830,793	0.01 %	
"	Transcend Information, Inc.	-	"	89,111	7,182	0.02 %	7,182	0.02 %	
"	Amtran Technology Co., Ltd.	-	"	920,611	11,968	0.12 %	11,968	0.13 %	
"	Yang Ming Marine Transport Corp.	-	"	687,526	35,270	0.02 %	35,270	0.03 %	
"	China Airlines Ltd.	-	"	25,003,862	541,334	0.41 %	541,334	0.46 %	
"	Chinese Maritime Transport Ltd.	-	"	435,050	22,101	0.22 %	22,101	0.22 %	
"	Mega Financial Holding Co., Ltd.	-	"	20,555,148	805,762	0.15 %	805,762	0.15 %	
"	Taishin Financial Holding Co., Ltd.	-	"	16,847,780	304,945	0.14 %	304,945	0.15 %	
"	First Financial Holding Co., Ltd.	-	"	20,458,552	560,564	0.15 %	560,564	0.15 %	
"	The Eslite Spectrum Corporation	-	"	1,078,000	69,962	2.27 %	69,962	2.27 %	
"	Shih Wei Navigation Co., Ltd.	-	"	775,888	15,945	0.20 %	15,945	0.21 %	
"	Taiwan Cooperative Financial Holding Co., Ltd.	-	"	35,079,588	936,625	0.24 %	936,625	0.24 %	
"	Taiwan Secom Co., Ltd.	-	"	3,620,000	423,540	0.80 %	423,540	0.80 %	
"	TIGERAIR TAIWAN CO., LTD.	-	"	407,249	13,684	0.09 %	13,684	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	10,710,088	615,830	4.12 %	615,830	4.12 %	
"	Chunghwa Telecom Co., Ltd.	-	"	27,520,000	3,302,400	0.35 %	3,302,400	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	512,199	15.25 %	512,199	15.25 %	
"	United Stevedoring Corporation	-	"	781,250	14,971	15.63 %	14,971	15.63 %	

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	Corporate bonds:								
	Bank of America Corp.	-	Financial assets at fair value through other comprehensive income-non-current	-	398,419	-	398,419	-	
	Standard Chartered PLC	-	"	-	120,201	-	120,201	-	
	JP Morgan Chase & Co.	-	"	-	30,419	-	30,419	-	
	Mitsubishi UFJ Financial Group, Inc.,	-	"	-	30,858	-	30,858	-	
	Citibank N.A.	-	"	-	31,774	-	31,774	-	
	Mizuho Financial Group	-	"	-	31,316	-	31,316	-	
WHL Singapore	Wells Fargo & Company	-	"	-	90,549	-	90,549	-	
	Foreign listed stocks:								
	Da Nang Port Joint Stock Company	-	Financial assets at fair value through other comprehensive income-non-current	20,090,000	702,080	20.29 %	702,080	20.29 %	

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: None.
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	826,100	1.42 %	30 days	-	-	(9)	-	%
The Company	Tan Cang-Cai Mep International Terminal Co., Ltd.	Associate	Terminal handling charges, container fee, charges for port of call	229,025	0.39 %	30 days	-	-	-	-	%

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED 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)	
The Company	HAI PHONG	Associate	Terminal handling charges, container fee, charges for port of call	124,938	0.21 %	30 days	-	-	-	- %	
The Company	WHL Singapore	Subsidiary	Charter hire income, container rental revenue, commission revenue, shipping agent revenue, joint venture revenue	(5,644,276)	9.53 %	30 days	-	-	122,304	2.99 %	Note 2
The Company	WHL Singapore	Subsidiary	Charter hire cost, oil expense, joint venture cost	10,174,349	17.44 %	30 days	-	-	-	- %	Note 2
The Company	WHL Hongkong	Subsidiary	Commission fee	1,434,824	2.46 %	30 days	-	-	(290,739)	5.36 %	Note 2
The Company	WHL Malaysia	Subsidiary	Commission fee	134,604	0.23 %	30 days	-	-	-	- %	Note 2
The Company	TK Logistics International Co., Ltd.	Subsidiary	Container fee, labor fee, terminal handling charge	107,599	0.18 %	30 days	-	-	(1,828)	0.03 %	Note 2
The Company	WHL-India	Subsidiary	Commission fee	152,266	0.26 %	30 days	-	-	-	- %	Note 2
The Company	WHL Liberia	Subsidiary	Charter hire cost	963,687	1.65 %	30 days	-	-	(51,732)	0.95 %	Note 2
The Company	WHL (Japan)	Same director with the company	Commission fee	278,280	0.48 %	30 days	-	-	-	- %	
The Company	IAL Singapore	Related party in substance	Joint venture revenue, container rental revenue, shipping agent revenue, charter hire income	(1,042,241)	1.76 %	30 days	-	-	-	- %	
The Company	IAL Singapore	Related party in substance	Joint venture cost, container rental cost	756,601	1.30 %	30 days	-	-	(73,388)	13.35 %	
The Company	Interasia Lines Taiwan	Related party in substance	Loading and unloading revenue	(135,027)	0.23 %	30 days	-	-	25,128	0.61 %	
The Company	NSTC	Related party in substance	Tow charge	427,037	0.73 %	30 days	-	-	(43,805)	0.81 %	
The Company	APLI	Related party in substance	Container fee	334,355	0.57 %	30 days	-	-	(7,389)	0.13 %	
The Company	WCIC	Related party in substance	Turnkey fee, Loading and unloading fee	173,071	0.30 %	30 days	-	-	(13,165)	0.24 %	
The Company	NSaTC	Related party in substance	Tow charge, container fee	119,205	0.20 %	30 days	-	-	(10,542)	0.19 %	
The Company	New World Container services Corporation	Related party in substance	Container fee	130,854	0.22 %	30 days	-	-	(11,621)	0.21 %	

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED 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)	
The Company	Johnson Checker	Related party in substance	Tallying fee	143,059	0.25 %	30 days	-	-	(11,532)	0.21 %	
WHL Singapore	The Company	Subsidiary	Charter hire cost, container rental expense, commission fee, shipping agent expense, joint venture cost	5,644,244	8.98 %	30 days	-	-	(122,304)	2.72 %	Note 2
WHL Singapore	The Company	Subsidiary	Oil revenue, charter hire income, joint venture cost	(10,363,010)	18.94 %	30 days	-	-	-	- %	Note 2
WHL Hongkong	The Company	Subsidiary	Commission income	(1,434,824)	92.02 %	30 days	-	-	290,739	18.07 %	Note 2
WHL Malaysia	The Company	Subsidiary	Commission income	(134,604)	99.90 %	30 days	-	-	-	- %	Note 2
TK Logistics International Co., Ltd.	The Company	Subsidiary	Container revenue, service revenue, terminal handling revenue	(107,599)	43.37 %	30 days	-	-	1,828	8.19 %	Note 2
WHL Liberia	The Company	Subsidiary	Charter hire income	(984,961)	99.07 %	30 days	-	-	51,732	100.00 %	Note 2
WHL India	The Company	Subsidiary	Commission income	(152,266)	100.00 %	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	611,957	- %	-	-	611,957	-
The Company (Note 2)	WHL-USA	Subsidiary	211,791	- %	-	-	148,856	-
The Company (Note 2)	WHL (Japan)	Same director with the Company	412,423	- %	-	-	313,011	-
The Company (Note 2)	WHL India	Subsidiary	228,192	- %	-	-	228,192	-
The Company (Note 2)	WHL Singapore	Subsidiary	122,304	- %	-	-	82,480	-
The Company (Note 3)	WHL Singapore	Subsidiary	493,680	- %	-	-	493,680	-
The Company (Note 3)	WHL Liberia	Subsidiary	2,520,276	- %	-	-	28,906	-
WHL Hongkong (Note 2)	The Company	Subsidiary	290,739	- %	-	-	290,739	-
WHL Thailand (Note 2)	The Company	Subsidiary	151,820	- %	-	-	151,820	-
Bao Sheng Shipping Agency Co.,Ltd. (Note 2)	The Company	Subsidiary	140,959	- %	-	-	124,545	-

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.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. Derivative transactions: None.

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 2023			
				Account name	Amount	Terms of trading	Percentage of the total consolidated revenue or total assets
0	The Company	WHL-Hongkong	1	Commission fee	1,434,824	No significant differences	1.43 %
0	The Company	WHL-Singapore	1	Rent income, commission, revenue, shipping agent revenue, joint venture revenue	(5,644,276)	No significant differences	5.63 %
0	The Company	WHL-Singapore	1	Vessel rental expense, oil expense	10,174,349	No significant differences	10.15 %

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, 2023, 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 %	156,075,580	100.00 %	(9,850,945)	(6,492,595)	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 %	21,947	100.00 %	38	38	Subsidiary (Note 3)
"	Tan Cang-Cai Mep International Terminal Co., Ltd.	Vietnam	Managing wharf and containers	259,917	259,917	-	21.33 %	366,230	21.33 %	391,841	83,580	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 %	156,439	55.00 %	12,809	7,129	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 %	41,308	70.01 %	6,125	4,288	Subsidiary (Note 3)
"	Hai Phong International Container Terminal Co., Ltd.	Vietnam	Managing wharf and containers	598,211	598,211	-	16.50 %	774,565	16.50 %	1,200,741	198,122	Equity method (Note 1)
"	Dawin Logistics (International) Ltd.	Hong Kong	Managing container, storage and logistics services	850,746	850,746	144,640,000	100.00 %	920,292	100.00 %	66,143	66,143	Subsidiary (Note 3 - 4)
"	Wan Hai Lines (H.K.) Limited	Hong Kong	Transportation and shipping agency services	1,259,282	1,259,282	160,000,000	100.00 %	392,603	100.00 %	170,322	283,968	Subsidiary (Note 2 - 3 - 5)

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 (Liberia) Ltd.	Liberia	Vessel rental service	1,222,000	1,222,000	500	100.00 %	968,904	100.00 %	(362,141)	(425,693)	Subsidiary (Note 2 · 3)
"	PT. SINERGI BAHTERA MITRA	Indonesia	Managing container terminals and all business and activities that are not prohibited or restricted by law, except those that are subject to special approval	25,592	-	48,000	50.00 %	24,605	50.00 %	2,500	1,250	Equity method
WHL Singapore	Wan Hai Lines (Phils.) Inc.	Philippines	Transportation and shipping agency services	5,991	5,991	901,540	100.00 %	11,942	100.00 %	(2,106)	(2,106)	Indirect subsidiary (Note 3)
"	Wan Hai Lines (M) Sdn. Bhd	Malaysia	Transportation and shipping agency services	4,613	4,613	500,000	100.00 %	88,118	100.00 %	10,275	10,275	Indirect subsidiary (Note 3)
"	Yi Chun Shipping Agencies Sdn. Bhd	Malaysia	ODD operations	1,845	1,845	200,000	100.00 %	18,057	100.00 %	(3,839)	(3,839)	Indirect subsidiary (Note 3)
"	Wan Hai Lines (Korea) Ltd.	Korea	Transportation and shipping agency services	11,019	11,019	80,000	100.00 %	30,492	100.00 %	(8,809)	(8,809)	Indirect subsidiary (Note 3)
"	Wan Hai International Pte. Ltd.	Singapore	Transportation and shipping agency services	239,979	239,979	10,312,460	100.00 %	794,415	100.00 %	46,458	46,458	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 %	(2,456)	(2,456)	Indirect subsidiary (Note 3)
"	WAN HAI (VIETNAM) LTD.	Vietnam	Transportation and shipping agency services	8,691	8,691	-	100.00 %	14,663	100.00 %	6,864	6,864	Indirect subsidiary (Note 1 · 3)
"	HE CHUN LOGISTICS CO., LTD	Vietnam	ODD operations	60,857	60,857	-	100.00 %	109,704	100.00 %	52,833	52,833	Indirect subsidiary (Note 1 · 3)
"	Wan Hai Lines Peru S.A.C.	Peru	Transportation and shipping agency services	1,942	1,942	297,099	99.00 %	66,111	99.00 %	592	586	Indirect subsidiary (Note 3)
"	WanHai Lines Ecuador S.A.	Ecuador	Transportation and shipping agency services	10,246	10,246	99,000	99.00 %	56,968	99.00 %	25,779	25,521	Indirect subsidiary (Note 3)
"	Bravely International Pte. Ltd.	Singapore	Transportation and investment	625,026	625,026	28,262,221	100.00 %	65,596	100.00 %	(5,212)	(5,212)	Indirect subsidiary (Note 3)
"	WAN HAI LINES (USA) LTD.	America	Transportation and shipping agency services	437,514	437,514	284,381	100.00 %	527,935	100.00 %	17,960	17,960	Indirect subsidiary (Note 3)
"	PHUC XUAN MARITIME SERVICE CO.,LTD.	Vietnam	Container yard business	9,186	9,186	-	49.00 %	39,881	49.00 %	65,313	32,003	Equity method (Note 1)
"	WAN HAI SHIPPING LIMITED	Myanmar	Transportation and shipping agency services	1,075	1,075	35,000	70.00 %	774	70.00 %	(57)	(40)	Indirect subsidiary (Note 3)
"	WAN HAI LINES MEXICO, S.A. DE C.V.	Mexico	Transportation and shipping agency services	5,484	-	3,196,288	80.00 %	32,203	80.00 %	31,986	25,588	Indirect subsidiary (Note 3)
WHL INTL.	WanHai Lines Ecuador S.A.	Ecuador	Transportation and shipping agency services	178	178	1,000	1.00 %	575	1.00 %	25,779	258	Indirect subsidiary (Note 3)
"	Wan Hai Lines (UAE) LLC.	Dubai	Transportation and shipping agency services	1,365	1,365	147	49.00 %	32,981	49.00 %	64,192	31,454	Equity method
"	Infinite Marine Investment Co., Ltd.	Cayman	Investment	173,463	173,463	5,550,000	100.00 %	5,416	100.00 %	(72)	(72)	Indirect subsidiary (Note 3)
"	Wan Hai Lines (India) PVT Ltd.	India	Transportation and shipping agency services	69	69	10,000	100.00 %	527,808	100.00 %	47,689	47,689	Indirect subsidiary (Note 3)

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

WAN HAI LINES LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 INTL.	Wan Hai Lines Peru S.A.C.	Peru	Transportation and shipping agency services	20	20	3,001	1.00 %	668	1.00 %	592	6	Indirect subsidiary (Note 3)
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 %	58,316	80.00 %	(5,766)	(4,612)	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 %	378,177	100.00 %	9,840	9,840	Indirect subsidiary (Note 1 - 3)
Wan Hai Lines (India) PVT Ltd.	WH LOGISTICS PRIVATE LIMITED	India	Management container, storage and logistic service	2,095	395	550,000	50.00 %	1,645	50.00 %	(529)	(264)	Equity method
HE CHUN	PHU HUNG MARITIME SERVICE COMPANY LIMITED	Vietnam	Container yard business	2,418	2,418	-	50.00 %	15,793	50.00 %	27,360	13,680	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)	-	-	-	-	(1,981)	100.00 %	100.00 %	(1,981)	21,517	-
Shenzhen Uniwin International Logistics Ltd.	Freight transportation and acting as agent for transport affairs	644,016	(1)	-	-	-	-	45,366	100.00 %	100.00 %	45,366	746,593	49,878
Clipper International Shipping Agency Ltd.	International shipping agency services	4,295	(1)	-	-	-	-	13,752	100.00 %	100.00 %	13,752	69,291	-
Blue Ocean Logistics (Shanghai) Ltd.	Containers, storage and international transportation services	32,596	(1)	-	-	-	-	4,395	100.00 %	100.00 %	4,395	120,331	-
Shenzhen Yong Chun International Shipping Management Co., Ltd.	International shipping management	29,068	(1)	-	-	-	-	3,897	90.00 %	90.00 %	3,507	36,242	-
Wan Hang Tours Co., Ltd.	General sales and entertainment project management	287,330	(1)	-	-	-	-	(14,314)	50.00 %	50.00 %	(7,157)	94,212	-
Qingdao port and Win International Logistics Co., Ltd.	Container yard station	50,188	(1)	-	-	-	-	39,340	50.00 %	50.00 %	19,670	49,938	12,079

Note 1: Indirectly invested in Mainland China through investees.

Note 2: The investment income (loss) recognized in current period was reviewed by the CPA of the Company.

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

WAN HAI LINES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	123,599,084

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, 2023, 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>2023</u>	<u>2022</u>
Revenue from external customers:		
Asia	\$ 45,339,546	76,002,756
the Middle East, India, Red sea	21,106,340	37,755,372
America, South America	33,774,154	145,195,043
Total	<u>\$ 100,220,040</u>	<u>258,953,171</u>
<u>By region</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Non-current assets:		
Asia	\$ 184,332,602	162,903,862
India	137,399	124,136
America	432,036	423,005
Total	<u>\$ 184,902,037</u>	<u>163,451,003</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 2023

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 balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

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)(u) "Revenue disclosures" of the financial statements.

How the matter was addressed in our audit

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

Our principal audit procedures included:

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

2. Impairment assessment of property, plant and equipment

Please refer to note (4)(i) “Subsidiaries” note (4)(l) “Property, plant and equipment”, note (4)(o) “Impairment of non-financial assets”, note (5)(b) “Impairment of property, plant and equipment”, note (6)(h) “Investments accounted for using the equity method” and note (6)(i) “Property, plant and equipment”.

How the matter was addressed in our audit

The Company and Wan Hai Lines (Singapore) Pte. Ltd., its 100% directly held subsidiary under the equity method, are mainly engaged in international shipping, agency services for transportation affair, port container terminal operation, vessel and container trading, leasing and other businesses. Since the industry the Company belongs to is affected by the global economic situation and fierce competition in the shipping market, there may be risks of asset impairment. The Company's assessment of whether there are signs of assets impairment is included as one of the key areas our audit focused on.

Our principal audit procedures included:

Understanding the cash-generating unit used by the Company and Wan Hai Lines (Singapore) Pte. Ltd., its 100% directly held subsidiary under the equity method, to assess asset impairment; understanding the various indicators used by the Group to assess asset impairment indicators, and assessing impairment for each indicator. If there is any indication of impairment, evaluating the rationality of the future cash flow assumptions predicted by the Company, and reviewing the rationality of the discount rate parameters used.

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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) 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 Kuo, Rou-Lan and Chen, Chun-Kuang.

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2024

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 HALLINES LTD.

