



長榮海運股份有限公司  
EVERGREEN MARINE CORP. (TAIWAN) LTD.

Stock Code : 2603

## **EVERGREEN MARINE CORP. (TAIWAN) LTD.**

2023 Annual General Shareholders' Meeting

### Meeting Handbook

May 30, 2023

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2023 ANNUAL SHAREHOLDERS' MEETING (THE "HANDBOOK") OF EVERGREEN MARINE CORP. (TAIWAN) LTD. (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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# EVERGREEN MARINE CORP. (TAIWAN) LTD.

## 2023 Annual General Shareholders' Meeting

**Type of Meeting:** Physical Meeting

**Meeting Time:** 9:00 AM on May 30 (Tuesday), 2023

**Meeting Location:** Meeting Room on the 10<sup>th</sup> floor, International Convention Center of Chang Yung-Fa Foundation  
No.11, Zhongshan S. Rd., Taipei City, Taiwan (R.O.C.)

**Attendance:** There are \_\_\_\_\_ shares represented by attending shareholders, reaching \_\_\_\_% of entire 2,116,420,082 shares issued by the Company.

**Chairman:** Chang, Yen-I

**I. Report the total number of shares represented at this AGM.**

**II. Chairman calls meeting to order and address.**

**III. Report Items:**

A. Business Report of the year 2022 (Handbook pages 4-11).

B. Audit Committee's Review Report of the year 2022. (Handbook page 39)

C. 2022 Compensation of Employees and Directors Report:

The Board of Directors appropriated NT\$1,918,478,964 as Employees' Compensation in cash and NT\$9,500,000 as Directors' Compensation pursuant to the Articles of Incorporation.

**IV. Ratification Items:**

Proposed by the Board of Directors

**Proposal 1 : Ratification of the 2022 Business Report and Audited Financial Report. (Handbook pages 4-37) Please ratify.**

**Description:** The 2022 Financial Report of the Company has been audited by Mr. Lai, Chung-Hsi and Ms. Chou, Hsiao-Tzu, the CPA of PricewaterhouseCoopers, Taiwan.

**Resolution:**

**Proposal 2 : Ratification of 2022 Earnings Distribution. (Handbook page 38)  
Please ratify.**

**Description:**

1. The Company is planning to distribute cash dividend NT\$70 per share, calculated based on a total of 2,116,420,082 shares in issue on the date of the Board of Directors' resolution. The total amount of cash dividends shall be NT\$148,149,405,740. The cash dividends will be calculated to the nearest round NT dollar, the remainder will be recognized as "Other Non-Operating Income" of the Company.
2. If the number of total shares in circulation has changed, such that the cash dividends ratio per share should be adjusted, the Chairman of the Board of Directors is authorized to adjust the ratio and deal with relevant matters.
3. Subject to the approval of the Annual General Shareholders' Meeting, the ex-dividend date and payment date for the cash dividends would be decided by the Chairman of the Board.

**Resolution:**

**V. Election Item:**

**Proposal: Proposal to elect the Directors of the Company.**

**Description:**

1. Since the term of office of the current Directors will expire on June 23, 2023, it is proposed to elect nine Directors (including three Independent Directors) according to Article 15 and Article 15-1 of the Articles of Incorporation of the Company. The new Directors, whose term of office shall be three years from May 30, 2023 to May 29, 2026, shall take office after Annual General Shareholders' Meeting, and the current Directors shall be discharged simultaneously.
2. The election of the Directors is conducted under the "candidate nomination system". The list of the Director Candidates nominated by the Board of Directors of the Company and relevant information, as well as

the rationale for nomination of Independent Director who has served for three or more consecutive terms, are as Handbook pages 40-45.

**Election Results:**

**VI. Other Item:**

Proposed by the Board of Directors

**Proposal: Discussion on approving the release of restrictions of competitive activities of the Directors to be elected. Please discuss.**

**Description:**

1. Directors who, for themselves or others run businesses which are similar to the business of the Company, shall report the competitive activities to and obtain permission from the Shareholders' Meeting.
2. The competitive activities of the Director Candidates are as Handbook Pages 46-49. Approval to allow the release of restrictions of competitive activities of Directors elected is proposed to the Shareholders' Meeting.

**Resolution:**

**VII. Extraordinary Motion.**

**VIII. Meeting Adjournment.**

# **EVERGREEN MARINE CORP. (TAIWAN) LTD.**

## **Business Report of the year 2022**

The global economy faced many challenges in 2022. The ongoing epidemic has disrupted the supply chain, China's policy of Zero-COVID has dragged down economic recovery, the Russia-Ukraine war and the energy crisis triggered by the war have not only worsened global inflation, but also highlighted the fragility of the supply chain and the safety of industrial chain. Also the geopolitical tensions that could jeopardize the current global model of precision industry, have bring more uncertain risks to global trade and economic prospects.