BALANCE SHEETS

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023.12.31		2022.12.31			2023.12.31		2022.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 57,570,628	19	46,412,434	13	2126 Current financial liabilities for hedging (notes 6(e) and 6(p))	\$ 152,727	-	628,486	-
1110 Current financial assets at fair value through profit or loss (note 6(b))	7,109,410	2	6,394,220	2	2170 Accounts payable (note 7)	4,836,097	2	7,242,768	2
1137 Current financial assets at amortized cost (note 6(d))	-	-	70,790	-	2200 Other payables (note 7)	1,419,434	-	2,354,308	1
1150 Notes receivable, net (notes 6(f) and 6(u))	33,963	-	38,767	-	2230 Current tax liabilities (note 6(v))	4,383,924	2	13,007,874	4
1170 Accounts receivable, net (notes 6(i), 6(o) and 7)	821,017	-	1,439,173	-	2280 Current lease liabilities (notes 6(x) and 7))	3,552,292	1	7,835,647	3
1140 Current contract assets (note 6(u))	1,261,140	1	1,957,093	1	2320 Current portion of long-term loans (notes 6(n), 6(o) and 8))	8,476,890	3	4,324,850	1
1200 Other receivables, net (note 7)	3,822,079	1	32,774,530	10	2350 Payables to agents (note 7))	583,869	-	1,071,319	-
1330 Inventories, net (note 6(g))	1,591,985	1	1,495,150	-	2300 Other current liabilities (notes 6(o) and 7))	222,184	-	458,973	-
1475 Receivables from agents (note 7))	1,980,438	1	2,951,729	1		23,627,417	8	36,924,225	11
1479 Other current assets (note 8))	514,502	-	743,940	-					
	74,205,162	25	94,277,826	27	Non-Current liabilities:				
Non-current assets:					2511 Non-current financial liabilities for hedging (notes 6(e) and 6(p))	477,627	-	1,370,731	-
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	5,178,936	2	4,196,361	1	2530 Bonds payable (note 6(o))	4,500,000	1	9,000,000	3
1550 Investments accounted for using equity method, net (note 6(k))	159,742,473	52	166,526,145	49	2570 Long-term borrowings (notes 6(n) and 8))	35,024,168	12	27,996,481	8
1600 Property, plant and equipment (notes 6(h), 8) and 9))	48,652,613	16	50,738,133	15	2580 Deferred tax liabilities (note 6(v))	29,240,812	10	30,433,084	9
1755 Right-of-use assets (note 6(j))	8,307,597	3	20,705,054	6	2640 Non-current lease liabilities (notes 6(p) and 7))	4,209,264	1	11,388,248	3
1760 Investment property, net (notes 6(k) and 8))	3,425,902	1	3,453,809	1	2645 Accrued pension liabilities-non current (note 6(x))	85,637	-	176,323	-
1780 Intangible assets (note 6(l))	49,916	-	38,926	-		30,486	-	21,016	-
1915 Prepayments for business facilities	2,872,511	1	2,708,676	1		73,567,994	24	80,385,883	23
1900 Other non-current assets (notes 6(e) and 7))	258,775	-	268,120	-	Total liabilities	97,195,411	32	117,310,108	34
	228,488,723	75	248,635,224	73	Equity (notes 6(s) and 6(o)):				
					Common stock	28,061,464	10	28,061,464	8
					Capital surplus	1,271,775	-	1,271,775	-
					Retained earnings:				
					Legal reserve	28,010,462	9	18,688,851	6
					Special reserve	-	-	3,987,494	1
					Retained earnings-unappropriated	138,614,889	46	163,847,213	48
						166,625,351	55	186,524,058	55
					Other equity interest:				
					Exchange differences on translation of foreign financial statements	9,572,519	3	9,636,366	3
					Unrealized gains (losses) on financial assets at fair value through other comprehensive income	435,107	-	171,052	-
					Gains (losses) on hedging instruments (note 6(e))	32,258	-	(61,773)	-
						10,039,884	3	9,745,645	3
					Total equity	205,998,474	68	225,602,942	66
Total assets	\$ 303,193,885	100	\$ 342,913,050	100	Total liabilities and equity	\$ 303,193,885	100	\$ 342,913,050	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, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes (6)(u) and (7))	\$ 59,212,366	100	127,041,698	100
5000	Operating costs (notes (6)(g) and (7))	58,350,120	99	71,318,697	56
	Gross profit	862,246	1	55,723,001	44
6200	Total administrative expenses	2,325,508	4	4,522,191	4
6500	Net other income (expenses) (note (6)(w))	1,033,128	2	88,521	-
	Income from operations	(430,134)	(1)	51,289,331	40
	Non-operating income and expenses (notes (6)(h) and (6)(x)):				
7100	Interest income	2,680,125	5	605,257	1
7010	Other income	330,795	1	364,584	-
7020	Other gains and losses	1,555,122	3	5,561,646	4
7050	Finance costs	(1,040,612)	(2)	(1,980,455)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	(6,273,770)	(11)	67,403,209	53
	Total non-operating income and expenses	(2,748,340)	(4)	71,954,241	57
7900	Profit before tax	(3,178,474)	(5)	123,243,572	97
7950	Less: Income tax expenses (note (6)(r))	2,617,939	5	30,171,475	24
	Net Profit	(5,796,413)	(10)	93,072,097	73
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit and loss				
8311	Gains (losses) on remeasurements of defined benefit plans	6,253	-	134,921	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	237,795	-	(158,765)	-
8331	Gains (losses) on the remeasurements of defined benefit plans, subsidiaries, associates and joint ventures accounted for using equity method	(76,565)	-	54,223	-
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	20,211	-	(115,860)	-
8349	Less: Income tax related to components of other comprehensive income that may not be reclassified subsequently	1,251	-	26,984	-
	Total items that may not be reclassified subsequently to profit and loss	186,443	-	(112,465)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation	(71,740)	-	14,267,913	11
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	6,049	-	-	-
8368	Gains (losses) on hedging instrument	94,031	-	(245,601)	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	7,893	-	(14,547)	-
	Total items that may be reclassified subsequently to profit and loss	36,233	-	14,007,765	11
8300	Other comprehensive income (net of tax)	222,676	-	13,895,300	11
	Total comprehensive income	\$ (5,573,737)	(10)	106,967,397	84
9750	Basic earnings per share (New Taiwan Dollars) (note (6)(t))	\$ (2.07)		33.17	
9850	Diluted earnings per share (New Taiwan Dollars) (note (6)(t))	\$ (2.07)		33.05	

Seeing accompanying notes to financial statements.

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

STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Stock	Retained Earnings				Foreign Currency Translation Differences Arising from Foreign Operations	Other Equity Items		
	Common Stock	Capital Surplus	Legal reserve	Special reserve	Retained Earnings - Unappropriated		Unrealized Gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total
Balance at January 1, 2022	\$ 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
Net profit	-	-	-	-	93,072,097	-	-	-	93,072,097
Other comprehensive income	-	-	-	-	162,160	14,253,366	(274,625)	(245,601)	13,895,300
Total comprehensive income (loss)	-	-	-	-	93,234,257	14,253,366	(274,625)	(245,601)	106,967,397
Appropriation and distribution 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)
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)
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
Net profit	-	-	-	-	(5,796,413)	-	-	-	(5,796,413)
Other comprehensive income	-	-	-	-	(71,563)	(63,847)	264,055	94,031	222,676
Total comprehensive income (loss)	-	-	-	-	(5,867,976)	(63,847)	264,055	94,031	(5,573,737)
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	9,321,611	-	(9,321,611)	-	-	-	-
Cash dividends	-	-	-	-	(14,030,731)	-	-	-	(14,030,731)
Reversal of special reserve	-	-	-	(3,987,494)	3,987,494	-	-	-	-
Balance at December 31, 2023	\$ 28,061,464	1,271,775	28,010,462	-	138,614,889	9,572,519	435,107	32,258	205,998,474

See 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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before income tax	\$ (3,178,474)	123,243,572
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	10,486,503	16,867,967
Amortization expense	30,701	51,158
Net (gain) loss on financial assets at fair value through profit or loss	(1,016,494)	687,672
Interest expense	1,040,612	1,980,455
Gain on disposal of investments in debt instrument at fair value through other comprehensive income	(1,017)	-
Interest revenue	(2,680,125)	(605,257)
Dividend income	(330,483)	(363,502)
Investment income under the equity method	6,273,770	(67,403,209)
Gain on disposal of property, plant and equipment	(1,033,128)	(88,521)
Loss (gain) on unrealized foreign exchange	(796,123)	1,386,895
Gain on lease modification	(213,171)	(1,199,851)
Others	40,922	(53,487)
Total adjustments to reconcile profit (loss)	11,801,967	(48,739,680)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	695,953	5,878,429
Notes receivable	4,804	30,930
Accounts receivable	618,156	552,389
Other receivables	538,333	(37,741)
Inventories	(96,835)	(695,011)
Receivables from agents	971,291	1,751,915
Other current assets	229,439	(117,019)
Financial assets at fair value through profit or loss, mandatorily measured at fair value	301,304	(820,816)
Total changes in operating assets, net	3,262,445	6,543,076
Changes in operating liabilities, net:		
Accounts payable	(2,392,787)	(7,033,291)
Other payables	(1,705,008)	(4,036)
Payables to agents	(487,450)	(316,106)
Other current liabilities	(237,998)	258,303
Accrued pension liabilities	(84,433)	(67,827)
Total changes in operating liabilities, net	(4,907,676)	(7,162,957)
Total changes in operating assets and liabilities	(1,645,231)	(619,881)
Total adjustments	10,156,736	(49,359,561)
Cash inflow generated from operations	6,978,262	73,884,011
Income taxes paid	(12,445,727)	(15,838,647)
Net cash provided by operating activities	(5,467,465)	58,045,364
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(791,540)	(62,855)
Proceeds from disposal of financial assets at fair value through other comprehensive income	31,816	-
Acquisition of long-term equity investment under equity method	(25,592)	(3,332,027)
Acquisition of property, plant and equipment	(4,178,625)	(24,687,071)
Proceeds from disposal of property, plant and equipment	2,664,584	161,206
Other receivables due from related parties	585,845	4,348,560
Acquisition of intangible assets	(32,780)	(15,839)
Acquisition of investment property	(776)	(554)
Other non-current assets	9,884	(71,868)
Prepayments for business facilities	(1,406,281)	(928,524)
Interest received	2,308,897	592,689
Dividends received	28,958,882	443,876
Net cash used in investing activities	28,124,314	(23,552,407)
Cash flows from financing activities:		
Repayments of bonds	-	(3,600,000)
Proceeds from long-term loans	26,780,000	23,034,400
Repayment of long-term loans	(19,271,986)	(10,029,805)
Guarantee deposit	10,678	800
Cash dividends paid	(14,030,731)	(25,621,336)
Lease repayments- principal portions	(3,885,048)	(10,058,461)
Interest paid	(1,101,568)	(1,919,709)
Net cash used in financing activities	(11,498,655)	(28,194,111)
Net increase (decrease) in cash and cash equivalents	11,158,194	6,298,846
Cash and cash equivalents at beginning of period	46,412,434	40,113,588
Cash and cash equivalents at end of period	\$ 57,570,628	46,412,434

Seeing accompanying notes to financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023 and 2022

(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, 2024.

(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, 2023:

- 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"

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform – Pillar Two Model Rules"

- (b) The impact of IFRS endorsed 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, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material 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 material 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.

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

An entity shall classify a liability as current when:

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

(e) Cash and cash equivalents

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

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

(f) Financial instruments

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

1. Financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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 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 (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) 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.

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

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

4) Business model assessment

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

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

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), debt investments measured at FVOCI and contract assets.

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

NOTES TO THE FINANCIAL STATEMENTS

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

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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 assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 60 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

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. Based on its experience, there have been no corporate customer recoveries after 365 days.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

(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 Company has joint control of the arrangement (i.e. joint venturers) in which the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Company 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 Company qualifies for exemption from that Standard. Please refer to note (4)(h) for the application of the equity method.

When assessing the classification of a joint arrangement, the Company 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.

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

NOTES TO THE FINANCIAL STATEMENTS

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	1 ~ 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 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.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company 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. Subsequent to original recognition, capitalized development expenditure is measured at its cost less accumulated amortization and accumulated impairment.

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

NOTES TO THE FINANCIAL STATEMENTS

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

2.Subsequent expenditure

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

3.Amortization

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

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

1)Software	2~5 years
2)Trademarks	7~10 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 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.

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

NOTES TO THE FINANCIAL STATEMENTS

(p) 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.

(q) 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.

(r) 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.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

(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 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 at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

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

NOTES TO THE FINANCIAL STATEMENTS

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.

(t) 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.

(u) 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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

(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.

(b) Impairment of property, plant and equipment

The industry to which the Company and its subsidiary, Wan Hai Lines (Singapore) Pte. Ltd., belong is affected by the global economic conditions and fierce competition in the shipping market. Evaluating the potential indicators of asset impairment is subject to the management's subjective judgment of various indicators, and any change in estimates due to changes in economic conditions or corporate strategies may result in significant impairment losses or reversal of recognized impairment losses in the future.

(6) Explanation to Significant Accounts

(a) Cash and cash equivalents

	2023.12.31	2022.12.31
Cash	\$ 104,351	105,528
Savings accounts	26,158,555	40,573,949
Time deposits	31,307,722	5,732,957
Cash and cash equivalents in statement of cash flows	<u>\$ 57,570,628</u>	<u>46,412,434</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

	2023.12.31	2022.12.31
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Stocks listed on domestic markets	\$ 7,109,410	6,382,530
Emerging stocks on domestic markets	-	11,690
Total	<u>\$ 7,109,410</u>	<u>6,394,220</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, 2023 and 2022, the Company's financial assets were not pledged as collateral.

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

	2023.12.31	2022.12.31
Debt investments at fair value through other comprehensive income		
Corporate bonds	\$ 733,536	-
Equity investments at fair value through other comprehensive income		
Stocks listed on domestic markets	3,918,230	3,630,772
Stocks unlisted on domestic markets	527,170	565,589
subtotal	<u>4,445,400</u>	<u>4,196,361</u>
Total	<u>\$ 5,178,936</u>	<u>4,196,361</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1. Debt investments at fair value through other comprehensive income

The Company has assessed that the following securities are held within a business model whose objective is achieved by both collecting the contractual cash flows and by selling securities; therefore, they have been classified as debt investments at fair value through other comprehensive income.

1) For the gain or loss arising from the disposal of investment, please refer to note (6)(x).

2. Equity investments at fair value through other comprehensive income

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

For the years ended December 31, 2023 and 2022, 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, 2023 and 2022, the dividends of \$130,519 thousand and \$127,828 thousand related to equity investments at fair value through other comprehensive income, were recognized.

3. As of December 31, 2023 and 2022, the financial assets of the Company had not been pledged as collateral.

(d) Financial assets at amortized cost

	2023.12.31	2022.12.31
Current	\$ -	70,790

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)(z).

(e) Financial instruments used for hedging

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

	2023.12.31	2022.12.31
Cash flow hedge:		
Financial liabilities used for hedging:		
Current lease liabilities	\$ 152,727	628,486
Non-current lease liabilities	477,627	1,370,731
Total	\$ 630,354	1,999,217

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

NOTES TO THE FINANCIAL STATEMENTS

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
		2023.12.31	2022.12.31		
Freight revenue (USD)	Lease liabilities	\$ -	1,140,432	-	-
WHL terminal revenue (JPY)	Lease liabilities	630,354	858,785	2023~2028	2023~2028
Items				2023	2022
Amounts recognized as other comprehensive income				<u>\$ 94,031</u>	<u>(245,601)</u>

For the years ended December 31, 2023 and 2022, 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).

(f) Notes receivable and accounts receivable

	2023.12.31	2022.12.31
Notes receivable	\$ 33,963	38,767
Accounts receivable	822,700	1,440,856
Less: Allowance for doubtful receivables	(1,683)	(1,683)
	<u>\$ 854,980</u>	<u>1,477,940</u>

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. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision were determined as follows:

2023.12.31			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 789,150	0%~0.0302%	1,339
Overdue 0~30 days	53,038	0%~0.1470%	11
Overdue 31~120 days	14,071	0%~1.2392%	24
Overdue 121~365 days	97	0%~10.4371%	2
Overdue more than 365 days	307	0%~100%	307
	<u>\$ 856,663</u>		<u>1,683</u>
2022.12.31			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,405,257	0%~0.0019%	1,417
Overdue 0~30 days	57,624	0%~0.0242%	14
Overdue 31~120 days	16,507	0%~0.1070%	17
Overdue more than 365 days	235	0%~100%	235
	<u>\$ 1,479,623</u>		<u>1,683</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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

	2023	2022
Ending balance (equal to beginning balance)	\$ <u><u>1,683</u></u>	<u><u>1,683</u></u>

Please refer to note (6)(z) for the credit risks and the currency risks of the notes receivable, accounts receivable, of the Company.

As of December 31, 2023 and 2022, the notes and trade receivable of the Company had not been pledged as collateral.

(g) Inventories

	2023.12.31	2022.12.31
Light marine diesel oil	\$ 215,422	229,210
Heavy marine diesel oil	1,371,113	1,216,549
Fresh lubricating oil	<u>44,616</u>	<u>70,709</u>
Subtotal	1,631,151	1,516,468
Less: Allowance for inventory valuation and obsolescence losses	(39,166)	(21,318)
Total	\$ <u><u>1,591,985</u></u>	<u><u>1,495,150</u></u>

For the years ended December 31, 2023 and 2022, the write-downs of inventories to net realizable value amounting to \$17,848 thousand and \$21,318 thousand, respectively, were recognized as losses on inventory valuation, which were reported as operating costs.

As of December 31, 2023 and 2022, 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:

	2023.12.31	2022.12.31
Subsidiaries	\$ 158,577,073	165,302,797
Associates	1,140,795	1,223,348
Joint venture	<u>24,605</u>	<u>-</u>
	\$ <u><u>159,742,473</u></u>	<u><u>166,526,145</u></u>

1. Subsidiaries

Please refer to the consolidated financial statements for the years ended December 31, 2023.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

The Company's financial information for investments in individually insignificant associate accounted for using equity method at the reporting date was as follows. These financial information are included in the financial statements.