According to the World Economic Outlook report released by the International Monetary Fund (IMF) in January 2023, the global economy fought against severe challenges in 2022 due to the impact of the Russia-Ukraine war, inflationary pressure and the continue epidemic. Although the global economic growth rate is expected to remain at 3.4%, as the economic growth continues to stagnate in three major economies: United States, European Union and China. And most countries in the world are facing huge risks in monetary, fiscal and financial policy, the global economic outlook is turbulent.

For the shipping industry, 2022 was a year of full of challenges and opportunities. Affected by the epidemic, terminals and ports congestion, the effective market capacity reduction, coupled with difficulties in intermodal logistics operations, the shipping industry is facing shortage in manpower, shipping capacity and container equipment. However, we are running with a sustainable operation, continue to expand the fleet capacity, timely adjust the shipping route and capacity, optimize logistics support, and strengthen the fleet's epidemic prevention and safety operations in navigation that further improved our revenue performance in 2022.

Due to geopolitical tensions, the relationship between the United States and China has escalated from the trade war to technological war and financial war. In order to reduce industrial and national security risks, European and American countries have re-examined their industrial policies and tried to transfer production to other regions to reduce their dependence on China, especially after the Russo-Ukraine War. In addition to the original low unit price and low-cost industries being transferred to Southeast Asia and India, the high-tech semiconductor industry has also begun to transfer. Countries re-evaluate their food and energy policies, showing that the industry chain will also change in the near future.

Three years after the outbreak of the COVID-19, a new crisis has followed. The energy crisis, economic sanctions, financial risks, and technological restrictions caused by the gambling of powerful countries have added more unrest and uncertain to the recovery of the global economy. In 2022, the spillover effect of the epidemic and war had a deep impact in the shipping market, many shipping issues and supply chain challenges, such as new energy fleets, environmental protection and carbon emission regulations, shipping digitization, and requirements for ESG issues, these all will make the shipping industry enter into another new shipping era.

Looking into the future, the global shipping carriers will still face a highly uncertain operating environment. In addition to continuing to closely observe requirements of the relevant and potential changes in the market, we will also prepare for various projects to meet the challenges of the new shipping era.

## **I. 2022 Business Report**

### **1. Container shipping market overview**

#### **(1) Cargo volume growth**

According to the latest statistical analysis reports from Datamyne and Container Trades Statistics (CTS), the cargo volume of the world's main routes decreased by about 5.95% in 2022, among which the cargo volume from the Far East to North America decreased by 2.75% (the US West Coast decreased by 9.07% and the US East Coast increased by 7.05%); North America to the Far East decreased by 5.72% (the US West Coast decreased by 0.97% and the US East Coast decreased by 12.08%); the Far East to Europe decreased by 10.20% and to the Mediterranean region decreased by 9.04%; Europe to the Far East decreased by 11.76% and the Mediterranean region to the Far East decreased by 17.23%. In the routes between Europe and North America segments, Europe to North America decreased by 2.29% and North America to Europe decreased by 4.26%.

#### **(2) Capacity Supply**

According to Alphaliner, published in March 2023, the total global container fleet experienced growth of 4.1% in 2022 (about 26 million TEU).

New deliveries totaled 185 units at 1.02 million TEU in 2022. The new ship orders of 18 thousand TEU and above stand at 68 units and 10 thousand–18 thousand TEU at 257 units. There are 325 large ships in total with a size of 10 thousand TEU and above, and total capacity is at 5.39 million TEU, accounting for 70% of the order-yet-undelivered global total capacity. Idle capacity stood at 0.58 million TEU, 93 vessels, accounting for 2.2% of the global total. This

is compared with 0.15 million TEU, 48 vessels, at the end of 2021, accounting for 0.6% of the global total at the time. There were more than 153 ships of 18 thousand TEU in 2022, accounting for 12.3% of the global total, 353 ships of 19.4 thousand–18 thousand TEU, accounting for 19.4% of the global total, and 206 ships of 10 thousand–12.5 thousand TEU, accounting for 8.7% of the global total, making for a total number of 712 ships of 10 thousand TEU and above, accounting for 40.5% of the global total capacity.

### (3) Freight Market Status

Affected by the epidemic, the major ports around the world are suffered shortage of labor force and container equipment, poor terminal operation efficiency, port congestion, and global supply chain disruption, the zero-COVID policy has deeply affected the global economic recovery and the energy crisis and inflation pressure caused by the Russia-Ukraine War have seriously damaged the normal operation of the global industry chain and logistics supply chain, the growth of global cargo volume is limited. According to Alphaliner's statistics, the global cargo volume increased by 0.1% in 2022, far lower than the 6.7% increase in 2021.