	<u>2023.12.31</u>	<u>2022.12.31</u>
The carrying amount of individually non-significant associates' equity	\$ <u>1,140,795</u>	<u>1,223,348</u>
	<u>2023</u>	<u>2022</u>
Attributable to the Company:		
Profit (loss) from continuing operations	\$ <u>281,702</u>	<u>252,726</u>
Total comprehensive income	\$ <u>281,702</u>	<u>252,726</u>

3. Joint venture

For the second half of 2023, the Company acquired 50% of the shares of PT. Sinergi Bahtera Mitra (SBM) for USD\$800 thousand in cash. The Company has a residual interest in the net assets of SBM. Accordingly, the Company has classified its interest in SBM as a joint venture and accounted for using the equity method.

The Company's financial information for investments in individually insignificant joint venture accounted for using equity method at the reporting date was as follows. These financial information are included in the financial statements.

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

	<u>2023.12.31</u>	<u>2022.12.31</u>
The carrying amount of individually non-significant joint venture equity	\$ <u>24,605</u>	<u>-</u>
	<u>2023</u>	<u>2022</u>
Attributable to the Company:		
Profit (loss) from continuing operations	\$ <u>1,250</u>	<u>-</u>
Total comprehensive income	\$ <u>1,250</u>	<u>-</u>

4. Collateral

As of December 31, 2023 and 2022, the Company's investments accounted for using equity method were not pledged as collateral.

5. Impairment loss

In 2023, affected by the global economic conditions and fierce competition in the shipping market, the Company and its subsidiary, Wan Hai Lines (Singapore) Pte. Ltd., conducted the impairment test of its vessel equipment and right-of-use assets on December 31, 2023, and recognized the relevant impairment loss.

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

NOTES TO THE FINANCIAL STATEMENTS

(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, 2023 and 2022, were as follows:

	Land	Buildings	Vessels	Containers	Other equipment	Privileged wharf equipment	Total
Cost:							
Balance at January 1, 2023	\$ 2,194,439	766,164	25,522,658	43,622,738	1,384,680	2,607,189	76,097,868
Additions	-	-	3,267,544	1,688,668	43,326	-	4,999,538
Reclassification	-	-	1,291,384	-	12,084	-	1,303,468
Disposals	-	-	(7,361,953)	(2,123,732)	(183,608)	(135,344)	(9,804,637)
Balance at December 31, 2023	<u>\$ 2,194,439</u>	<u>766,164</u>	<u>22,719,633</u>	<u>43,187,674</u>	<u>1,256,482</u>	<u>2,471,845</u>	<u>72,596,237</u>
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>
Depreciation and impairment loss:							
Balance at January 1, 2023	\$ -	108,587	6,756,958	16,533,675	644,817	1,315,698	25,359,735
Depreciation	-	15,323	3,502,754	2,922,466	146,662	152,161	6,739,366
Disposals	-	-	(6,081,268)	(1,777,814)	(183,608)	(112,787)	(8,155,477)
Balance at December 31, 2023	<u>\$ -</u>	<u>123,910</u>	<u>4,178,444</u>	<u>17,678,327</u>	<u>607,871</u>	<u>1,355,072</u>	<u>23,943,624</u>
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>
Carrying amounts:							
Balance at December 31, 2023	<u>\$ 2,194,439</u>	<u>642,254</u>	<u>18,541,189</u>	<u>25,509,347</u>	<u>648,611</u>	<u>1,116,773</u>	<u>48,652,613</u>
Balance at January 1, 2022	<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>
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>

As of December 31, 2023 and 2022, 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).

In 2023, affected by the global economic conditions and fierce competition in the shipping market, the Company tested its vessel equipment for impairment on December 31, 2023. The results showed that the value in use of its vessel equipment was greater than the carrying amount, therefore, there was no impairment of its vessel equipment.

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

NOTES TO THE FINANCIAL STATEMENTS

(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 was presented below:

	Buildings	Wharfs	Vessels	Containers	Others	Total
Cost:						
Balance as of January 1, 2023	\$ 6,817	4,241,324	21,727,307	2,434,736	29,791	28,439,975
Additions	-	-	4,806,700	-	-	4,806,700
Decreases	-	-	(5,652,381)	(2,372,973)	(1,826)	(8,027,180)
Remeasurement	-	(28,621)	(10,231,479)	-	(4,040)	(10,264,140)
Balance as of December 31, 2023	<u>\$ 6,817</u>	<u>4,212,703</u>	<u>10,650,147</u>	<u>61,763</u>	<u>23,925</u>	<u>14,955,355</u>
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>
Accumulated depreciation and impairment losses:						
Balance as of January 1, 2023	\$ 57	1,742,544	4,602,135	1,379,407	10,778	7,734,921
Depreciation for the year	682	433,983	3,269,325	7,073	6,534	3,717,597
Decreases	-	-	(3,440,518)	(1,362,417)	(1,825)	(4,804,760)
Balance as of December 31, 2023	<u>\$ 739</u>	<u>2,176,527</u>	<u>4,430,942</u>	<u>24,063</u>	<u>15,487</u>	<u>6,647,758</u>
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>
Carrying amount:						
Balance as of December 31, 2023	<u>\$ 6,078</u>	<u>2,036,176</u>	<u>6,219,205</u>	<u>37,700</u>	<u>8,438</u>	<u>8,307,597</u>
Balance as of January 1, 2022	<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>
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>

(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.

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

NOTES TO THE FINANCIAL STATEMENTS

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, 2023	\$ 2,828,223	700,124	3,528,347
Purchases	-	776	776
Reclassification	-	857	857
Balance at December 31, 2023	<u>\$ 2,828,223</u>	<u>701,757</u>	<u>3,529,980</u>
Balance at January 1, 2022	\$ 2,828,223	699,570	3,527,793
Purchases	-	554	554
Balance at December 31, 2022	<u>\$ 2,828,223</u>	<u>700,124</u>	<u>3,528,347</u>
Depreciation and impairment losses:			
Balance at January 1, 2023	\$ -	74,538	74,538
Depreciation for the year	-	29,540	29,540
Balance at December 31, 2023	<u>\$ -</u>	<u>104,078</u>	<u>104,078</u>
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>74,538</u>	<u>74,538</u>
Carrying amount:			
Balance at December 31, 2023	<u>\$ 2,828,223</u>	<u>597,679</u>	<u>3,425,902</u>
Balance at January 1, 2022	<u>\$ 2,828,223</u>	<u>654,431</u>	<u>3,482,654</u>
Balance at December 31, 2022	<u>\$ 2,828,223</u>	<u>625,586</u>	<u>3,453,809</u>
Fair value:			
Balance at December 31, 2023			<u>\$ 4,174,964</u>
Balance at December 31, 2022			<u>\$ 4,053,049</u>

The fair value of investment properties was based on the valuation by a qualified independent appraiser who has recent experiences in the location and category of the investment properties being valued. The inputs used in the fair value valuation technique are classified as level 3.

The valuation of fair value was based on the discounted cash flow analysis method under the income approach. The discounted cash flow analysis method under the income approach would have been used by considering the aggregate estimated cash flows expected to be received from leasing properties and discounting them using a rate of return that reflects the specific risk inherent in the net cash flows in order to determine the value of those properties. The range of yields applied in 2023 and 2022 was as follows:

Location	2023	2022
Taiwan	1.93%-2.845%	1.73%-2.22%

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

NOTES TO THE FINANCIAL STATEMENTS

The investment property is a commercial real estate which was bought for operation planning in 2020 and 2019. That property has been currently leasing out for rental income, and no contingent rents are charged. The rent revenue is \$48,147 thousand and \$46,146 thousand for the year 2023 and 2022, respectively.

The details of investment property that has been pledged as collateral for long-term borrowings and guaranteed financing on December 31, 2023 and 2022, 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, 2023 and 2022 were as follows:

	<u>Computer software</u>	<u>Trademarks</u>	<u>Others</u>	<u>Total</u>
Costs:				
Balance at January 1, 2023	\$ 136,416	4,026	-	140,442
Additions	32,127	158	495	32,780
Reclassification	8,757	154	-	8,911
Disposals	(93,060)	(204)	-	(93,264)
Balance at December 31, 2023	<u>\$ 84,240</u>	<u>4,134</u>	<u>495</u>	<u>88,869</u>
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>\$ 136,416</u>	<u>4,026</u>	<u>-</u>	<u>140,442</u>
Amortization and impairment loss:				
Balance at January 1, 2023	\$ 99,360	2,156	-	101,516
Amortization for the year	30,081	620	-	30,701
Disposals	(93,060)	(204)	-	(93,264)
Balance at December 31, 2023	<u>\$ 36,381</u>	<u>2,572</u>	<u>-</u>	<u>38,953</u>
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>\$ 99,360</u>	<u>2,156</u>	<u>-</u>	<u>101,516</u>
Carrying amounts:				
Balance at December 31, 2023	<u>\$ 47,859</u>	<u>1,562</u>	<u>495</u>	<u>49,916</u>
Balance at December 31, 2022	<u>\$ 37,056</u>	<u>1,870</u>	<u>-</u>	<u>38,926</u>
Balance at January 1, 2022	<u>\$ 71,971</u>	<u>2,274</u>	<u>-</u>	<u>74,245</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1. Recognition of amortization and impairment

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

	<u>2023</u>	<u>2022</u>
Operating costs	\$ <u>19,675</u>	<u>34,386</u>
Operating expense	\$ <u>11,026</u>	<u>16,772</u>

(m) Short-term borrowings

	<u>2023.12.31</u>	<u>2022.12.31</u>
Unused short-term credit lines	\$ <u>5,501,613</u>	<u>5,786,511</u>

1. Issuance and repayment of short-term borrowings

For the years ended December 31, 2023 and 2022, the proceeds from short-term borrowings amounted to \$17,220,000 thousand and \$2,500,000 thousand respectively and the repayments amounted to \$17,220,000 thousand and \$2,500,000 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:

	<u>Expiration date</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Unsecured bank loans - USD	-	\$ -	276,525
Unsecured bank loans - TWD	2025/08/03-2028/06/29	22,130,000	8,500,000
Secured bank loans - USD	-	-	14,890,154
Secured bank loans - TWD	2033/07/21-2042/06/24	6,883,323	4,156,741
Commercial paper	2025/01/14-2026/06/28	10,000,000	4,500,000
Less: Discount on commercial paper		(12,265)	(2,089)
Less: Current portion		<u>(3,976,890)</u>	<u>(4,324,850)</u>
Total		\$ <u>35,024,168</u>	<u>27,996,481</u>
Unused long-term credit lines		\$ <u>10,548,050</u>	<u>17,326,438</u>
Range of interest rates		0.83%~5.95%	0.28%~5.95%

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

1. Issuance and repayment of long-term borrowings

For the years ended December 31, 2023 and 2022, the proceeds from long-term borrowings amounted to \$26,780,000 thousand and \$23,034,400 thousand respectively, and the repayment amounted to \$19,271,986 thousand and \$10,029,805 thousand, respectively.

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

NOTES TO THE FINANCIAL STATEMENTS

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, 2023, the unused long-term credit lines are \$1,835,250 thousand.

3. Financial ratio covenant

The Company entered into a syndicated credit agreement with financial institution, under which, the Company shall maintain certain net worth ratios and debt service ratios on the balance sheet date in the consolidated financial statements during the term of the loans. Otherwise, the loan will be repayable by the financial institution based on the results of the negotiation. As of December 31, 2023, there was no violation of the terms of the contract.

(o) Bonds payable

2023.12.31				
	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><u>\$ 9,000,000</u></u>
Current				\$ 4,500,000
Non-current				4,500,000
Total				<u><u>\$ 9,000,000</u></u>

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><u>\$ 9,000,000</u></u>
Current				\$ -
Non-current				9,000,000
Total				<u><u>\$ 9,000,000</u></u>

1. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

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

4) Issued price: at par value

5) Nominal interest rate

1) Series A: 0.95%

2) Series B: 1.05%

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

7) Redemption on the maturity date

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

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

9) Trustee

The trustee is Taipei Fubon Commercial Bank Co., 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

Taipei Fubon Commercial Bank Co., Ltd., Shima 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.

2. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

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

4) Issued price: at par value

5) Nominal interest rate

1) Series A: 0.97%

2) Series B: 1.07%

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

7) Redemption on the maturity date

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

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

9) Trustee

The trustee is Taipei Fubon Commercial Bank Co., 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

Taipei Fubon Commercial Bank Co., Ltd., Shima 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.

3. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

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 Taipei Fubon Commercial Bank Co., 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

Taipei Fubon Commercial Bank Co., Ltd., Shima 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:

	2023.12.31	2022.12.31
Current	\$ <u>3,705,019</u>	<u>8,464,133</u>
Non-current	\$ <u>4,686,891</u>	<u>12,758,979</u>

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

For the year ended December 31, 2023 and 2022, the Company's lease liabilities recognized as current financial liabilities for hedging were \$152,727 thousand and \$628,486 thousand, non-current financial liabilities for hedging were \$477,627 thousand and \$1,370,731 thousand, current lease liabilities were \$3,552,292 thousand and \$7,835,647 thousand, and non-current lease liabilities were \$4,209,264 thousand and \$11,388,248 thousand, respectively.

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

NOTES TO THE FINANCIAL STATEMENTS

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	\$ <u>264,431</u>	<u>1,322,841</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>10,934</u>	<u>9,138</u>
Expenses relating to short-term leases	\$ <u>4,225,832</u>	<u>4,659,829</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>510</u>	<u>508,289</u>

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

	2023	2022
Total cash outflow for leases	\$ <u>8,386,755</u>	<u>16,558,558</u>

1. Wharf, and container leases

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

The Company leases buildings for its warehouses. The warehouse lease run for a period of 10 years.

3. Vessel leases

The Company leases vessels for its operating needs. The vessel leases run for a period of less 1 to 3 years. Some lease payments are subject to market prices and exchange rate fluctuations, others are typically short-term. 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

The Company leases other machinery or equipment for its operating needs, and the leases typically run for a period of 1 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

	2023.12.31	2022.12.31
Present value of defined benefit obligation	\$ 971,705	1,031,745
Fair value of plan assets	(886,068)	(855,422)
Recognized liabilities for defined benefit obligations	\$ <u>85,637</u>	<u>176,323</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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.

The Company's pension reserve account balance amounted to \$886,068 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:

	2023	2022
Defined benefit obligation at January 1	\$ 1,031,745	1,155,156
Current service costs and interest cost	20,715	13,408
Remeasurement on the net defined benefit liabilities (assets)		
— Actuarial loss (gain) arising from changes in financial assumptions	(1,165)	(75,749)
Benefit paid	(79,590)	(61,070)
Defined benefit obligation at December 31	<u><u>\$ 971,705</u></u>	<u><u>1,031,745</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:

	2023	2022
Fair value of plan assets at January 1	\$ 855,422	776,085
Interest income	12,929	4,089
Remeasurement on the net defined benefit liabilities (assets)		
— Return on plan assets (excluding current interest)	5,088	59,171
Contribution paid by employer	64,489	65,954
Benefit paid	(51,860)	(49,877)
Fair value of plan assets at December 31	<u><u>\$ 886,068</u></u>	<u><u>855,422</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

4) Expenses recognized in profit or loss

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

	2023	2022
Current service costs	\$ 5,668	7,557
Net interest of net liabilities (assets) for defined benefit obligation	2,118	1,762
	\$ 7,786	9,319
Operating costs	\$ 8,168	8,001
Operating expenses	(382)	1,318
	\$ 7,786	9,319

5) Actuarial assumptions

The following are the Company's principal actuarial assumptions:

	2023	2022
Discount rate	1.31 %	1.48 %
Future salary increase rate	3.00 %	3.00 %

The Company will pay to the defined benefit plans which amounted to \$63,815 thousand within 1 year after the report day of 2023.

The weighted-average duration of the defined plans is 1~18 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligation	
	Increased 0.50%	Decreased 0.50%
December 31, 2023		
Discount rate	\$ (39,741)	42,318
Future salary increasing rate	36,506	(34,750)
December 31, 2022		
Discount rate	\$ (43,153)	46,014
Future salary increasing rate	39,896	(37,923)

The aforementioned sensitivity analysis is based on the effect of changes in a single assumption with all other assumptions held constant. Practically, changes in many assumptions may be linked. The method used in the sensitivity analysis is consistent with the calculation of the net pension liability in the balance sheet.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

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

NOTES TO THE FINANCIAL STATEMENTS

2. Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$63,688 thousand and \$62,830 thousand for the years ended December 31, 2023 and 2022, respectively.

(r) Income taxes

1. Income tax expense

The amount of income tax were as follows:

	<u>2023</u>	<u>2022</u>
Current income tax expense:		
Current period	\$ 3,845,508	18,595,184
Adjustment for prior periods	<u>(41,400)</u>	<u>33,409</u>
	<u>3,804,108</u>	<u>18,628,593</u>
Deferred tax expense (benefit):		
Origination and reversal of temporary differences	<u>(1,186,169)</u>	<u>11,542,882</u>
Income tax expense from continuing operations	<u>\$ 2,617,939</u>	<u>30,171,475</u>

For the years ended December 31, 2023 and 2022, no income taxes were recognized in equity.

The amount of income tax recognized in other comprehensive income for 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	\$ <u>1,251</u>	<u>26,984</u>
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	\$ <u>(7,893)</u>	<u>14,547</u>

The reconciliation of income tax and profit before tax for 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Profit excluding income tax	\$ <u>(3,178,474)</u>	<u>123,243,572</u>
Income tax using the Company's domestic tax rate	\$ (635,695)	24,648,714
Permanent difference	51,171	2,899,149
Tax exempt income	(271,872)	(82,021)
Under (Over) provision in prior periods	(41,400)	33,409
Additional tax on undistributed earnings	<u>3,515,735</u>	<u>2,672,224</u>
Total	<u>\$ 2,617,939</u>	<u>30,171,475</u>

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

NOTES TO THE FINANCIAL STATEMENTS

2. Deferred tax assets and liabilities

1) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

	Investment (loss) gain under the equity method	Deferred depreciation expense	Others	Total
Deferred Tax Liabilities:				
Balance at January 1, 2023	\$ 28,210,985	1,595,530	626,569	30,433,084
Debit (Credit) Income statement	(1,355,497)	207,474	(44,249)	(1,192,272)
Balance at December 31, 2023	<u>\$ 26,855,488</u>	<u>1,803,004</u>	<u>582,320</u>	<u>29,240,812</u>
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>
		Defined Benefit Plans	Others	Total
Deferred Tax Assets:				
Balance at January 1, 2023		\$ 17,735	29,864	47,599
(Debit) Credit Income statement		(9,119)	3,016	(6,103)
(Debit) Credit Other Comprehensive Income		(1,251)	7,893	6,642
Balance at December 31, 2023		<u>\$ 7,365</u>	<u>40,773</u>	<u>48,138</u>
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>29,864</u>	<u>47,599</u>

3. Examination and Approval

The Company's income tax returns through 2021 were examined and approved by the tax authority.