The growth of global cargo volume is limited, but the port congestion, seriously blank sailing, ports skipping, and the effective market capacity reduction caused by the epidemic, under the substantial increase pressure of supply chain disruption risk, shippers plan to fulfill their inventory in advance, which resulting in continuous market demand. Therefore, the market freight rate in the first three quarters continued to be at a high level.

Alphaliner's information shows that the average profit level of the industry's airlines in the 1st quarter was 57.4% (38.6% in the same period of 2021), 56.3% in the 2nd quarter (44.8% in the same period of 2021), 51.9% in the 3rd quarter (55.6% in the same period of 2021), and the 4th quarter 33.3% (55.4% for the same period in 2021).

## 2. Company Operational Strategy

In response to the rapid changes in the operating environment, the company timely adjusted its operating strategy to strengthen the company's core competitiveness. The operating strategy is summarized as follows:

- (1) Continue to strengthen OCEAN Alliance cooperation and rationalization of feeder network.
- (2) Enhance the competitiveness of each route by building/deploying advanced ships.



- (3) Comply with international environmental regulations and implement environmental protection and carbon emission reduction strategies.
- (4) Continue to control all cost items and optimize the ship deployment in every trade lane.
- (5) Actively develop E-commerce to enrich the customer digital service experience.

### **3. Results vs. Projections**

In 2022, estimated total consolidated operating income was NT\$478.76 billion and actual consolidated operating income was NT\$627.28 billion, with an achievement rate of 131%.

### **4. Annual Accounts & Profitability Analysis**

#### **A. Annual Accounts**

In 2022, actual consolidated operating income totaled NT\$627.28 billion, an increase of NT\$137.87 billion compared to NT\$489.41 billion in 2021.

In 2022, actual consolidated operating costs were NT\$228.84 billion, an increase of NT\$41.43 billion compared to NT\$187.41 billion in 2021.

#### **B. Profitability Analysis**

ROA: 46.55%

ROE: 73.66%

Net Profit Margin: 55.19%

EPS: NT\$87.07 per share

### **5. Research & Development**

#### **(1) Green Fleet**

Evergreen Marine have tried explore every possibility to apply new energy sources for the fleet in terms of regulations and equipment in order to meet the CO2 reduction requirements of IMO 2030 and 2050. It also continued to discuss future energy cooperation plans with various alternative energy suppliers, and signed MOUs to achieve The goal for new energy supply, and it focuses on fundamentally reducing the generation of nitrogen oxides and sulfur oxides, coupled with back-end treatment, to minimize the overall pollutant discharge and achieve the best balance between economy and environmental protection; On the basis of new technologies, shipyards can also use data and hydrodynamic analysis before design to optimize ship lines and further reduce fuel consumption; research and development of new equipment, such as air lubrication systems, can further reduce energy consumption during navigation.

It has always been the principle and goal of the company to provide customers with high-quality services of environmental protection and energy saving, and to

deliver the goods to the destination port safely and on time. The new ship types ordered apply advanced ship technology, develop optimized ship types, and achieve the best ship loading efficiency and energy-saving goals. With the environmental protection design of various leading international regulations and conventions, it responds to and supports the international prevention of marine oil pollution (the installation of double-hull built-in oil tanks can effectively reduce the risk of oil spills), air pollution and climate change (Montreal, Kyoto and Paris, etc. Agreement to reduce Global Warming Potential, GWP, Ozone Depletion Potential, ODP, SO<sub>x</sub>, NO<sub>x</sub> gas emissions), ballast water treatment and other issues.

Evergreen Marine new building vessels have improved energy efficiency and reduced emissions of greenhouse gases, carbon, nitrogen sulfide, and sulfur oxides, which will help the company improve the accuracy of shipping schedules and market competitiveness. In the latest new ship construction plan, the new ship adopts the best ship shape design, improves the propulsion efficiency of the main engine, reduces fuel consumption, optimizes the ship shape and sword bow, and configures a hybrid type SO<sub>x</sub> scrubber. The introduction will result in a significant reduction in carbon emissions per unit shipped. In terms of ship safety and route planning, Evergreen Marine and the shipyard have cooperated to develop an intelligent system to avoid marine pollution caused by navigation safety. The ship intelligent system provides suggestions on optimal route, improves fuel efficiency, and further achieves the goal of reducing emissions and carbon emissions.

Evergreen Marine has also obtained ISO 14001:2015 environmental protection certification, and actively implements the environmental protection management system to prevent environmental accidents.

## **(2) Maritime Training**

Evergreen upholds the spirit and vision of sustainable development and maintains a firm commitment to professional maritime training. The Evergreen Seafarer Training Center has a comprehensive range of training equipment, and we run training courses to continuously improve the ability and skills of our crews so as to prevent maritime accidents and environmental pollution.