(s) Capital and other equity

As of December 31, 2023 and 2022, the Company's authorized capital both consisted of 3,600,000 thousand shares, amounting to \$36,000,000 thousand, with par value of \$10 (TWD) per share. All the issued shares were ordinary shares, both consisting of 2,806,146 thousand shares and all the funds of issued shares had been received.

The Company's reconciliation of outstanding shares for the years ended December 31, 2023 and 2022 were as follows:

	Ordinary shares	
(in thousands)	2023	2022
Balance at January 1, 2023	2,806,146	2,440,127
Share dividends	-	366,019
Balance at December 31, 2023	<u>2,806,146</u>	<u>2,806,146</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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 base date of capital increase. The relevant statutory registration procedures have been completed.

2. Capital surplus

The balance of capital surplus was as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
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>\$ 1,271,775</u>	<u>1,271,775</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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

An equal portion of the cumulative changes in the net deduction of other shareholder's equity shall be allocated as special reserve from the undistributed prior period earning. If the special reserve is still insufficient, a portion of the after tax net profit in the period, plus items other than after tax net profit in the period, that are included in the undistributed current period earning, will be allocated as special reserve.

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 2022 and 2021 annual earnings in 2023 and 2022, 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 2022 and 2021 was decided by the general meeting of shareholders held on May 30, 2023 and May 26, 2022, respectively.

The relevant dividend distribution to shareholders was as follows:

	2022		2021	
	Dividend per share (\$)	Total amount	Dividend per share (\$)	Total amount
Dividends distributed to ordinary shareholders				
Cash	\$ 5.00	14,030,731	10.50	25,621,336
Employees' cash bonus	-	-	1.50	3,660,191
Total		<u>\$ 14,030,731</u>		<u>29,281,527</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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, 2023	\$ 9,636,366	171,052	(61,773)
Foreign currency translation differences	(63,847)	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	265,072	-
Cumulative gains (losses) reclassified to profit or loss on disposal of investments in debt instrument at fair value through other comprehensive income	-	(1,017)	-
Gains (losses) from changes in the fair value of the hedging instrument:			
-Exchange rate risk for anticipated transactions	-	-	53,099
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	-	-	40,932
Balance at December 31, 2023	<u>\$ 9,572,519</u>	<u>435,107</u>	<u>32,258</u>
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)	-
Cumulative gains (losses) reclassified to profit or loss on disposal of investments in debt instrument at fair value through other comprehensive income	-	-	-
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>

(t) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the year 2023 and 2022 are as follows:

	2023	2022
Basic earnings per share		
Profit attributable to common shareholders	<u>\$ (5,796,413)</u>	<u>93,072,097</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>\$ (2.07)</u>	<u>33.17</u>
Diluted earnings per share		
Profit attributable to common shareholders (Dilutive)	<u>\$ (5,796,413)</u>	<u>93,072,097</u>
Weighted-average number of common shares (Basic) (retrospective adjustments)	2,806,146	2,806,146
Effects of employee stock compensation	-	10,163
Weighted average number of common shares (adjusted for the effects of all dilutive potential common shares)	<u>2,806,146</u>	<u>2,816,309</u>
Diluted earnings per share (Unit: New Taiwan Dollar)	<u>\$ (2.07)</u>	<u>33.05</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Due to the net loss for year ended December 31, 2023, the effect of employee stock compensation was antidilutive and was not included in the calculation of diluted earnings per share.

(u) Revenue from contracts with customers

1. Disaggregation of revenue

	2023	2022
Primary geographical markets:		
Asia	\$ 43,619,951	77,607,969
the Middle East, India, Red Sea	14,014,758	34,119,284
United States, South America	<u>1,577,657</u>	<u>15,314,445</u>
	<u>\$ 59,212,366</u>	<u>127,041,698</u>
Main service line:		
Freight	\$ 56,247,798	121,822,477
Rentals	2,291,895	4,515,526
WHL terminal	629,090	619,120
Other service	<u>43,583</u>	<u>84,575</u>
	<u>\$ 59,212,366</u>	<u>127,041,698</u>

2. Contract balances

	2023.12.31	2022.12.31	2022.1.1
Notes receivable	\$ 33,963	38,767	69,697
Accounts receivable	822,700	1,440,856	1,993,245
Less: allowance for doubtful receivables	<u>(1,683)</u>	<u>(1,683)</u>	<u>(1,683)</u>
Total	<u>\$ 854,980</u>	<u>1,477,940</u>	<u>2,061,259</u>
Contract assets	<u>\$ 1,261,140</u>	<u>1,957,093</u>	<u>7,835,522</u>
Contract liabilities (recognized as other current liabilities)	<u>\$ 21,552</u>	<u>311,590</u>	<u>131,321</u>

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

The amounts of revenue recognized for the years ended December 31, 2023 and 2022 that were included in the contract liability balance at the beginning of the periods were \$205,265 thousand and \$110,135 thousand, respectively.

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.

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

Due to the net loss for year ended December 31, 2023, the Company did not estimate the amount of the remunerations to employees and directors. For the year ended December 31, 2022, the Company estimated its employee remuneration amounting to \$744,674 and directors' remuneration amounting to \$124,112. 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.

(w) Net other income (expenses)

	2023	2022
Gain on disposals of property, plant and equipment	\$ <u><u>1,033,128</u></u>	<u><u>88,521</u></u>

(x) Non-operating income and expenses

1. Interest income

The details of interest income for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Interest from bank deposits	\$ 2,502,696	600,693
Interest income from financial assets measured at fair value through other comprehensive income	3,621	-
Other interest income	<u>173,808</u>	<u>4,564</u>
	\$ <u><u>2,680,125</u></u>	<u><u>605,257</u></u>

2. Other revenue

The details of other revenue for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Dividends revenue	\$ 330,483	363,502
Other revenue	<u>312</u>	<u>1,082</u>
	\$ <u><u>330,795</u></u>	<u><u>364,584</u></u>

3. Other gains and losses

The details of other gains and losses for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Foreign exchange gains (losses)	\$ (36,967)	4,575,585
Gains on financial assets at fair value through profit or loss	1,016,494	(687,672)
Gains on disposal of investments in debt instrument at fair value through other comprehensive income	1,017	-
Gain on lease modification	213,171	1,199,851
Other gains	<u>361,407</u>	<u>473,882</u>
	\$ <u><u>1,555,122</u></u>	<u><u>5,561,646</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

4. Finance costs

The details of finance costs for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Interest expense:		
Bank loan	\$ 594,404	500,853
Corporate bonds	91,940	114,003
Commercial paper	89,837	42,758
Lease liabilities	<u>264,431</u>	<u>1,322,841</u>
	<u><u>\$ 1,040,612</u></u>	<u><u>1,980,455</u></u>

(y) Reclassification adjustments of components of other comprehensive income

Non-cancellable operating lease rentals payable were as follows:

	<u>2023</u>	<u>2022</u>
Debt instruments at fair value through other comprehensive income		
Net change in fair value	\$ 7,066	-
Net change in fair value reclassified to profit or loss	<u>(1,017)</u>	<u>-</u>
Net change in fair value recognized in other comprehensive income	<u><u>\$ 6,049</u></u>	<u><u>-</u></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 Company has considerable customers worldwide and does not concentrate its transactions significantly with any single customer or in similar areas, the Company has no concentration of credit risk. The Company mitigates the credit risks by continuously monitoring customers' credit risk and credit ratings, however, the Company's policy usually does not require the customers to provide collateral.

3) Credit risk of receivables

For credit risk exposure of note and trade receivables, please refer to note (6)(f). Other financial assets at amortized cost includes other receivables, receivables from agents and time deposits etc.

Debt investments at fair value through other comprehensive income include government bonds, listed and unlisted debt securities.

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

NOTES TO THE FINANCIAL STATEMENTS

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, the investments in debt instrument at fair value through other comprehensive income 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, 2023							
Non-derivative financial liabilities							
Secured bank loans	\$ 6,883,323	7,825,810	327,788	325,846	644,012	1,871,818	4,656,346
Unsecured bank loans	22,130,000	22,842,705	1,786,301	2,021,140	11,635,925	7,399,339	-
Commercial paper	9,987,735	10,273,413	57,696	64,857	3,109,911	7,040,949	-
Account payables (including related parties)	4,836,097	4,836,097	4,836,097	-	-	-	-
Other payables	1,419,434	1,419,434	1,419,434	-	-	-	-
Payables to agents	583,869	583,869	583,869	-	-	-	-
Bonds payable	9,000,000	9,158,990	3,334,650	1,257,290	2,545,650	2,021,400	-
Leases liabilities (partial recognized as financial liabilities for hedging)	8,391,910	8,762,275	1,870,490	1,890,149	2,826,402	1,524,970	650,264
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)	33,318	33,318	33,318	-	-	-	-
	<u>\$ 63,265,686</u>	<u>65,735,911</u>	<u>14,249,643</u>	<u>5,559,282</u>	<u>20,761,900</u>	<u>19,858,476</u>	<u>5,306,610</u>
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	-	-	-	-
	<u>\$ 73,235,478</u>	<u>77,255,001</u>	<u>17,365,846</u>	<u>7,347,809</u>	<u>21,837,962</u>	<u>26,449,000</u>	<u>4,254,384</u>

The Company is not expecting that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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

NOTES TO THE FINANCIAL STATEMENTS

3. Currency risk

1) Currency risk exposure

The Company's significant exposure to foreign currency risks was as follows:

			2023.12.31	
Functional currency	Exchange rate	Foreign currency	Foreign currency (in thousands)	Carrying Amount (in thousands of TWD)
Financial assets				
Monetary items				
TWD	30.71	USD	\$ 1,934,160	59,388,392
TWD	0.22	JPY	15,639,947	3,395,253
TWD	4.33	CNY	201,103	870,288
TWD	0.37	INR	698,223	257,773
TWD	0.90	THB	273,205	244,927
Financial liabilities				
Monetary items				
TWD	30.71	USD	100,013	3,070,898
TWD	0.22	JPY	5,712,466	1,240,111
TWD	4.33	CNY	185,001	800,605
TWD	3.93	HKD	110,825	435,531

			2022.12.31	
Functional currency	Exchange rate	Foreign currency	Foreign currency (in thousands)	Carrying Amount (in thousands of TWD)
Financial assets				
Monetary items				
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
Financial liabilities				
Monetary items				
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

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

NOTES TO THE FINANCIAL STATEMENTS

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, 2023 and 2022, would have increased (decreased) the net profit before tax by \$586,632 thousand and \$605,264 thousand, respectively. For 2023 and 2022, the cash flow hedge would have increased (decreased) the equity by \$6,304 thousand and \$19,992 thousand, respectively. This analysis assumes that all other variables remain constant, and is performed on the same basis for the years ended December 31, 2023 and 2022.

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:

	2023		2022	
	Exchange gain or loss	Average rate	Exchange gain or loss	Average rate
TWD	\$ (36,967)	-	4,575,585	-

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 \$355,133 thousand and \$288,234 thousand, respectively, for the years ended December 31, 2023 and 2022 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, 2023 and 2022, 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	2023		2022	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	\$ 39,182	56,875	36,308	51,154
Decreasing 1%	(39,182)	(56,875)	(36,308)	(51,154)

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

NOTES TO THE FINANCIAL STATEMENTS

6. Fair value information

1) The Categories and Fair Values of Financial Instruments

The Company assesses its financial instruments at fair value through profit or loss and financial assets (financial assets available-for-sale) at fair value through other comprehensive income on a recurring basis by using the fair value method.

The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	December 31, 2023				
	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	\$ 7,109,410	7,109,410	-	-	7,109,410
Sub-total	<u>7,109,410</u>	<u>7,109,410</u>	<u>-</u>	<u>-</u>	<u>7,109,410</u>
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	3,918,230	3,918,230	-	-	3,918,230
Unquoted equity instrument measured at fair value	527,170	-	-	527,170	527,170
Corporate bonds	<u>733,536</u>	<u>-</u>	<u>733,536</u>	<u>-</u>	<u>733,536</u>
Sub-total	<u>5,178,936</u>	<u>3,918,230</u>	<u>733,536</u>	<u>527,170</u>	<u>5,178,936</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	57,570,628	-	-	-	-
Notes receivable	33,963	-	-	-	-
Accounts receivable	821,017	-	-	-	-
Other receivables	3,822,079	-	-	-	-
Receivables from agents	1,980,438	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	209,754	-	-	-	-
Sub-total	<u>64,437,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 76,726,225</u>	<u>11,027,640</u>	<u>733,536</u>	<u>527,170</u>	<u>12,288,346</u>

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

		December 31, 2023				
		Book value	Fair value			
			Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost						
Accounts payable	\$	4,836,097	-	-	-	-
Other payables		1,419,434	-	-	-	-
Lease liabilities (including financial liabilities for hedging)		8,391,910	-	-	-	-
Payables to agents		583,869	-	-	-	-
Bonds payable (including current portion)		9,000,000	-	-	-	-
Long-term borrowings (including current portion)		39,001,058	-	-	-	-
Guarantee deposits received (recognized as other current liabilities and other non-current guarantee deposits received)		33,318	-	-	-	-
Total	\$	<u>63,265,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		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
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>

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

NOTES TO THE FINANCIAL STATEMENTS

		December 31, 2022				
			Fair value			
		Book value	Level 1	Level 2	Level 3	Total
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	\$	73,235,478	-	-	-	-

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:

Domestic listed stocks and emerging stocks are the financial assets with standard terms and conditions and traded in active markets, which fair values are determined by reference to the quoted market prices.

In addition to the financial instruments with active markets mentioned above, other measurements of fair value of financial instruments without an active market are based on the quoted market price provided by third-party institutions' valuation technique or quoted price with reference to counterparties. Fair value obtained by using valuation techniques can be calculated by reference to other similar financial instruments or discounted cash flow method or other valuation techniques, including using models based on market information available at the consolidated balance sheet date.

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

If the Company's financial instruments do not have an active market, wherein their fair values are determined as follows:

Debt instrument:

The Company estimates the fair value by using the open quoted market price provided by third-party institutions.

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, 2023 and 2022, there were no transferring of fair value hierarchy.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income Unquoted equity instruments
Opening balance, January 1, 2023	\$ 565,589
Total gains and losses recognized:	
In other comprehensive income	(38,419)
Ending balance, December 31, 2023	\$ 527,170
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

For the years ended December 31, 2023 and 2022, 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:

	2023	2022
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”	(38,419)	86,284

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”.

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

NOTES TO THE FINANCIAL STATEMENTS

Most of the Company's fair value measurements in Level 3 consist of only one significant unobservable input (except for the unlisted equity instrument). Because the significant unobservable inputs of equity instruments are independent of each other, there are no correlation between these inputs.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income — Unlisted equity investments	Comparable trading company method	· Liquidity-adjusted discount rate (28% on December 31, 2023 and 2022, respectively) · Price-to-book ratio (0.68 and 0.77 on December 31, 2023 and 2022, respectively) · EBITDA multiplier (10.49 and 8.22 on December 31, 2023 and 2022, 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, 2023				
Financial assets at fair value through other comprehensive income				
Unlisted equity investment	Discount rate	1%	\$ 7,322	(7,322)
Unlisted equity investment	Price-to-book ratio multiplier	1%	5,122	(5,122)
Unlisted equity investment	EBITDA multiplier	1%	130	(130)
			<u>\$ 12,574</u>	<u>(12,574)</u>
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>

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

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 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.

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

NOTES TO THE FINANCIAL STATEMENTS

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 \$16,049,663 thousand and \$23,112,949 thousand, as of December 31, 2023 and 2022.

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.

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

2) Interest rate risk

The Company adopts a policy of ensuring that 26.02% 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.

(ab) 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:

	2023.12.31	2022.12.31
Total liabilities	\$ 97,195,411	117,310,108
Less: Cash and cash equivalents	(57,570,628)	(46,412,434)
Net debt	\$ 39,624,783	70,897,674
Total equity	\$ 205,998,474	225,602,942
Less: hedging reserve	(32,258)	61,773
Adjusted equity	\$ 205,966,216	225,664,715
Debt-to-equity ratio	19.24 %	31.42 %

(ac) 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, 2023 and 2022 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:

			Non-cash changes		
	2023.1.1	Cash flows	Others	Foreign exchange movement	2023.12.31
Long-term borrowings	\$ 32,321,331	7,508,014	-	(828,287)	39,001,058
Bonds payable	9,000,000	-	-	-	9,000,000
Lease liabilities (partial recognized as financial liabilities for hedging)	21,223,112	(3,885,048)	(8,946,154)	-	8,391,910
Total liabilities from financing activities	\$ 62,544,443	3,622,966	(8,946,154)	(828,287)	56,392,968

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

NOTES TO THE FINANCIAL STATEMENTS

			Non-cash changes		
	2022.1.1	Cash flows	Others	Foreign exchange movement	2022.12.31
Long-term borrowings	\$ 17,921,855	13,003,454	-	1,396,022	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>1,396,022</u>	<u>62,544,443</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
WAN HAI LINES (ARIZONA) LLC. (WHL Arizona)	Indirect subsidiary

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

Name of related party	Relationship with the Company
Wan Hai Lines Mexico, S.A. DE C.V. (WHL Mexico)	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 Managerment 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 Co. Ltd. (Phuc Xuan)	Joint venture that the subsidiary is a joint venturer under the joint agreement
PHU HUNG MARITIME SERVICE COMPANY LIMITED(PHU HUNG)	Joint venture that the indirect subsidiary is a joint venturer under the joint agreement
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
ASIA PACIFIC LOGISTICS INTERNATIONAL CO., LTD. (APLI)	Related party in substance

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

NOTES TO THE FINANCIAL STATEMENTS

Name of related party	Relationship with the Company
Apezgo Digital Information Co., Ltd.	Subsidiary of APLI
New World Container Services Corporation	Subsidiary of APLI
AP INTERNATIONAL 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
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
JI CHUN STEVEDORE CORP.	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:

	2023	2022
Subsidiaries	\$ 5,653,124	7,506,890
Joint venture	33,157	23,503
Other related parties	1,181,757	2,052,214
	\$ 6,868,038	9,582,607

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.

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

NOTES TO THE FINANCIAL STATEMENTS

2. Consideration for services related to the entity:

	<u>2023</u>	<u>2022</u>
Subsidiary:		
WHL Singapore	\$ 10,174,349	19,432,634
Others	3,311,932	4,112,936
Associates	373,586	575,373
Other related parties	3,472,425	5,059,368
Joint venture	<u>5,676</u>	<u>2,957</u>
	<u>\$ 17,337,968</u>	<u>29,183,268</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>2023.12.31</u>	<u>2022.12.31</u>
Accounts receivable	Other related parties	\$ 25,162	148,308
	Subsidiary:		
Accounts receivable	WHL Singapore	122,304	-
	Subsidiary:		
Other receivables	WHL Singapore (Note)	493,680	29,189,955
Other receivables	WHL Liberia (Note)	2,520,276	3,077,072
Other receivables	Others	21,683	65,145
Other receivables	Other related parties	23,342	3,359
	Subsidiary:		
Receivable from agents	Clipper	611,957	729,538
Receivable from agents	WHL India	228,192	75,503
Receivable from agents	WHL USA	211,791	257,882
Receivable from agents	Others	253,742	491,912
	Other related parties:		
Receivable from agents	WHL Japan	412,423	833,926
Other current assets	Subsidiary	12,119	14,806
Other current assets	Other related parties	4,358	4,752

Note: Including fund financing portion and dividend receivable.

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

NOTES TO THE FINANCIAL STATEMENTS

4. Payables to related parties and other liabilities

Payables of the Company to related parties were as follows :

Item	Related party categories	2023.12.31	2022.12.31
Accounts payable	Subsidiary	\$ 194,834	670,813
Accounts payable	Other related parties	191,086	136,701
Other payables	Subsidiary	38	67
Other payables	Other related parties	5,788	6,209
	Subsidiary:		
Payable to agents	WHL Hong Kong	290,739	439,157
Payable to agents	WHL Thailand	151,820	333,380
Payable to agents	WHL Vietnam	65,360	177,957
Payable to agents	Others	21,040	33,023
Payable to agents	Associates	1,847	7,508
	Subsidiary:		
Other current liabilities	WHL USA	-	170,411
Other current liabilities	Others	5,687	22,584
Other current liabilities	Other related parties	14,394	22

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, 2023 and 2022, the unrealized gain of \$934,491 thousand and \$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, 2023 and 2022, the unrealized gain of \$3,041,137 thousand and \$5,875,091 thousand was recognized as the deduction of Long-term equity investment under equity method.

In 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, 2023 and 2022, the unrealized loss was \$54,608 thousand and \$60,064 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	2023		2022	
	Disposal price	Gain from disposal	Disposal price	Gain from disposal
Other related parties	\$ 70	47	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

6. Other related-party transactions

For the years ended December 31, 2023 and 2022, the Company received payments of claims from other related parties amounting to \$1,256 thousand and \$3,639 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Company paid \$1,581 thousand and \$61 thousand, respectively, in claims to other related parties.

For the years ended December 31, 2023 and 2022, the Company sold fuel inventory to its subsidiary, amounting to \$772,410 thousand and \$784,333 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Company received the payments of manpower support service, etc. from its subsidiary amounting to \$18,177 thousand and \$22,848 thousand, respectively..

For the years ended December 31, 2023 and 2022, the Company received the payments of manpower support service, etc. from other related parties amounting to \$21,317 thousand and \$19,200 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Company received the payments of manpower support service from associates amounting to \$1,785 thousand and \$1,750 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Company received the payments of rent revenue from other related parties amounting to \$648 thousand and \$620 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Company purchased miscellaneous from its subsidiary amounting to \$14,838 thousand and \$936 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Company purchased miscellaneous from other related parties amounting to \$40,437 thousand and \$27,171 thousand, respectively.

7. Loans to Related Parties

The Company Financing to other related parties was as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Subsidiary		
WHL Liberia	\$ <u>2,486,655</u>	<u>3,072,500</u>

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.

For the years ended December 31, 2023 and 2022, the Company received the payment of interest revenue from its subsidiary amounting to \$173,808 thousand and \$4,563 thousand, respectively.

8. Guarantees

Endorsement guarantees offered to related parties were as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Subsidiary	\$ <u>47,575,097</u>	<u>69,598,327</u>

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

NOTES TO THE FINANCIAL STATEMENTS

The Company's endorsement guarantee for its related parties bears an interest at an average rate. For the year ended December 31, 2023 and 2022, the Company received the payments of endorsement and guarantees revenue from its subsidiary amounting to \$251,557 thousand and \$342,066 thousand, respectively.

Endorsement guarantees offered by related parties were as follows:

	2023.12.31	2022.12.31
Subsidiary	\$ 2,925,000	-

The subsidiaries' endorsement guarantee for the Company bears an interest at an average rate. For the year ended December 31, 2023, the Company paid \$6,687 thousand in endorsement and guarantees expense to its subsidiary.

9. Leasing

The Company rented containers from its related parties. A 1.5 to 12 year lease contract was signed, in which the rental fee was determined based on the market condition. For the years ended December 31, 2023 and 2022, the total value of the contract were both \$72,990 thousand. For the years ended December 31, 2023 and 2022, the Company recognized the amount of \$867 thousand and \$1,009 thousand, respectively as interest expense, with the balance of lease liabilities amounting to \$39,475 thousand and \$46,384 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. For the years ended December 31, 2023 and 2022, the total value of the contract were \$9,344,318 thousand and \$16,488,131 thousand, respectively. For the years ended December 31, 2023 and 2022, the Company recognized the amount of \$150,414 thousand and \$1,209,468 thousand, respectively as interest expense, with the balance of lease liabilities amounting to \$5,257,220 thousand and \$11,387,006 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. For the years ended December 31, 2023 and 2022, the total value of the contract were \$1,862,625 thousand and \$6,555,644 thousand, respectively. For the years ended December 31, 2023 and 2022, the Company recognized the amount of \$70,207 thousand and \$15,300 thousand, respectively as interest expense, with the balance of lease liabilities amounting to \$1,126,394 thousand and \$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. For the years ended December 31, 2023, the total value of the contract were both \$7,800 thousand. For the years ended December 31, 2023 and 2022, the Company recognized the amount of \$183 thousand and \$16 thousand, respectively as interest expense, with the balance of lease liabilities amounting to \$5,845 thousand and \$6,442 thousand, respectively.

(c) Key management personnel remuneration

Key management personnel remuneration comprised:

	2023	2022
Short-term employee benefits	\$ 29,434	187,166
Post-employment benefits	106	91
	\$ 29,540	187,257

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

(8) Pledged Assets

The carrying values of pledged assets were as follows:

Assets	Objective	2023.12.31	2022.12.31
Time deposits (classified under other non-current assets)	Lease contract for wharf	\$ 122,455	122,455
Guarantee deposits paid (classified under other non-current assets)	Lease contract for wharf, building lease contract and lawsuit	87,299	97,183
Containers (classified under property, plant and equipment)	Long-term loans	-	16,009,271
Land and Buildings (classified under property, plant and equipment)	Long-term loans	2,175,451	2,188,048
Land and Buildings (classified under investment property)	Long-term loans	2,877,814	2,897,544
		<u>\$ 5,263,019</u>	<u>21,314,501</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 renewed lease period 20 years, from March 2008 to March 2028. As of December 31, 2023, the guarantee deposit amounted to JPY 255,775,000 (TWD 55,526 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 January 2024 to December 2043, at a total lease term of 20 years. The Company will recognized the amount of \$6,149,996 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:

In June 2021, the Company 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, 2023, 4 ships have been transferred. Based on route configuration and group synergy, the remaining eight 3,055 TEU container ships will be acquired by subsidiary Wan Hai Lines (Singapore) Pte. Ltd. As of December 31, 2023, all construction has not been completed.

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

NOTES TO THE FINANCIAL STATEMENTS

- (c) As of December 31, 2023, the total amount claimed for damages to the Company is approximately TWD 166,607 thousand, and the related cases are under negotiation or under trail.

(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, 2023			For the years ended December 31, 2022		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	1,332,338	1,034,976	2,367,314	1,250,946	2,430,300	3,681,246
Labor and health insurance	27,733	126,842	154,575	28,261	125,931	154,192
Pension	23,646	47,828	71,474	24,402	47,747	72,149
Remuneration of directors	-	12,458	12,458	-	144,869	144,869
Others employee benefits	94,614	57,767	152,381	53,259	90,457	143,716
Depreciation	10,365,312	121,191	10,486,503	16,748,460	119,507	16,867,967
Amortization	19,675	11,026	30,701	34,386	16,772	51,158

The Company's number of employees and additional information on employee benefits in December 31, 2023 and 2022 are as follows:

	2023	2022
Number of employees	<u>1,797</u>	<u>1,222</u>
Number of directors who were not employees	<u>5</u>	<u>5</u>
The average employee benefit	<u>\$ 1,532</u>	<u>3,329</u>
The average salaries and wages	<u>\$ 1,321</u>	<u>3,025</u>
The average of employee salary cost adjustment as follows	<u>(56.33)%</u>	<u>18.67 %</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.

(English Translation of Financial Statements Originally Issued in Chinese)

WAN HAI LINES LTD.

NOTES TO THE FINANCIAL STATEMENTS

- 2) If the Company makes a profit during the year, it shall allocate no less than 0.6% as employee remuneration following Article 11.
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 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.

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

NOTES TO THE FINANCIAL STATEMENTS

(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, 2023:

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 (Note 6)	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	3,070,500	3,070,500	-	-	Note 1	-	Note 4	-	Promissory note	3,070,500	82,399,390	82,399,390
0	The Company	WHL Liberia	Other receivables related	Yes	6,886,000	3,377,550	2,486,655	5.43-6.30%	Note 1	-	Note 3	-	Promissory note	3,377,550	82,399,390	82,399,390
1	WHL Singapore	Yi Chun	Other receivables related	Yes	64,870	61,410	19,958	6.05-6.90%	Note 1	-	Note 4	-	Promissory note	61,410	64,302,264	64,302,264

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 lending 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.

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 (Note 3)	Property pledged on guarantees and endorsements (Amount)	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	411,996,948	66,930,360	47,575,097	40,531,008	-	23.09 %	411,996,948	Y	N	N
1	WHL Singapore	The Company	3	321,511,318	3,000,000	2,925,000	2,925,000	2,925,000	1.82 %	321,511,318	N	Y	N

Note 1: Relationship with the Company

- The companies with which it has business relations.
- Subsidiaries in which the company directly or indirectly holds more than 50% of its total outstanding common shares.
- The parent company which directly or indirectly holds more than 50% of its voting rights.
- Subsidiaries in which the company directly or indirectly holds more than 90% of its voting rights.
- 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.
- Shareholders making endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.
- 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":

- External endorsements and guarantees made by the Company may not exceed 200% of the Company's net worth.
- Endorsements and guarantees made to a single enterprise may not exceed 40% of the Company or its subsidiaries' net worth.
- 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.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

3. Securities held as of December 31, 2023 (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	<u>Domestic listed stocks:</u>							
	GREATWALL ENTERPRISE CO., LTD.	-	Financial assets at fair value through profit or loss-current	13,462,880	787,578	1.50 %	787,578	
	Formosa Plastics Corporation	-	"	376,288	29,802	0.01 %	29,802	
	Formosa Chemicals & Fibre Corporation	-	"	245,480	15,293	- %	15,293	
	Tainan Spinning Co., Ltd.	-	"	12,124,898	191,573	0.73 %	191,573	
	TAIYEN BIOTECH CO., LTD	-	"	1,108,000	37,894	0.55 %	37,894	
	China Steel Corporation	-	"	2,291,162	61,861	0.01 %	61,861	
	Delta Electronics, Inc.	-	"	4,484,000	1,405,734	0.17 %	1,405,734	
	Taiwan Semiconductor Manufacturing Co., Ltd	-	"	1,401,000	830,793	0.01 %	830,793	
	Transcend Information, Inc.	-	"	89,111	7,182	0.02 %	7,182	
	Amtran Technology Co., Ltd.	-	"	920,611	11,968	0.12 %	11,968	
	Yang Ming Marine Transport Corp.	-	"	687,526	35,270	0.02 %	35,270	
	China Airlines Ltd.	-	"	25,003,862	541,334	0.41 %	541,334	
	Chinese Maritime Transport Ltd.	-	"	435,050	22,101	0.22 %	22,101	
	Mega Financial Holding Co., Ltd.	-	"	20,555,148	805,762	0.15 %	805,762	
	Taishin Financial Holding Co., Ltd.	-	"	16,847,780	304,945	0.14 %	304,945	
	First Financial Holding Co., Ltd.	-	"	20,458,552	560,564	0.15 %	560,564	
	The Eslite Spectrum Corporation	-	"	1,078,000	69,962	2.27 %	69,962	
	Shih Wei Navigation Co., Ltd.	-	"	775,888	15,945	0.20 %	15,945	
	Taiwan Cooperative Financial Holding Co., Ltd.	-	"	35,079,588	936,625	0.24 %	936,625	
	Taiwan Secom Co., Ltd.	-	"	3,620,000	423,540	0.80 %	423,540	
	TIGERAIR TAIWAN CO., LTD.	-	"	407,249	13,684	0.09 %	13,684	
	<u>Domestic listed stocks:</u>							
	Shihlin Paper Corporation	Related party in substance	Financial assets at fair value through other comprehensive income-non-current	10,710,088	615,830	4.12 %	615,830	
	Chunghwa Telecom Co., Ltd.	-	"	27,520,000	3,302,400	0.35 %	3,302,400	
	<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	512,199	15.25 %	512,199	
	United Stevedoring Corporation	-	"	781,250	14,971	15.63 %	14,971	

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

NOTES TO THE FINANCIAL STATEMENTS

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	Corporate bonds:							
	Bank of America Corp.	-	Financial assets at fair value through other comprehensive income-non-current	-	398,419	-	398,419	
	Standard Chartered PLC	-	"	-	120,201	-	120,201	
	JP Morgan Chase & Co.	-	"	-	30,419	-	30,419	
	Mitsubishi UFJ Financial Group, Inc.,	-	"	-	30,858	-	30,858	
	Citibank N.A.	-	"	-	31,774	-	31,774	
	Mizuho Financial Group	-	"	-	31,316	-	31,316	
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	702,080	20.29 %	702,080	

- Accumulated buying/selling of the same marketable securities for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.
- Acquisition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid in capital: None.
- Disposition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.
- 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	826,100	1.42 %	30 days	-	-	(9)	-	%
The Company	Tan Cang-Cai Mep International Terminal Co., Ltd.	Associate	Terminal handling charges, container fee, charges for port of call	229,025	0.39 %	30 days	-	-	-	-	%
The Company	HAI PHONG	Associate	Terminal handling charges, container fee, charges for port of call	124,938	0.21 %	30 days	-	-	-	-	%
The Company	WHL Singapore	Subsidiary	Charter hire income, container rental revenue, commission revenue, shipping agent revenue, joint venture revenue	(5,644,276)	9.53 %	30 days	-	-	122,304	2.99 %	Note 2
The Company	WHL Singapore	Subsidiary	Charter hire cost, oil expense, joint venture cost	10,174,349	17.44 %	30 days	-	-	-	-	%
The Company	WHL Hongkong	Subsidiary	Commission fee	1,434,824	2.46 %	30 days	-	-	(290,739)	5.36 %	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)	
The Company	WHL Malaysia	Subsidiary	Commission fee	134,604	0.23 %	30 days	-	-	-	- %	Note 2
The Company	TK Logistics International Co., Ltd.	Subsidiary	Container fee, labor fee, terminal handling charge	107,599	0.18 %	30 days	-	-	(1,828)	0.03 %	Note 2
The Company	WHL-India	Subsidiary	Commission fee	152,266	0.26 %	30 days	-	-	-	- %	Note 2
The Company	WHL Liberia	Subsidiary	Charter hire cost	963,687	1.65 %	30 days	-	-	(51,732)	0.95 %	Note 2
The Company	WHL (Japan)	Same director with the company	Commission fee	278,280	0.48 %	30 days	-	-	-	- %	
The Company	IAL Singapore	Related party in substance	Joint venture revenue, container rental revenue, shipping agent revenue, charter hire income	(1,042,241)	1.76 %	30 days	-	-	-	- %	
The Company	IAL Singapore	Related party in substance	Joint venture cost, container rental cost	756,601	1.30 %	30 days	-	-	(73,388)	13.35 %	
The Company	Interasia Lines Taiwan	Related party in substance	Loading and unloading revenue	(135,027)	0.23 %	30 days	-	-	25,128	0.61 %	
The Company	NSTC	Related party in substance	Tow charge	427,037	0.73 %	30 days	-	-	(43,805)	0.81 %	
The Company	APLI	Related party in substance	Container fee	334,355	0.57 %	30 days	-	-	(7,389)	0.13 %	
The Company	WCIC	Related party in substance	Turnkey fee, Loading and unloading fee	173,071	0.30 %	30 days	-	-	(13,165)	0.24 %	
The Company	NSaTC	Related party in substance	Tow charge, container fee	119,205	0.20 %	30 days	-	-	(10,542)	0.19 %	
The Company	New World Container services Corporation	Related party in substance	Container fee	130,854	0.22 %	30 days	-	-	(11,621)	0.21 %	
The Company	Johnson Checker	Related party in substance	Tallying fee	143,059	0.25 %	30 days	-	-	(11,532)	0.21 %	
WHL Singapore	The Company	Subsidiary	Charter hire cost, container rental expense, commission fee, shipping agent expense, joint venture cost	5,644,244	8.98 %	30 days	-	-	(122,304)	2.72 %	Note 2
WHL Singapore	The Company	Subsidiary	Oil revenue, charter hire income, joint venture cost	(10,363,010)	18.94 %	30 days	-	-	-	- %	Note 2
WHL Hongkong	The Company	Subsidiary	Commission income	(1,434,824)	92.02 %	30 days	-	-	290,739	18.07 %	Note 2
WHL Malaysia	The Company	Subsidiary	Commission income	(134,604)	99.90 %	30 days	-	-	-	- %	Note 2
TK Logistics International Co., Ltd.	The Company	Subsidiary	Container revenue, service revenue, terminal handling revenue	(107,599)	43.37 %	30 days	-	-	1,828	8.19 %	Note 2
WHL Liberia	The Company	Subsidiary	Charter hire income	(984,961)	99.07 %	30 days	-	-	51,732	100.00 %	Note 2
WHL India	The Company	Subsidiary	Commission income	(152,266)	100.00 %	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.