(a) In order to ensure the continuation of training throughout the COVID-19 preventative lockdown of 2022, some training courses moved to a Webex remote video format, and used the Evergreen E-learning platform for post-course evaluations. The Evergreen Seafarer Training Center organized 133

training courses in 21 categories throughout the year, including 29 STCW international convention trainings and 104 company-organized trainings, with 1,390 total trainees.

- (b) In December 2021, Evergreen passed the Maritime Port Bureau’s biennial “Crew Training Professional Institution Evaluation.” Furthermore, in October 2022, we successfully finished the ISO 9001:2015 Quality Management System Annual Audit of Class NK. Evergreen continues to provide a high-quality crew training environment and courses.
- (c) To expand the development of maritime professionals, Evergreen has been extending our partnership with National Kaohsiung University of Science and Technology. This starts with a post-bachelor program of engineering. In addition, we encourage non-maritime undergraduates to engage in maritime work. Evergreen also subsidizes full tuition and part of the accommodation cost for qualified students who are offered the opportunity to intern onboard the Evergreen fleet. Employment offers are extended to cadets with excellent performance.
- (d) Alongside the construction of new ship types, new types of main engine training equipment have been added. At the end of 2021, a new Win GD-X92B simulator equipment was added to the lineup, in addition to the original X92 and X62 main engine training courses. Now, training for all types of main engines in the WinGD fleet are covered.
- (e) To assist the deck crew to use the calculation software correctly and to solve the loading mistake, Evergreen has offered MACS3 calculation software course since 2022 to achieve the goals of cargo and ship safety.

### **(3) E-Commerce**

- (a) Evergreen participate in the Digital Container Shipping Association (DCSA) from 2019, working with international carriers to promote the digitization and standardization of container transportation of the shipping industry. Evergreen has successfully implemented Track and Trace Application Programming Interface (T&T API) in 2022 and will continuously exchange data with related industry stakeholders more efficiently.
- (b) Evergreen has provided an alternative & efficient way to make online payment by ACH/Wire through ShipmentLink platform. US customers can ensure payment credit is posted to their account without delay and enabling customer to monitor their payment status.

- (c) Evergreen continuously provide cargo owners i-B/L (Bill of Lading), i-Dispatch, and digital integration services known as GreenX for e-commerce purposes to help cargo owners simplify trade processes and improve the efficiency of shipping operations.
- (d) To provide a friendly function for e-booking, ShipmentLink is enhanced to have ‘Cancel booking request’ function in e-Booking service. Customer can request booking cancellation online instead of current e-mail/telephone communication channel.
- (e) During COVID-19 pandemic period, Evergreen has provided high efficiency website services and also provided Electronic Data Interchange (EDI) connections with global customers. EDI messages include sailing schedule, booking, submitting Verified Gross Mass (VGM), B/L instruction, BL amendment and Cargo Tracking. It benefits customers to have needed information without limitation of time and location which also helping to reduce carbon emissions.

#### **(4) Quality Recognition**

Evergreen has been constantly improving the quality of service. In addition to retaining customers’ trust and affirmation, we have also garnered recognition and certifications from international media and organizations:

- MSCI ESG - 2022 MSCI ESG rating 「 A 」
- CDP response - 2022 「 B 」 score on climate change
- Constituent of the FTSE4Good TIP Taiwan ESG Index
- Ecovadis - Sustainability Achievement Bronze Medal
- Inbound Logistics - G75 Green Supply Chain Partners 2022
- Port of Vancouver - 2021 Blue Circle Award
- 2022 AFLAS Awards - Best Shipping Line - Trans Pacific
- 2021 ISO 14064 - 1:2018 & GHG Protocol Certification
- U.S. Coast Guard - 2021 AMVER Certificate of Merit

#### **6. Strengthen Corporate Governance and Corporate Sustainability**

Facing an ever-changing business environment, we remain firm in our belief that environmental protection, social inclusion, and corporate governance are our only ways to secure a sustainable future. Only by adhering to environmental protection and carbon reduction, protecting the ecosystem, respecting the universal value of human

rights, promoting diversified development, and establishing a fair and transparent management mechanism which can level up the company's business resilience and ensure the company's sustainable operation in these troubled times.

In terms of environmental protection, we continue to plan an efficient and environmentally friendly fleet, launch various carbon emission and disclosure projects, complete greenhouse gas inventories, and obtain ISO-14064 and GHG Protocol certifications. At the same time, we have also deployed green renewable energy supply chains and key terminals and participated in the Digital Container Shipping Association (DCSA) to speed up the digitalization of the shipping industry, working together to save energy and reduce carbon emissions.

As for social inclusion, the Company has not only strengthened pandemic prevention of measures for land and sea employees around the world, it has also paid more attention to the navigation safety of ships at sea and improved the recruitment and training of maritime personnel during the pandemic. The Company donated educational supplies to disadvantaged groups in various places and sponsored scholarships to local schools through overseas subsidiaries. Moreover, we assisted in the emergency delivery of medical relief supplies in areas where the pandemic was severe.

Finally, in terms of corporate governance, with the rise of various emerging risks in recent years, the Company upgraded the Sustainability Committee to a functional committee under the Board of Directors to strengthen the Company's ESG management and performance disclosure and ensure full implementation of the relevant risk management system. Robust corporate governance is the cornerstone of sustainable development, and as such, Evergreen has built corporate sustainability into its daily operations and has set various goals and actions per the United Nations' Sustainable Development Goals (SDGs). Working toward these, we plan to work together with stakeholders to create a blueprint for environmental protection, social inclusion, and economic growth.

**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars)

Assets		December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
<b>Current assets</b>					
1100	Cash and cash equivalents	\$ 391,860,706	44	\$ 107,792,396	18
1110	Financial assets at fair value through profit or loss - current	-	-	44,999	-
1136	Current financial assets at amortised cost, net	42,965,536	5	93,229,679	15
1139	Current financial assets for hedging	6,543,287	1	23,026,075	4
1140	Current contract assets	1,748,928	-	4,525,961	1
1150	Notes receivable, net	91,436	-	357,461	-
1170	Accounts receivable, net	23,861,541	3	39,179,692	6
1180	Accounts receivable, net - related parties	1,847,950	-	2,000,706	-
1200	Other receivables	1,349,961	-	414,772	-
1210	Other receivables - related parties	863,305	-	716,166	-
1220	Current income tax assets	230,283	-	231,233	-
130X	Inventories	7,705,265	1	5,837,528	1
1410	Prepayments	1,736,895	-	1,503,356	-
1470	Other current assets	3,130,201	1	4,254,969	1
11XX	<b>Current assets</b>	<u>483,935,294</u>	<u>55</u>	<u>283,114,993</u>	<u>46</u>
<b>Non-current assets</b>					
1517	Non-current financial assets at fair value through other comprehensive income	1,581,495	-	2,123,381	1
1535	Non-current financial assets at amortised cost, net	509,667	-	387,519	-
1538	Non-current financial assets for hedging	1,918,021	-	1,488,664	-
1550	Investments accounted for using equity method	43,648,146	5	36,418,613	6
1600	Property, plant and equipment, net	211,064,739	24	153,902,875	25
1755	Right-of-use assets	105,236,115	12	101,109,020	17
1760	Investment property, net	6,353,694	1	5,771,084	1
1780	Intangible assets	1,340,558	-	1,271,120	-
1840	Deferred income tax assets	849,457	-	857,248	-
1900	Other non-current assets	31,074,871	3	24,581,603	4
15XX	<b>Non-current assets</b>	<u>403,576,763</u>	<u>45</u>	<u>327,911,127</u>	<u>54</u>
1XXX	<b>Total assets</b>	<u>\$ 887,512,057</u>	<u>100</u>	<u>\$ 611,026,120</u>	<u>100</u>

(Continued)