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

NOTES TO THE 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	611,957	- %	-	-	611,957	-
The Company (Note 2)	WHL-USA	Subsidiary	211,791	- %	-	-	148,856	-
The Company (Note 2)	WHL (Japan)	Same director with the Company	412,423	- %	-	-	313,011	-
The Company (Note 2)	WHL India	Subsidiary	228,192	- %	-	-	228,192	-
The Company (Note 2)	WHL Singapore	Subsidiary	122,304	- %	-	-	82,480	-
The Company (Note 3)	WHL Singapore	Subsidiary	493,680	- %	-	-	493,680	-
The Company (Note 3)	WHL Liberia	Subsidiary	2,520,276	- %	-	-	28,906	-
WHL Hongkong (Note 2)	The Company	Subsidiary	290,739	- %	-	-	290,739	-
WHL Thailand (Note 2)	The Company	Subsidiary	151,820	- %	-	-	151,820	-
Bao Sheng Shipping Agency Co.,Ltd. (Note 2)	The Company	Subsidiary	140,959	- %	-	-	124,545	-

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.

(b) Information on investees

For the year ended December 31, 2023, 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 %	156,075,580	(9,850,945)	(6,492,595)	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 %	21,947	38	38	Subsidiary (Note 3)
"	Tan Cang-Cai Mep International Terminal Co., Ltd.	Vietnam	Managing wharf and containers	259,917	259,917	-	21.33 %	366,230	391,841	83,580	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 %	156,439	12,809	7,129	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 %	41,308	6,125	4,288	Subsidiary (Note 3)
"	Hai Phong International Container Terminal Co., Ltd.	Vietnam	Managing wharf and containers	598,211	598,211	-	16.50 %	774,565	1,200,741	198,122	Equity method (Note 1)
"	Dawin Logistics (International) Ltd.	Hong Kong	Managing container, storage and logistics services	850,746	850,746	144,640,000	100.00 %	920,292	66,143	66,143	Subsidiary (Note 3 · 4)
"	Wan Hai Lines (H.K.) Limited	Hong Kong	Transportation and shipping agency services	1,259,282	1,259,282	160,000,000	100.00 %	392,603	170,322	283,968	Subsidiary (Note 2 · 3 · 5)
"	Wan Hai Lines (Liberia) Ltd.	Liberia	Vessel rental service	1,222,000	1,222,000	500	100.00 %	968,904	(362,141)	(425,693)	Subsidiary (Note 2 · 3)

(English Translation of Financial Statements Originally Issued in Chinese)
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			
The Company	PT. SINERGI BAHTERA MITRA	Indonesia	Managing container terminals and all business and activities that are not prohibited or restricted by law, except those that are subject to special approval	25,592	-	48,000	50.00 %	24,605	2,500	1,250	Equity method
WHL Singapore	Wan Hai Lines (Phils.), Inc.	Philippines	Transportation and shipping agency services	5,991	5,991	901,540	100.00 %	11,942	(2,106)	(2,106)	Indirect subsidiary (Note 3)
"	Wan Hai Lines (M) Sdn. Bhd	Malaysia	Transportation and shipping agency services	4,613	4,613	500,000	100.00 %	88,118	10,275	10,275	Indirect subsidiary (Note 3)
"	Yi Chun Shipping Agencies Sdn. Bhd	Malaysia	ODD operations	1,845	1,845	200,000	100.00 %	18,057	(3,839)	(3,839)	Indirect subsidiary (Note 3)
"	Wan Hai Lines (Korea) Ltd.	Korea	Transportation and shipping agency services	11,019	11,019	80,000	100.00 %	30,492	(8,809)	(8,809)	Indirect subsidiary (Note 3)
"	Wan Hai International Pte. Ltd.	Singapore	Transportation and shipping agency services	239,979	239,979	10,312,460	100.00 %	794,415	46,458	46,458	Indirect subsidiary (Note 3)
"	Wan Hai Lines (Thailand) Limited	Thailand	Transportation and shipping agency services	4,732	4,732	49,000	49.00 %	-	(2,456)	(2,456)	Indirect subsidiary (Note 3)
"	WAN HAI (VIETNAM) LTD.	Vietnam	Transportation and shipping agency services	8,691	8,691	-	100.00 %	14,663	6,864	6,864	Indirect subsidiary (Note 1 - 3)
"	HE CHUN LOGISTICS CO., LTD	Vietnam	ODD operations	60,857	60,857	-	100.00 %	109,704	52,833	52,833	Indirect subsidiary (Note 1 - 3)
"	Wan Hai Lines Peru S.A.C.	Peru	Transportation and shipping agency services	1,942	1,942	297,099	99.00 %	66,111	592	586	Indirect subsidiary (Note 3)
"	WanHai Lines Ecuador S.A.	Ecuador	Transportation and shipping agency services	10,246	10,246	99,000	99.00 %	56,968	25,779	25,521	Indirect subsidiary (Note 3)
"	Bravely International Pte. Ltd.	Singapore	Transportation and investment	625,026	625,026	28,262,221	100.00 %	65,596	(5,212)	(5,212)	Indirect subsidiary (Note 3)
"	WAN HAI LINES (USA) LTD.	America	Transportation and shipping agency services	437,514	437,514	284,381	100.00 %	527,935	17,960	17,960	Indirect subsidiary (Note 3)
"	PHUC XUAN MARITIME SERVICE CO.,LTD.	Vietnam	Container yard business	9,186	9,186	-	49.00 %	39,881	65,313	32,003	Equity method (Note 1)
"	WAN HAI SHIPPING LIMITED	Myanmar	Transportation and shipping agency services	1,075	1,075	35,000	70.00 %	774	(57)	(40)	Indirect subsidiary (Note 3)
"	WAN HAI LINES MEXICO, S.A. DE C.V.	Mexico	Transportation and shipping agency services	5,484	-	3,196,288	80.00 %	32,203	31,986	25,588	Indirect subsidiary (Note 3)
WHL INTL.	WanHai Lines Ecuador S.A.	Ecuador	Transportation and shipping agency services	178	178	1,000	1.00 %	575	25,779	258	Indirect subsidiary (Note 3)
"	Wan Hai Lines (UAE) LLC.	Dubai	Transportation and shipping agency services	1,365	1,365	147	49.00 %	32,981	64,192	31,454	Equity method
"	Infinite Marine Investment Co., Ltd.	Cayman	Investment	173,463	173,463	5,550,000	100.00 %	5,416	(72)	(72)	Indirect subsidiary (Note 3)
"	Wan Hai Lines (India) PVT Ltd.	India	Transportation and shipping agency services	69	69	10,000	100.00 %	527,808	47,689	47,689	Indirect subsidiary (Note 3)
"	Wan Hai Lines Peru S.A.C.	Peru	Transportation and shipping agency services	20	20	3,001	1.00 %	668	592	6	Indirect subsidiary (Note 3)

(English Translation of Financial Statements Originally Issued in Chinese)
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			
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 %	58,316	(5,766)	(4,612)	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 %	378,177	9,840	9,840	Indirect subsidiary (Note 1 - 3)
Wan Hai Lines (India) PVT Ltd.	WH LOGISTICS PRIVATE LIMITED	India	Management container, storage and logistic service	2,095	395	550,000	50.00 %	1,645	(529)	(264)	Equity method
HE CHUN	PHU HUNG MARITIME SERVICE COMPANY LIMITED	Vietnam	Container yard business	2,418	2,418	-	50.00 %	15,793	27,360	13,680	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)	-	-	-	-	(1,981)	100.00 %	(1,981)	21,517	-
Shenzhen Uniwin International Logistics Ltd.	Freight transportation and acting as agent for transport affairs	644,016	(1)	-	-	-	-	45,366	100.00 %	45,366	746,593	49,878
Clipper International Shipping Agency Ltd.	International shipping agency services	4,295	(1)	-	-	-	-	13,752	100.00 %	13,752	69,291	-
Blue Ocean Logistics (Shanghai) Ltd.	Containers, storage and international transportation services	32,596	(1)	-	-	-	-	4,395	100.00 %	4,395	120,331	-
Shenzhen Yong Chun International Shipping Management Co., Ltd.	International shipping management	29,068	(1)	-	-	-	-	3,897	90.00 %	3,507	36,242	-
Wan Hang Tours Co., Ltd.	General sales and entertainment project management	287,330	(1)	-	-	-	-	(14,314)	50.00 %	(7,157)	94,212	-
Qingdao port and Win International Logistics Co., Ltd.	Container yard station	50,188	(1)	-	-	-	-	39,340	50.00 %	19,670	49,938	12,079

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	123,599,084

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

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

NOTES TO THE FINANCIAL STATEMENTS

3. Significant transactions:

As of December 31, 2023, 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 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, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		\$ 104,351
Saving accounts-TWD		253,809
Saving accounts-Foreign currency	USD 730,421 thousand @ 30.71	25,904,746
	EUR 138 thousand @ 33.97	
	THB 248,782 thousand @ 0.90	
	KRW 101,602 thousand @ 0.02	
	CNY 48,717 thousand @ 4.33	
	JPY 13,303,831 thousand @ 0.22	
	SGD 1,940 thousand @ 23.28	
	HKD 26,200 thousand @ 3.93	
Time deposits-TWD (Note)		45,000
Time deposits-Foreign currency (Note)	USD 1,018,164 thousand @ 30.71	31,262,722
Total		<u>\$ 57,570,628</u>

Note: The term of time deposits is between 1 to 12 months, with interest rates ranging from 1.16% to 5.90%.

Wan Hai Lines Ltd.

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

DECEMBER 31, 2023

(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	13,463	\$ -	-	- %	360,428	58.50	787,578	-	
Formosa Plastics Corporation	"	376	-	-	- %	29,619	79.20	29,802	-	
Formosa Chemicals & Fiber Corporation	"	245	-	-	- %	17,917	62.30	15,293	-	
Tainan Spinning Co., Ltd.	"	12,125	-	-	- %	228,310	15.80	191,573	-	
TAIYEN BIOTECH CO., LTD	"	1,108	-	-	- %	34,262	34.20	37,894	-	
China Steel Corporation	"	2,291	-	-	- %	57,287	27.00	61,861	-	
Delta Electronics, Inc.	"	4,484	-	-	- %	722,470	313.50	1,405,734	-	
Taiwan Semiconductor Manufacturing Co., Ltd	"	1,401	-	-	- %	683,642	593.00	830,793	-	
Transcend Information, Inc.	"	89	-	-	- %	9,530	80.60	7,182	-	
Amtran Technology Co., Ltd.	"	921	-	-	- %	34,545	13.00	11,968	-	
Yang Ming Marine Transport Corp.	"	688	-	-	- %	27,961	51.30	35,270	-	
China Airlines Ltd.	"	25,004	-	-	- %	503,967	21.65	541,334	-	
Chinese Maritime Transport Ltd.	"	435	-	-	- %	51,519	50.80	22,101	-	
Mega Financial Holding Co., Ltd.	"	20,555	-	-	- %	522,003	39.20	805,762	-	
Taishin Financial Holding Co., Ltd.	"	16,848	-	-	- %	173,383	18.10	304,945	-	
First Financial Holding Co., Ltd.	"	20,459	-	-	- %	316,153	27.40	560,564	-	
Shih Wei Navigation Co., Ltd.	"	776	-	-	- %	63,795	20.55	15,945	-	
Taiwan Cooperative Financial Holding Co., Ltd.	"	35,080	-	-	- %	465,280	26.70	936,625	-	
Taiwan Secom Co., Ltd.	"	3,620	-	-	- %	318,070	117.00	423,540	-	
TIGERAIR TAIWAN CO.,LTD.	"	407	-	-	- %	13,470	33.60	13,684	-	
The Eslite Spectrum Corporate	Stocks traded over the counter	1,078	-	-	- %	136,106	64.90	69,962	-	
				-		4,769,717		7,109,410	-	

Wan Hai Lines Ltd.
STATEMENT OF NOTES RECEIVABLE
December 31, 2023
(In Thousands of New Taiwan Dollars)

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Notes receivables:			
Non-Related party:			
Others (Note 1)		\$ <u>33,963</u>	

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

STATEMENT OF ACCOUNTS RECEIVABLE

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Accounts receivable-joint service:			
Non-Related parties:			
YANG MING(SINGAPORE) PTE. LTD.		44,023	
Others (Note 1)		23,863	
Accounts receivable-freight, additional fee and container loading / discharge			
Related parties:			
Wan Hai Lines (Singapore) Pte. Ltd.		122,304	
Others (Note 1)		25,162	
Non-Related parties:			
Others (Note 1)	Freight and surcharge income	<u>607,348</u>	
Subtotal		822,700	
Less: Allowance for doubtful receivables		<u>(1,683)</u>	
Total		\$ <u>821,017</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, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Related parties:			
Accounts receivable-disposal of assets	Revenue from sale of containers	\$ 22,703	
Accounts receivable-vessel rental revenue	Revenue from charters of the remaining fuel at the end of rental period or others	256,045	
Loan receivable	Fund financing to WHL Liberia	2,486,655	
Others		293,578	
Subtotal		3,058,981	
Non-Related parties:			
Receivables	Discount on expense of containers loading / discharge	96,594	
Accounts receivable-vessel rental revenue	Revenue from charters of the remaining fuel at the end of rental period or others	36,811	
Indemnity income receivables	Relevant insurance compensation	154,522	
Interest receivable	Interest from time deposits and bond investments	380,239	
Other		94,932	
Subtotal		763,098	
Total		\$ 3,822,079	

Wan Hai Lines Ltd.
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(IN THOUSANDS OF NEW TAIWAN DOLLARS)

Item	Amount		Note
	Cost	Net Realizable Value	
Light marine diesel oil	\$ 215,422	192,460	
Heavy marine diesel oil	1,371,113	1,354,909	
Fresh lubricating oil	44,616	44,616	
Less: Allowance for inventory valuation and obsolescence losses	(39,166)	-	
	<u>\$ 1,591,985</u>	<u>1,591,985</u>	

Wan Hai Lines Ltd.

STATEMENT OF OTHER CURRENT ASSETS

DECEMBER 31, 2023

(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	\$ 16,477	
Non-Related parties:			
Prepaid insurance	Prepaid insurance of containers, fire disaster, public liability insurance and mutual insurance	26,228	
Prepaid expenses-agents	Pepaid I/E bonded charges	173,850	
Others (The individual account does not exceed 5% of the amount balance)		220,014	
Subtotal		<u>436,569</u>	
Payment on behalf of others:			
Payment on behalf of others-charters	Payment of fuel expense, accommodation fee, medical expense and others	18,487	
Others (The individual account does not exceed 5% of the amount balance)		59,446	
Subtotal		<u>77,933</u>	
Total		<u><u>\$ 514,502</u></u>	

Wan Hai Lines Ltd.

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

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Name	Balance, January 1, 2023		Additions		Decrease		Balance, December 31, 2023		Collateral	Note
	Share (In thousands)	Carrying value	Share (In thousands)	Amount	Share (In thousands)	Amount	Share (In thousands)	Carrying value		
Shihlin Paper Corporation	10,462	\$ 521,012	248	94,818	-	-	10,710	615,830	None	
Chunghua Telecom Co., Ltd.	27,520	3,109,760	-	192,640	-	-	27,520	3,302,400	"	
Taipei Port Container Terminal Corp.	79,315	555,677	-	-	-	43,478	79,315	512,199	"	
United Stevedoring Corporation	781	9,912	-	5,059	-	-	781	14,971	"	
Bank of America Corp.	-	-	-	398,419	-	-	-	398,419	"	
Standard Chartered PLC	-	-	-	120,201	-	-	-	120,201	"	
JP Morgan Chase & Co.	-	-	-	30,419	-	-	-	30,419	"	
Mitsubishi UFJ Financial Group, Inc.,	-	-	-	30,858	-	-	-	30,858	"	
Citibank N.A.	-	-	-	31,774	-	-	-	31,774	"	
Mizuho Financial Group	-	-	-	31,316	-	-	-	31,316	"	
Wells Fargo & Company	-	-	-	90,549	-	-	-	90,549	"	
		<u>\$ 4,196,361</u>		<u>1,026,053</u>		<u>43,478</u>		<u>5,178,936</u>		

Wan Hai Lines Ltd.

STATEMENT OF CHANGES IN INVESTMENTS
ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED IN DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Name	Balance, January 1, 2023		Additions		Decrease		Balance, December 31, 2023		Market Value or Net Assets		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Unit price	Total Amount		
Wan Hai Lines (Singapore) Pte Ltd	979,399,234	\$ 162,632,156	-	-	-	6,556,576	979,399,234	100.00 %	159.36	156,075,580	None	
K.K. WH Corporation	500	23,466	-	-	-	1,519	500	100.00 %	43,894.00	21,947	"	
Tan Cang-Cui Mep International Terminal Co., Ltd.	Note	456,232	-	-	-	90,002	Note	21.33 %	-	366,230	"	
T.K. Logistics International Co., Ltd.	14,300,000	170,166	-	-	-	13,727	14,300,000	55.00 %	10.94	156,439	"	
Bao Sheng Shipping Agency Co., Ltd.	3,000,000	40,196	-	-	-	-	3,000,000	70.01 %	13.77	41,308	"	
Hai Phong International Container Terminal Co Ltd.	Note	767,116	-	-	-	-	Note	16.50 %	-	774,565	"	
Dawin Logistics (International) Limited	144,640,000	929,887	-	-	-	9,595	144,640,000	100.00 %	6.36	920,292	"	
Wan Hai Lines (HK) Ltd.	160,000,000	115,769	-	-	-	-	160,000,000	100.00 %	2.45	392,603	"	
Wan Hai Lines (Liberia) Ltd.	500	1,391,157	-	-	-	422,253	500	100.00 %	1,937,808.00	968,904	"	
PT. SENERGI BAHTERA MITRA	-	-	24,000	24,605	-	-	24,000	50.00 %	1,025.21	24,605	"	
		\$ 166,526,145		310,000		7,093,672				159,742,473		

Note : Limited companies with no common share issued.