**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>					
2120	Current financial liabilities at fair value through profit or loss	\$ 10,460	-	\$ -	-
2126	Current financial liabilities for hedging	1,821,342	-	1,031,678	-
2130	Current contract liabilities	7,444,311	1	13,530,256	2
2150	Notes payable	-	-	392	-
2170	Accounts payable	45,557,890	5	30,078,959	5
2180	Accounts payable - related parties	669,815	-	295,869	-
2200	Other payables	11,926,520	1	11,471,217	2
2220	Other payables - related parties	14,933,859	2	124,159	-
2230	Current income tax liabilities	60,213,263	7	12,362,320	2
2280	Current lease liabilities	11,152,946	1	16,238,751	3
2300	Other current liabilities	11,148,836	1	23,959,259	4
21XX	<b>Current liabilities</b>	<u>164,879,242</u>	<u>18</u>	<u>109,092,860</u>	<u>18</u>
<b>Non-current liabilities</b>					
2511	Non-current financial liabilities for hedging	15,054,334	2	10,477,195	2
2530	Corporate bonds payable	4,806,154	-	6,772,950	1
2540	Long-term loans	33,373,936	4	39,638,454	6
2570	Deferred income tax liabilities	2,844,110	-	11,676,126	2
2580	Non-current lease liabilities	78,762,711	9	71,200,494	12
2600	Other non-current liabilities	5,241,535	1	4,846,451	1
25XX	<b>Non-current liabilities</b>	<u>140,082,780</u>	<u>16</u>	<u>144,611,670</u>	<u>24</u>
2XXX	<b>Total liabilities</b>	<u>304,962,022</u>	<u>34</u>	<u>253,704,530</u>	<u>42</u>
Equity attributable to owners of the parent					
Capital					
3110	Common stock	21,164,201	2	52,908,484	9
Capital surplus					
3200	Capital surplus	15,968,043	2	15,762,185	2
Retained earnings					
3310	Legal reserve	32,019,129	4	8,122,482	1
3320	Special reserve	1,145,770	-	581,406	-
3350	Unappropriated retained earnings	465,562,042	52	250,555,749	41
Other equity interest					
3400	Other equity interest	16,354,844	2	( 1,145,770)	-
31XX	<b>Equity attributable to owners of the parent</b>	<u>552,214,029</u>	<u>62</u>	<u>326,784,536</u>	<u>53</u>
36XX	Non-controlling interest	30,336,006	4	30,537,054	5
3XXX	<b>Total equity</b>	<u>582,550,035</u>	<u>66</u>	<u>357,321,590</u>	<u>58</u>
Significant Contingent Liabilities And Unrecognized Contract Commitments Significant Events After The Balance Sheet Date					
3X2X	<b>Total liabilities and equity</b>	<u>\$ 887,512,057</u>	<u>100</u>	<u>\$ 611,026,120</u>	<u>100</u>

**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Year ended December 31			
	2022		2021	
	AMOUNT	%	AMOUNT	%
4000 Operating revenue	\$ 627,283,761	100	\$ 489,406,832	100
5000 Operating costs	( 228,841,382)	( 36)	( 187,412,073)	( 38)
5900 Gross profit	398,442,379	64	301,994,759	62
5910 Unrealized profit from sales	( 13,192)	-	( 76,729)	-
5920 Realized profit on from sales	20,953	-	16,407	-
5950 Gross profit	398,450,140	64	301,934,437	62
Operating expenses				
6100 Selling expenses	( 5,291,979)	( 1)	( 3,708,107)	( 1)
6200 General and administrative expenses	( 19,470,612)	( 3)	( 13,604,495)	( 3)
6450 Expected credit (losses) gains	( 1,955)	-	2,073	-
6000 Operating expenses	( 24,764,546)	( 4)	( 17,310,529)	( 4)
6500 Other gains - net	1,122,717	-	238,289	-
6900 Operating profit	374,808,311	60	284,862,197	58
Other non-operating income and expenses				
7100 Interest income	6,379,814	1	386,629	-
7010 Other income	611,706	-	492,085	-
7020 Other gains and losses	11,845,235	2	3,619	-
7050 Finance costs	( 3,255,348)	-	( 3,237,000)	-
7060 Share of profits of associates and joint ventures accounted for using equity method	9,034,760	1	5,727,046	1
7000 Total non-operating income and expenses	24,616,167	4	3,372,379	1
7900 <b>Profit before income tax</b>	399,424,478	64	288,234,576	59
7950 Income tax expense	( 53,251,513)	( 9)	( 25,124,517)	( 5)
8200 <b>Profit for the period</b>	<u>\$ 346,172,965</u>	<u>55</u>	<u>\$ 263,110,059</u>	<u>54</u>

(Continued)



**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Year ended December 31				
	2022		2021		
	AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income (loss)</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Gains (losses) on remeasurements of defined benefit plans	\$ 276,749	-	(\$ 128,164)	-
8316	Unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	( 594,757)	-	472,414	-
8320	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	( 574,024)	-	1,670,196	1
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	( 112,254)	-	28,237	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss	( 1,004,286)	-	2,042,683	1
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translating the financial statements of foreign operations	22,305,385	3	( 2,715,044)	( 1)
8368	Losses on hedging instruments	( 359,174)	-	( 42,909)	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	( 416,713)	-	( 302,135)	-
8399	Income tax relating to the components of other comprehensive income	58,714	-	26,054	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss	21,588,212	3	( 3,034,034)	( 1)
8300	<b>Other comprehensive income (loss) for the period, net of income tax</b>	<b>\$ 20,583,926</b>	<b>3</b>	<b>(\$ 991,351)</b>	<b>-</b>
8500	<b>Total comprehensive income for the period</b>	<b>\$ 366,756,891</b>	<b>58</b>	<b>\$ 262,118,708</b>	<b>54</b>
Profit attributable to:					
8610	Owners of the parent	\$ 334,200,661	53	\$ 239,014,860	49
8620	Non-controlling interest	\$ 11,972,304	2	\$ 24,095,199	5
Comprehensive income attributable to:					
8710	Owners of the parent	\$ 352,206,802	56	\$ 238,402,107	49
8720	Non-controlling interest	\$ 14,550,089	2	\$ 23,716,601	5
Basic earnings per share (in dollars)					
9750	Basic earnings per share	\$ 87.07		\$ 45.57	
9850	Diluted earnings per share	\$ 86.22		\$ 45.22	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent										
	Retained Earnings					Other equity interest					
	Common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on effective portion of cash flow hedges	Total	Non-controlling interest	Total equity
<b>Year 2021</b>											
Balance at January 1, 2021	\$ 48,980,353	\$ 12,433,364	\$ 5,714,940	\$ -	\$ 27,734,460	(\$ 4,328,344)	\$ 1,884,774	\$ 1,862,164	\$ 94,281,711	\$ 7,212,582	\$ 101,494,293
Profit for the year	-	-	-	-	239,014,860	-	-	-	239,014,860	24,095,199	263,110,059
Other comprehensive income (loss) for the year	-	-	-	-	(90,912)	(2,404,662)	2,143,778	(260,957)	(612,753)	(378,598)	(991,351)
Total comprehensive income (loss)	-	-	-	-	238,923,948	(2,404,662)	2,143,778	(260,957)	238,402,107	23,716,601	262,118,708
Adjustments to share of changes in equity of associates and joint ventures	-	153,764	-	-	42,523	-	(42,523)	-	153,764	-	153,764
Appropriation of 2020 earnings	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	2,407,542	-	(2,407,542)	-	-	-	-	-	-
Cash dividends	-	-	-	581,406	(581,406)	-	-	-	-	-	-
Other changes in capital surplus	-	(62)	-	-	(13,156,234)	-	-	-	(13,156,234)	-	(13,156,234)
Due to recognition of equity component of convertible bonds	-	289,166	-	-	-	-	-	-	289,166	-	289,166
Conversion of convertible bonds	3,928,131	2,885,953	-	-	-	-	-	-	6,814,084	-	6,814,084
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(392,129)	(392,129)
Balance at December 31, 2021	\$ 52,908,484	\$ 15,762,185	\$ 8,122,482	\$ 581,406	\$ 250,555,749	(\$ 6,733,006)	\$ 3,986,029	\$ 1,601,207	\$ 326,784,536	\$ 30,537,054	\$ 357,321,590
<b>Year 2022</b>											
Balance at January 1, 2022	\$ 52,908,484	\$ 15,762,185	\$ 8,122,482	\$ 581,406	\$ 250,555,749	(\$ 6,733,006)	\$ 3,986,029	\$ 1,601,207	\$ 326,784,536	\$ 30,537,054	\$ 357,321,590
Profit for the year	-	-	-	-	334,200,661	-	-	-	334,200,661	11,972,304	346,172,965
Other comprehensive income (loss) for the year	-	-	-	-	347,354	20,223,384	(1,349,593)	(1,215,004)	18,006,141	2,571,785	20,583,926
Total comprehensive income (loss)	-	-	-	-	334,548,015	20,223,384	(1,349,593)	(1,215,004)	352,206,802	14,550,089	366,756,891
Capital reduction	(31,746,301)	-	-	-	-	-	-	-	(31,746,301)	-	(31,746,301)
Adjustments to share of changes in equity of associates and joint ventures	-	189,766	-	-	158,173	-	(158,173)	-	189,766	-	189,766
Appropriation of 2021 earnings	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	23,896,647	-	(23,896,647)	-	-	-	-	-	-
Cash dividends	-	-	-	564,364	(564,364)	-	-	-	-	-	-
Other changes in capital surplus	-	(20)	-	-	(95,238,884)	-	-	-	(95,238,884)	-	(95,238,884)
Conversion of Convertible bonds	2,018	16,112	-	-	-	-	-	-	18,130	-	18,130
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(14,751,137)	(14,751,137)
Balance at December 31, 2022	\$ 21,164,201	\$ 15,968,043	\$ 32,019,129	\$ 1,145,770	\$ 465,562,042	\$ 13,490,378	\$ 2,478,263	\$ 386,203	\$ 552,214,029	\$ 30,336,006	\$ 582,550,035