Wan Hai Lines Ltd.
STATEMENT OF PREPAYMENTS FOR BUSINESS
FACILITIES OTHER NON-CURRENT ASSET

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments for business facilities:			
Shanghai Zhenhua Heavy Industries Co., Ltd.	Payments for Kaohsiung Port machinery	\$ 1,514,085	
CHIN PAN ENGINEERING CO., LTD.	Payments for Tokyo Port machinery	643,522	
DONG PI CO., LTD.	Reconstruction payments for Kaohsiung Port	400,000	
Others		314,904	
Deferred tax assets-non-current		48,138	
Refundable deposits		209,754	
Others		883	
Subtotal		<u>258,775</u>	
Total		<u>\$ 3,131,286</u>	

STATEMENT OF ACCOUNTS PAYABLES

Client Name	Description	Amount	Note
Accounts payable			
Related parties:			
Other (Note 1)		\$ 385,920	
Non-related parties			
Other (Note 1)		4,365,009	
Accounts payable-agents commission in transit		15,057	
Accounts payable-containers fee		5,687	
Accounts payable-charters		48,042	
Accounts payable-joint service		16,352	
Accounts payable-rental fee		30	
Total		<u>\$ 4,836,097</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, 2023
(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)		\$ 5,826
Non-related party		
Bonus payable	Estimated year-end bonus	89,308
Interest payable	Estimated interest expense	78,789
Others		157,448
Subtotal		325,545
Payables on equipment		
Non-related party		
Dong Fang International Cotainer (Hang Kong) Ltd.		856,670
Others		976
Subtotal		857,646
Others		230,417
Total		\$ 1,419,434

STATEMENT OF LEASE LIABILITIES

Item	Lease terms	Discount rates	Amount	Note
Wharf	4~15 years	1.82%~2.20%	\$ 1,955,168	
Vessel equipment	3 years	2.56%~3.20%	6,383,614	
Containers	12 years	2%	39,475	
Buildings	10 years	2.93%	5,845	
Others	3~5 years	2.20%~2.70%	7,808	
Total			\$ 8,391,910	

Wan Hai Lines Ltd.
STATEMENT OF OTHER CURRENT
LIABILITIES

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Contract liabilities:			
Related party:			
WHL Thailand	Unearned freight revenue	\$ 5,687	
Non-Related party:			
PKT GLOBAL LOGISTICS (LABUAN) LTD	Unearned freight revenue	1,581	
Other	Unearned freight revenue	14,284	
		<u>21,552</u>	
Other unearned receipts:			
Related party:			
Others (Note)		374	
Non-Related party:			
GlobalTown Development Co., Ltd.		7,884	
FAST TRACK INTERNATIONAL		21,744	
MUWON CORPORATION		5,445	
Yon-Su Trading Co., Ltd.		7,166	
TAEWOONG LOGISTICS CO., LTD.		5,313	
CONTA COMPANY LIMITED		6,113	
Others (Note)		<u>29,564</u>	
Subtotal		<u>83,603</u>	
Receipts under custody			
Related party:			
Taian Insurance Co., Ltd.	Collection of claim payment of subsidiary	14,020	
Non-Related party:			
Others		<u>100,177</u>	
		<u>114,197</u>	
Guarantee deposits received	Security deposit	<u>2,832</u>	
Total		<u>\$ 222,184</u>	

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

Wan Hai Lines Ltd.
STATEMENT OF LONG-TERM LOANS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Creditor	Description	Balance, December 31, 2023	Contract period	Range of Interest Rates	Collateral	Note
Land Bank of Taiwan Chang An Branch		\$ 1,667,434			Building, Land	
"		1,190,139			Building, Land	
Chang Hwa Bank Chilin Branch		1,100,750			Building, Land	
Standard Chartered Bank		2,925,000			Vessel of subsidiary	
Ta Ching Bills Finance Corporation		1,000,000			-	
"		1,000,000			-	
China Bills Finance Corporation		600,000			-	
"		1,500,000			-	
"		500,000			-	
Mega Bills Finance Corporation		1,400,000			-	
"		1,000,000			-	
"		1,000,000			-	
Grand Bills Finance Corporation		1,400,000			-	
"		600,000			-	
Land Bank of Taiwan Chang An Branch		1,750,000			-	
"		2,000,000			-	
Yuanta Commercial Bank		3,000,000			-	
Standard Chartered Bank		1,900,000			-	
The Shanghai Commercial & Saving Bank		900,000			-	
East Taipei Branch					-	
CBTC Bank Co., Ltd.		480,000			-	
The Export-Import Bank of the Republic of China		500,000			-	
E.Sun Bank		700,000			-	
Taishin International Bank		300,000			-	
"		400,000			-	
DBS (Taiwan) Bank Ltd.		1,300,000			-	
"		1,300,000			-	
Hua Nan Bank Cheng Tung Branch		3,000,000			-	
Chang Hwa Bank Chilin Branch		2,000,000			-	
KGI Bank		600,000			-	
Far Eastern International Bank Business Department		750,000			-	
"		200,000			-	
"		50,000			-	
Taipei Fubon Bank		<u>1,000,000</u>			-	
		39,013,323	2020.10.08-2042.06.24	0.83%~5.95%		
Less: Current portion		(3,976,890)				
Discount on commercial paper		<u>(12,265)</u>				
		<u><u>\$ 35,024,168</u></u>				

Wan Hai Lines Ltd.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED IN DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Numbers</u>	<u>Amount</u>	<u>Note</u>
Freight revenue		\$ 56,807,525	
Rent revenue		2,291,895	
Revenue from WHL terminal		629,349	
Other labor service		<u>43,583</u>	
		59,772,352	
Less: Sales returns and allowances		<u>(559,986)</u>	
Net amount of operating revenue		<u><u>\$ 59,212,366</u></u>	

STATEMENT OF OPERATING COSTS

<u>Item</u>	<u>Amount</u>
Agency Service	\$ 1,774,640
Port charges	2,838,917
stevedorage & cargo charges	18,978,664
Container expense	6,516,850
Vessel expense	9,582,404
Fuel Cost	12,223,134
Loss on inventory valuation	17,848
Vessel rental expense	4,158,607
Expense from WHL terminal	<u>2,259,056</u>
	<u><u>\$ 58,350,120</u></u>

Wan Hai Lines Ltd.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED IN DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Payroll expenses		\$ 1,034,976	
Entertainment expenses		92,107	
Taxes		201,208	
Depreciation expenses		121,191	
Service fees		29,302	
Other expenses		846,724	None of individual amount exceed 5%
Total		<u>\$ 2,325,508</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 changes in accumulated depreciation of 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 publishing date of the annual report :None



Review of Financial Conditions, Operating Results, and Risk Management

7.1 Analysis of Financial Status

Unit: TWD thousand; %

Item \ Year	2023	2022	Difference	
			Amounts	%
Current assets	139,969,249	194,889,426	(54,920,177)	(28.18)
Property, Plant and Equipment	153,973,543	114,914,338	39,059,205	33.99
Right-of-Use	9,917,984	18,207,190	(8,289,206)	(45.53)
Intangible Assets	52,901	40,351	12,550	31.10
Other Assets	28,662,494	37,051,993	(8,389,499)	(22.64)
Total Assets	332,576,171	365,103,298	(32,527,127)	(8.91)
Current Liabilities	34,667,134	48,366,437	(13,699,303)	(28.32)
Non-current Liabilities	91,544,963	90,765,787	779,176	0.86
Total Liabilities	126,212,097	139,132,224	(12,920,127)	(9.29)
Equity attributable to owners of parent	205,998,474	225,602,942	(19,604,468)	(8.69)
Common Stock	28,061,464	28,061,464	0	0.00
Capital surplus	1,271,775	1,271,775	0	0.00
Retained Earnings	166,625,351	186,524,058	(19,898,707)	(10.67)
Other Equity	10,039,884	9,745,645	24,239	3.02
Treasury Stock	0	0	0	0.00
Non-Controlling Interest	365,600	368,132	(2,532)	(0.69)
Total stockholders' equity	206,364,074	225,971,074	(19,607,000)	(8.68)

Illustration for significant variance:

1. The decrease in current assets was mainly due to the decrease in cash and cash equivalents.
2. The increase in property, plant and equipment was mainly due to the increase in vessels.
3. The decrease in right-of-use was mainly due to the decrease in right-of-use-vessels.
4. The increase in intangible assets was mainly due to the increase in computer software.
5. The decrease in other assets was mainly due to the decrease in advance payments on equipment.
6. The decrease in current liabilities was mainly due to the decrease in deferred tax liabilities.

7.2 Analysis of operation results

Unit: TWD thousand; %

Item \ Year	2023	2022	Difference	
			Amounts	%
Operating revenue	100,220,040	258,953,171	(158,733,131)	(61.30)
Operating cost	101,726,018	132,523,190	(30,797,172)	(23.24)
Gross profit	(1,505,978)	126,429,981	(127,935,959)	(101.19)
Operating expense	6,592,940	8,612,289	(2,019,349)	(23.45)
Net other income (expenses)	1,796,360	105,731	1,690,629	1,598.99
Operating income	(6,302,558)	117,923,423	(124,225,981)	(105.34)
Non-operating income and expenses	3,808,051	6,055,956	(2,247,905)	(37.12)
Net income before income tax	(2,494,507)	123,979,379	(126,473,886)	(102.01)
Income tax	3,288,688	30,850,498	(27,561,810)	(89.34)
Net income after income tax	(5,783,195)	93,128,881	(98,912,076)	(106.21)
Other comprehensive profit and loss (Net value after tax)	224,437	13,906,475	(13,682,038)	(98.39)
Total Comprehensive profit and loss from this period	(5,558,758)	107,035,356	(112,594,114)	(105.19)
Net earnings attributable to owners of parent	(5,796,413)	93,072,097	(98,868,510)	(106.23)
Net earnings attributable to non-controlling interest	13,218	56,784	(43,566)	(76.72)
Total comprehensive profit and loss attributable to owners of parent	(5,573,737)	106,967,397	(112,541,134)	(105.21)
Total comprehensive profit and loss attributable to non-controlling interest	14,979	67,959	(52,980)	(77.96)

Illustration for significant variance:

1. The decrease in operating revenue was mainly due to fall in ocean freight.
2. The decrease in operating cost was mainly due to decrease in fuel cost & cargo handling cost.
3. The decrease in operating expense was mainly due to decrease in salary and oft tax expenses.
4. The increase in net other income (expenses) was mainly due to increase in gains on disposals of property and equipment.
5. The decrease in non-operating income and expenses was mainly due to decrease in foreign exchange gains.
6. The decrease in other comprehensive profit and loss (net value after tax) was mainly due to decrease 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	2023	2022	Increase(Decrease)(%)
Cash flow ratio	-12.82	279.39	-104.59
Cash flow adequacy ratio	166.98	224.30	-25.56
Cash re-investment ratio	-5.26	29.98	-117.55
Analysis of increase/decrease ratios: Cash flow ratio, Cash flow adequacy ratio, and Cash re-investment ratio decrease is due to cash from operating activities decrease.			

7.3.2 Analysis of cash flow for the coming 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
119,639,667	23,730,697	(22,542,958)	120,827,406	-	-

1. Analysis of cash flow for this year:

- (1) Operating activities: Expected that the cash inflow from operating activities is TWD 23,730,697 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 16,423,200 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 6,119,758 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)				
				2023	2024	2025	2026	2027
Investing terminal Purchasing containers/ vessels	Loans, Internal funds, Financing from capital market	Investing terminal/Purchasing containers and vessels in Year 2023 Investing terminal/Purchasing containers and vessels in Year 2024~2027	73,688,668	41,687,398	21,451,385	9,509,055	1,040,830	0

Note 1: Including subsidiary company, Wan Hai Lines (Singapore) Pte Ltd., into the planning on actual / forecast of working capital.

7.4.2 Predicted benefits

The phase-in of brand-new vessels and containers will enhance the vessel/container fleet, improve our service quality and reduce operating cost.

7.5 The main reasons for profits and losses of the investment plans in the last year, improvement plans and investment plans for the coming year

In order to raise the quality of our customer service and grasp market trends, we have cut down on operating costs and invested in outstanding shipping related businesses, shipping agencies, and vessel rental companies. Share of profit of long-term investments under equity method last year was TWD 372,338 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 publishing date of the annual report

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 the 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 981,000,000 expense for research and development and installation of the following items:

1. To comply with carbon reduction, we will increase the proportion of green ships.
2. In response to changes in the supply chain, we will flexibly adjust our shipping route deployments.
3. To enhance and expand our shipping alliances.
4. To optimize the service quality of our e-commerce platforms and to develop and enhance new items.
5. To optimize fleet equipment and management performances, and to enhance maritime safety and intelligent management, so as to achieve green energy conservation maritime targets.
6. To enhance shipping space allotment systems, to elevate operational efficiencies.
7. To promote learning new cold chain logistical technology and expertise.
8. To enhance information safety protection and management.

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. Considering 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.

In recent years, Wan Hai has, apart from complying with rules and regulations, actively expanded its fleets and containers, replaced old ships with new ones, designed and deployed suitable ship and container in response to shipping deployments. Wan Hai also makes good use of its resources to lower operational costs and develops niche markets to improve operational performances.

However, in the post-pandemic era, the shipping market faces a supply/demand imbalance, a sluggish global economy and a series of impacts caused by geopolitical politics and economy, and changes in the shipping market are hard to predict. Wan Hai will pay close attention to market changes, cautiously evaluate operational performances and implement flexible adjustments and deployments, to avoid the risk of oversupply.

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 publishing date of the annual report:

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 not any material effect to our company.

7.6.13 Other major risks and action plan: None.

7.7 Other significant information: None.

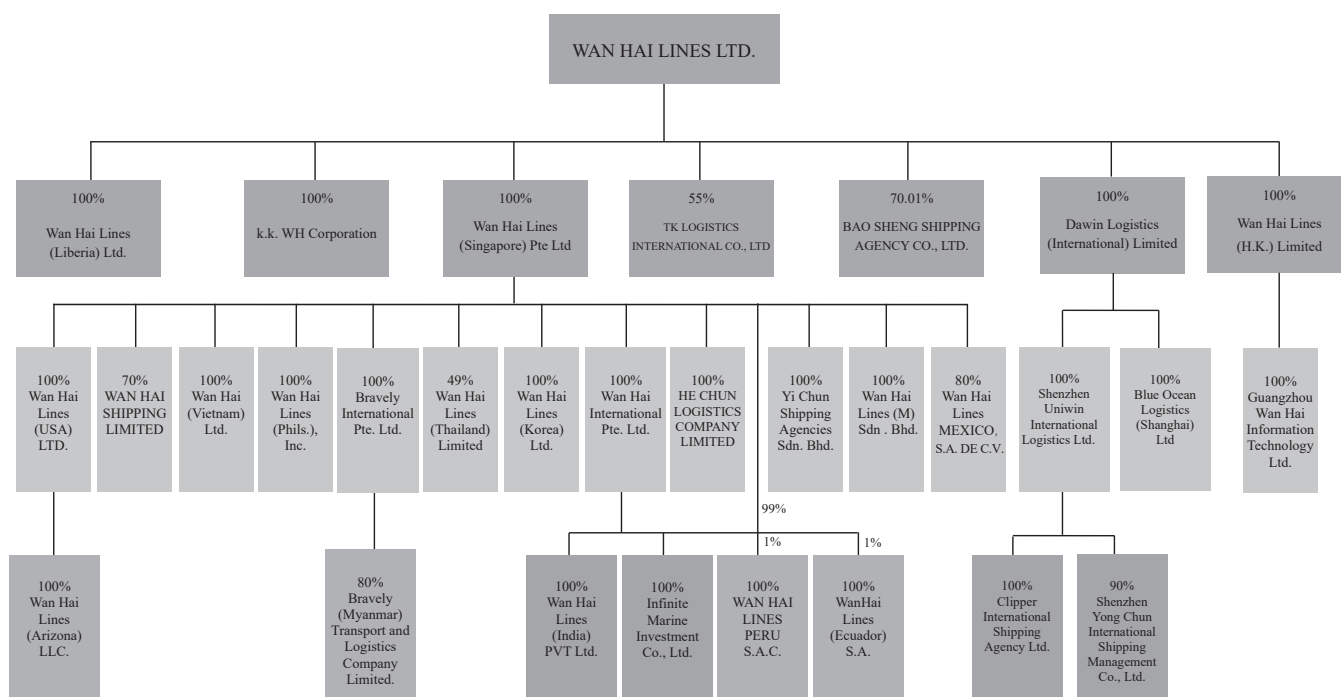


Special Disclosure

8.1 Related Parties Information

8.1.1 Consolidated Operation Report

1. Related Parties Structure (updated to 31 Dec 2023)



2. Related Parties' Basic Information

Company Name	Establish Date	Address	Capital Amount	Nature of Business
Wan Hai Lines (Singapore) Pte Ltd	1991/05/09	79, Anson Road #10-01 Singapore 079906	714,259,854.86(USD) ExRate: 30.705	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: 141.44/30.705	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: 7.8132/30.705	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: 7.8132/30.705	Cargo handling, warehousing and investment service
TK Logistics international Co., Ltd.	2005/09/26	No.28, Zhong Shan 4th Road, Keelung City, Taiwan	260,000,000 (TWD)	Managing container terminals and storage facilities
Bao Sheng Shipping Agency Co., Ltd.	2010/03/18	7F, No. 255, Ren 2nd Rd., Ren ai District, Keelung City, Taiwan	42,850,000 (TWD)	Acting as agent for transportation affair and contracting ocean shipping and related services
WAN HAI LINES (LIBERIA) LTD.	2022/11/16	80 Broad Street, Monrovia, Liberia	40,000,000 (USD) ExRate: 30.705	Vessel leasing business
Wan Hai Lines (Korea) Ltd.	1991/08/12	15F, 43, Dadong-Gil, Jung-Gu, Seoul, Korea, 04521	400,000,000 (KRW) ExRate: 1,296.47/30.705	International sea transportation, operations, agencies for transport affairs
Wan Hai Lines (M) Sdn. Bhd.	1992/02/28	K-2-06, Jalan PJU 1A/41B, Pusat Dagangan NZX, Ara Jaya,47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	500,000 (MYR) ExRate: 4.593/30.705	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: 4.593/30.705	On dock depot operation
Wan Hai Lines (Phils.), Inc.	2000/10/05	10th Floor Rufino Pacific Tower #6784 Ayala Avenue corner V.A. Rufino Street,1223 Makati City	9,015,400 (PHP) ExRate: 55.40/30.705	International sea transportation, operations, agencies for transport affairs
Wan Hai International Pte. Ltd.	2002/07/22	79, Anson Road #10-01 Singapore 079906	10,312,460 (SGD) ExRate: 1.3192/30.705	International sea transportation, operations, agencies for transport affairs
Wan Hai Lines (Thailand) Limited.	2006/05/01	21F, Lumpini Tower, 1168/56, 61 Rama 4 Road, Thungmahamek, Sathorn, Bangkok 10120, Thailand	10,000,000 (THB) ExRate: 34.25/30.705	International sea transportation, operations, agencies for transport affairs
Wan Hai (Vietnam) Ltd.	2012/07/02	Mezz Floor & 9th Floor,MB Sunny Tower,259 Tran Hung Dao st,1st Dist, HCM City, S.R Vietnam	6,300,000,000 (VND) ExRate: 24,250/30.705	International sea transportation, operations, agencies for transport affairs
Bravely International Pte. Ltd.	2014/05/26	79, Anson Road #10-01 Singapore 079906	20,395,987.42 (USD) ExRate: 30.705	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: 30.705	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: 30.705	House rental and management services
Wan Hai Lines (USA) LTD.	2018/05/17	17200 N Perimeter Dr., STE200,Scottsdale AZ 85255	14,219,059.77 (USD) ExRate: 30.705	International sea transportation, operations, agencies for transport affairs
HE CHUN LOGISTICS COMPANY LIMITED	2018/10/05	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: 24,250/30.705	On dock depot operation
WAN HAI LINES PERU S.A.C.	2015/05/14	Calle Bolognesi No 180, Office 604, Miraflores 15074, Lima, Peru	300,100 (PEN) ExRate: 3.7102/30.705	International sea transportation, operations, agencies for transport affairs
WAN HAI SHIPPING LIMITED	2019/01/16	Room(6), No.(30/A) , Yaw Min Gyi Street, Yaw Min Gyi Ward, Dagon Township, Yangon, Myanmar	76,170,000 (MMK) ExRate: 3.7102/30.705	International sea transportation, operations, agencies for transport affairs
Guangzhou Wan Hai Information Technology Ltd.	2000/07/13	20F, Baolizhongjing, 406 Huasui Rd., Guangzhou, China	2,125,450 (CNY) ExRate: 7.0952/30.705	Information and Software service
Wan Hai Lines (India) PVT Ltd.	2002/05/28	A-102 and 103, The Qube, Near To International Airport, Marol Village,Andheri (East), Mumbai-400 059	100,000 (INR) ExRate: 83.17/30.705	International sea transportation, operations, agencies for transport affairs
Infinite Marine Investment Co., Ltd.	2016/06/17	P.O. Box 10008, Willow House, Cricket Square/ Grand Cayman, KY1-1001, Cayman Islands	5,550,000 (USD) ExRate: 30.705	Investment
Bravely (Myanmar) Transport and Logistics Company Limited.	2015/05/29	No.235-B ,Shukhinthar Mayopat Road ,Thaketa Township, Yangon	6,773,500,000 (MMK) ExRate: 2,106/30.705	Haulage service and barge business
Shenzhen Uniwin International Logistics Ltd.	2002/06/14	Room C,D, 25F, Tianmian City Tower, Middle Shennan Blvd, Shenzhen , China	132,615,268 (CNY) ExRate: 7.0952/30.705	Freight transportation and agency services for transport affairs
Blue Ocean Logistics (Shanghai) Ltd	2006/09/21	9F, No.118, East Bao Xing Road, HongKou District, Shanghai	7,824,000 (CNY) ExRate: 7.0952/30.705	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: 7.0952/30.705	International sea transportation, operations, agencies for transport affairs
Shenzhen Yong Chun International Shipping Management Co., Ltd.	2010/07/20	AB, 26/F, Tianmian City Tower, 4028 Middle Shennan Road, Huafu , Futian , Shenzhen ,China.	6,000,000 (CNY) ExRate: 7.0952/30.705	International shipping management
WAN HAI LINES MEXICO, S.A. DE C.V.	2022/09/28	Blvd Manuel Avila Camacho 191 int 501, Col Los Morales, 11510, Miguel hidalgo, CDMX	3,995,360(MXN) ExRate: 16.96/30.705	International sea transportation, operations, agencies for transport affairs

3. The companies presumed to have a relationship of control and subordination should be disclosed: None.

4. The industries covered by the business operated by the affiliates overall The whole 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 Chiu-Feng Lin		
	Director	WH-TPE Representative Yi-Ting Liu		
	Supervisor	Shyue-Jih Ma	-	-
	Supervisor	Wei-Chien Chuang	-	-
	President	Chuang-Chih Chuang	-	-
BAO SHENG SHIPPING AGENCY CO., LTD.	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		
	Director	Cheng-Chung Chuang	1,285,000	29.99%
	Supervisor	Shyue-Jih Ma	-	-
	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 Sung-Yu Hong		
	Director	WH-SG Representative Valeriano S. del Rosario		
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	300,100	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 Chin-Chiang Tsao		
	Director	WH-HK Representative Yi-Ting Liu		
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 Yi-Ting Liu		
Blue Ocean Logistics (Shanghai) Ltd	Chair	DAWIN Representative Wei-Chien Chuang	-	100%
	Director & President	DAWIN Representative Wan-Li Jen		
	Director	DAWIN Representative Wen-Yuan Chiang		
	Supervisor	DAWIN Representative Chih-Hsien Chen		
Clipper International Shipping Agency Ltd.	Chair	UNIWIN Representative Wen-Yuan Chiang	-	100%
	Director	UNIWIN Representative Shyue-Jih Ma		
	Director	UNIWIN Representative Kwan-Wah Chu		
	Director	UNIWIN Representative Tian-Hai Chang		
	Supervisor	UNIWIN Representative Yi-Ting Liu		
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 Yi-Ting Liu		
	Vice Chair	Unitrans Group Co., Ltd. Jian Huang		10%
WAN HAI LINES MEXICO, S.A. DE C.V.	Director	WH-SG Representative Randy Chen	3,196,288	80%
	Director	WH-SG Representative Meng-Chuan Chang		
	Director	WH-SG Representative Chian-Rung Liu		
	Director	AGUNSA Representative Sebastian Santa Cruz Holmes	799,072	20%

6. Related Parties' Financial Position & Operation Results

Unit : TWD 1,000 Per Share / TWD
2023/12/31

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)	197,081,349 (USD 6,418,542,555.09)	35,274,423 (USD 1,148,816,907.87)	161,806,926 (USD 5,269,725,647.23)	56,022,769 (USD 1,801,711,221.51)	-9,173,277 (-USD 295,015,704.37)	-9,850,945 (-USD 316,809,740.37)	N/A
k.k. WH Corporation	7,141 (JPY 25,000,000)	39,083 (JPY 180,030,646)	17,135 (JPY 78,930,813)	21,948 (JPY 101,099,883)	57,465 (JPY 259,200,000)	144 (JPY 648,731)	38 (JPY 170,843)	76 (JPY 342)
Wan Hai Lines (H.K.) Limited	656,951 (HKD 160,000,000.00)	2,569,907 (HKD 653,937,084.16)	1,248,761 (HKD 317,758,081.96)	1,321,146 (HKD 336,179,002.21)	1,019,213 (HKD 256,599,413.45)	119,296 (HKD 30,034,266.55)	170,322 (HKD 42,880,648.95)	1 (HKD 0.27)
Dawin Logistics (International) Limited	547,220 (HKD 144,640,000.00)	3,550,349 (HKD 903,419,711.32)	2,626,027 (HKD 668,217,234.26)	924,322 (HKD 235,202,477.10)	1,337,777 (HKD 336,801,968.66)	17,136 (HKD 4,314,311.50)	66,144 (HKD 16,652,465.81)	0 (HKD 0.12)
WAN HAI LINES (LIBERIA) LTD.	1,222,000 (USD 40,000,000.00)	3,488,360 (USD 113,608,851.83)	2,565,153 (USD 83,541,865.23)	923,207 (USD 30,066,986.60)	994,182 (USD 31,973,233.18)	-196,480 (-USD 6,318,874.08)	-362,141 (-USD 11,646,587.15)	N/A
TK LOGISTICS INTERNATIONAL CO., LTD	260,000	838,595	554,328	284,267	248,117	23,325	12,809	0.49
BAO SHENG SHIP-PING AGENCY CO., LTD	42,850	124,461	65,459	59,002	65,838	7,954	6,125	1.43
Wan Hai Lines (Korea) Ltd.	11,019 (KRW 400,000,000)	131,184 (KRW 5,539,031,773)	100,692 (KRW 4,251,551,973)	30,492 (KRW 1,287,479,800)	83,615 (KRW 3,361,372,261)	-10,705 (-KRW 430,359,850)	-8,809 (-KRW 354,124,095)	N/A
Wan Hai Lines (M) Sdn. Bhd.	4,613 (MYR 500,000.00)	583,619 (MYR 87,300,459.02)	495,501 (MYR 74,119,280.05)	88,118 (MYR 13,181,178.97)	134,743 (MYR 19,760,129.28)	1,984 (MYR 290,989.35)	10,275 (MYR 1,506,790.20)	20 (MYR 3.01)
Yi Chun Shipping Agencies Sdn. Bhd.	1,845 (MYR 200,000.00)	74,196 (MYR 11,098,629.64)	56,139 (MYR 8,397,624.35)	18,057 (MYR 2,701,005.29)	99,329 (MYR 14,566,582.55)	-1,915 (-MYR 280,816.11)	-3,839 (-MYR 562,970.67)	N/A
Wan Hai Lines (Philis.), Inc.	5,991 (PHP 9,015,400.00)	376,677 (PHP 679,624,933)	364,735 (PHP 658,077,509)	11,942 (PHP 21,547,424)	57,675 (PHP 103,047,851)	-4,294 (-PHP 7,672,819)	-2,106 (-PHP 3,763,368)	N/A
Wan Hai International Pte. Ltd.	239,979 (SGD 10,312,460.00)	1,813,478 (SGD 77,913,721.31)	1,019,063 (SGD 43,782,709.36)	794,415 (SGD 34,131,012.08)	359,600 (SGD 15,533,723.01)	4,735 (SGD 204,533.95)	46,458 (SGD 2,006,845.99)	5 (SGD 0.19)
Wan Hai Lines (Thailand) Limited	9,657 (THB 10,000,000)	369,294 (THB 410,814,811)	290,301 (THB 323,817,290)	77,993 (THB 86,997,521)	98,755 (THB 110,662,376)	365 (THB 408,506)	-2,456 (THB 2,752,323)	-0.02 (-THB 27.52)
Wan Hai (Vietnam) Ltd.	8,691 (VND 6,300,000,000)	181,457 (VND 143,309,527,463)	166,794 (VND 131,729,340,902)	14,663 (VND 11,580,186,561)	78,230 (VND 60,176,918,642)	-32,484 (-VND 24,987,397,814)	6,864 (VND 5,280,186,561)	N/A
Bravely International Pte. Ltd.	625,026 (USD 20,395,987.42)	80,845 (USD 2,632,945.60)	670 (USD 21,816.68)	80,175 (USD 2,611,128.91)	6,609 (USD 212,532.50)	-6,213 (-USD 199,805.06)	-5,212 (-USD 167,611.76)	N/A
WanHai Lines Ecuador S.A.	3,191 (USD 100,000.00)	221,055 (USD 7,199,312.32)	163,512 (USD 5,325,247.64)	57,543 (USD 1,874,064.68)	165,358 (USD 5,317,973.24)	31,252 (USD 1,005,077)	25,779 (USD 829,063.15)	258 (USD 8.29)
Wan Hai Lines (Arizona) LLC.	359,760 (USD 12,000,000.00)	380,847 (USD 12,403,417.96)	2,670 (USD 86,965.39)	378,177 (USD 12,316,452.57)	32,433 (USD 1,043,065.82)	8,510 (USD 273,698.27)	9,840 (USD 316,452.57)	N/A
Wan Hai Lines (USA) LTD.	437,514 (USD 14,219,059.77)	1,021,387 (USD 33,264,521.68)	493,452 (USD 16,070,726.99)	527,935 (USD 17,193,794.69)	298,504 (USD 9,600,000)	-11,276 (-USD 362,644.42)	17,960 (USD 577,611.31)	63 (USD 2.03)
HE CHUN LOGISTICS COMPANY LIMITED	60,857 (VND 46,000,000,000)	176,063 (VND 139,049,688,622)	66,359 (VND 52,408,697,399)	109,704 (VND 86,640,991,223)	109,931 (VND 84,562,513,306)	48,212 (VND 37,086,339,961)	52,833 (VND 40,640,991,223)	N/A
WAN HAI LINES PERU S.A.C.	2,682 (PEN 300,100.00)	177,704 (PEN 21,472,614.78)	110,926 (PEN 13,403,545.04)	66,778 (PEN 8,069,069.74)	156,315 (PEN 18,807,106.75)	5,993 (PEN 721,072.83)	592 (PEN 71,240.80)	2 (PEN 0.24)
WAN HAI SHIPPING LIMITED	1,536 (MMK 76,170,000)	1,106 (MMK 75,880,586.00)	0 (MMK 0)	1,106 (MMK 75,880,586.00)	0 (MMK 0)	-57 (-MMK 3,673,000.00)	-57 (-MMK 3,673,000.00)	N/A
Guangzhou Wan Hai Information Technology Ltd.	7,922 (CNY 2,125,450.00)	32,672 (CNY 7,549,582.71)	11,155 (CNY 2,577,620.16)	21,517 (CNY 4,971,962.55)	93,245 (CNY 21,183,446.00)	-1,177 (-CNY 267,485.45)	-1,981 (-CNY 450,006.16)	N/A

Company Name	Capital Amount	Total Assets	Total Liabilities	Net Worth	Operating Income *	Profit on Operating *	Profit Loss *	Earnings per Share
Wan Hai Lines (India) PVT Ltd.	69 (INR 100,000.00)	1,194,388 (INR 3,172,345,869.45)	656,120 (INR 1,742,682,618.05)	490,546 (INR 1,302,911,044.94)	152,371 (INR 404,705,084)	40,406 (INR 107,321,357.99)	47,722 (INR 126,752,204.98)	4,772 (INR12,675,220.49)
Infinite Marine Investment Co., Ltd.	173,463 (USD 5,550,000.00)	5,416 (USD 176,374.71)	0 (USD 0.00)	5,416 (USD 176,374.71)	0 (USD 0.00)	-71 (-USD 2,292.48)	-72 (-USD 2,314.67)	N/A
Bravely (Myanmar) Transport and Logistics Company Limited.	159,480 (MMK 6,773,500,000)	73,565 (MMK 5,045,712,878.17)	670 (MMK 45,945,935.00)	72,895 (MMK 4,999,766,943.17)	6,609 (MMK 425,065,000.00)	-5,617 (-MMK 361,258,999.57)	-5,766 (-MMK 370,841,486.57)	N/A
Shenzhen Uniwin International Logistics Ltd.	644,016 (CNY 132,615,268.00)	3,366,927 (CNY778,013,771.93))	2,616,308 (CNY 604,564,123.78)	750,619 (CNY 173,449,648.15)	980,975 (CNY 222,859,265.72)	20,808 (CNY 4,727,256.20)	45,366 (CNY 10,306,293.90)	N/A
Blue Ocean Logistics (Shanghai) Ltd	32,596 (CNY 7,824,000.00)	160,924 (CNY 37,185,459.46)	40,593 (CNY 9,379,896.29)	120,331 (CNY 27,805,563.17)	335,115 (CNY 76,131,862.38)	-403 (CNY -91,661.70)	4,395 (CNY 998,349.57)	N/A
Clipper International Shipping Agency Ltd.	4,295 (CNY 1,000,000.00)	2,651,579 (CNY 612,714,595.65)	2,582,288 (CNY 596,703,053.07)	69,291 (CNY 16,011,542.58)	571,222 (CNY 129,771,032.97)	-554 (-CNY 125,838.44)	13,752 (CNY 3,124,106.34)	N/A
Shenzhen Yong Chun International Shipping Management Co., Ltd.	29,068 (CNY 6,000,000.00)	69,954 (CNY 16,164,617.91)	29,685 (CNY 6,859,531.57)	40,269 (CNY 9,305,086.34)	81,364 (CNY 18,484,272.56)	4,178 (CNY 949,209.50)	3,897 (CNY 885,367.48)	N/A
WAN HAI LINES MEXICO, S.A. DE C.V.	6,855 (MXN 3,995,360.00)	752,241 (MXN 415,502,606.36)	711,988 (MXN 393,268,495.83)	40,253 (MXN 22,234,110.53)	100,411 (MXN 57,256,467.38)	25,330 (MXN 14,443,365.62)	31,986 (MXN 18,238,750.55)	8 (MXN 4.56)

(1) 2023/12/31 CLOSE RATE
USD/TWD: 30.7050 JPY/TWD: 0.2171 HKD/TWD: 3.92995 USD/SGD: 1.3192 USD/KRW: 1296.4700 USD/MYR: 4.5930 USD/PHP: 55.4000
USD/THB: 34.2500 USD/VND: 24250.0020 USD/PEN: 3.7102 USD/MMK: 2106.0000 USD/MXN: 16.9600 HKD/CNY: 0.9081 SGD/INR: 63.0458

(2) 2023/12 AVERAGE RATE
USD/TWD: 31.0942 JPY/TWD: 0.2217 HKD/TWD: 3.9720 USD/SGD: 1.3432 USD/KRW: 1250.0000 USD/MYR: 4.5600 USD/PHP: 55.5556
USD/THB: 34.8432 USD/VND: 23918.5926 USD/PEN: 3.7411 USD/MMK: 2000.0000 USD/MXN: 17.7305 HKD/CNY: 0.9024 SGD/INR: 61.5289

(3) The capital amount was calculated by historical rate

8.1.2 The consolidated financial statements of the affiliated enterprises

Statement

For 2023 (January 1 to December 31, 2023), 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 has 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, 2024

8.1.3 Affiliation report: None.

8.2 Summary of private-equity from the past year and current year up to the publishing date of the annual report: None.

8.3 Summary of parent's shares held or disposed by subsidiaries from the past year and current year up to the publishing date of the annual report: 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 publishing date of the annual report: None.

WAN HAI LINES LTD.



Chair
Jiufu Garden Co., Ltd.



Representative
Po-Ting Chen



WE CARRY, WE CARE.

📍 10F., No.136, Songjiang Rd., Zhongshan Dist., Taipei City, Taiwan

☎ 886-2-2567-7961

📠 886-2-2521-6000