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Profit before tax	\$ 399,424,478	\$ 288,234,576
Adjustments		
Income and expenses having no effect on cash flows		
Financial assets and liabilities at fair value through profit or loss	55,509	( 28,472 )
Depreciation	27,437,485	22,323,687
Amortization	321,305	287,477
Expected credit loss (gain)	1,955	( 2,073 )
Rental expense	( 951 )	( 1,115 )
Other income	-	( 404 )
Interest income	( 6,379,814 )	( 386,629 )
Interest expense	3,255,348	3,237,000
Dividend income	( 153,560 )	( 106,229 )
Share of profit of associates and joint ventures accounted for using equity method	( 9,034,760 )	( 5,727,046 )
Gain from bargain purchase	( 6,379 )	( 8,605 )
Gains arising from lease modification	( 147 )	( 7,266 )
Net gain on disposal of property, plant and equipment	( 1,122,717 )	( 238,289 )
Net loss on disposal investment property	86	-
Net loss on disposal of right-of-use assets	714	735
Net gain on disposal of investments	( 33,605 )	( 11,191 )
Realized income with affiliated companies	( 20,953 )	( 16,407 )
Unrealized gain with affiliated companies	13,192	76,729
Changes in assets/liabilities relating to operating activities		
Changes in operating assets		
Current contract assets	3,152,811	( 1,519,374 )
Notes receivable, net	306,212	( 234,827 )
Accounts receivable, net	23,947,722	( 18,560,765 )
Accounts receivable, net - related parties	416,159	( 1,151,883 )
Other receivables	( 101,517 )	( 178,309 )
Other receivables - related parties	12,771	( 19,149 )
Inventories	( 1,344,524 )	( 2,943,662 )
Prepayments	( 41,607 )	42,438
Other current assets	1,534,848	34,158
Other non-current assets	7,165	( 398,140 )
Changes in operating liabilities		
Current contract liabilities	( 7,173,198 )	9,903,162
Notes payable	( 433 )	( 3,519 )
Accounts payable	12,239,187	9,962,679
Accounts payable - related parties	339,573	( 62,924 )
Other payables	700,049	4,004,329
Other payables - related parties	37,066	( 100,254 )
Other current liabilities	( 12,560,375 )	2,362,357
Other non-current liabilities	( 277,884 )	753,686
Cash inflow generated from operations	434,951,211	309,516,481
Interest received	5,588,003	386,629
Interest paid	( 3,153,221 )	( 3,311,992 )
Income tax paid	( 14,956,416 )	( 5,532,794 )
Net cash flows from operating activities	<u>422,429,577</u>	<u>301,058,324</u>

(Continued)

**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2022	2021
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Proceeds from disposal of financial assets at fair value through profit or loss	\$ 14	\$ -
Decrease (increase) in financial assets at amortised cost-current	58,162,179	( 86,499,863 )
Increase in financial assets for hedging	-	( 28,524,567 )
Decrease in financial assets for hedging	17,081,743	3,691,280
(Increase) decrease in other receivables - related parties	( 84,678 )	38,391
Increase in financial assets at amortised cost - non current	( 108,942 )	( 38,910 )
Acquisition of investments accounted for using equity method	( 3,819,754 )	-
Proceeds from capital reduction of investments accounted for using equity method	4,272,064	-
Acquisition of property, plant and equipment	( 17,835,119 )	( 14,944,080 )
Proceeds from disposal of property, plant and equipment	3,612,856	270,764
Acquisition of investment property	( 3,317 )	-
Acquisition of intangible assets	( 44,845 )	( 24,209 )
Increase in guarantee deposits paid	( 76,441 )	( 51,118 )
Decrease in guarantee deposits paid	49,299	8,099
Increase in other non-current assets	( 36,338,894 )	( 41,055,298 )
Effect of initial consolidation of subsidiaries	( 103,817 )	320,435
Cash dividend received	1,513,216	653,270
Net cash flows from (used in) investing activities	<u>26,275,564</u>	<u>( 166,155,806 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Increase in short-term loans	355,950	1,338,273
Decrease in short-term loans	( 1,074,049 )	( 1,338,273 )
Increase (decrease) in other payables - related parties	832	( 239 )
Increase in long-term loans	19,479,766	32,951,536
Decrease in long-term loans	( 39,558,477 )	( 78,397,311 )
Decrease in corporate bonds payable	( 4,000,000 )	( 4,000,000 )
Increase in corporate bonds payable	-	5,043,721
Payments of lease liabilities	( 16,720,320 )	( 11,608,880 )
Increase in guarantee deposits received	1,252,008	654,446
Decrease in guarantee deposits received	( 983,712 )	( 499,185 )
Cash dividends paid	( 95,238,884 )	( 13,156,234 )
Other financing activities	( 20 )	( 62 )
Capital reduction	( 31,746,301 )	-
Net change in non-controlling interest	( 161,999 )	( 395,750 )
Net cash flows used in financing activities	<u>( 168,395,206 )</u>	<u>( 69,407,958 )</u>
Effect of exchange rate changes	<u>3,758,375</u>	<u>( 1,798,649 )</u>
Net increase in cash and cash equivalents	284,068,310	63,695,911
Cash and cash equivalents at beginning of year	107,792,396	44,096,485
Cash and cash equivalents at end of year	<u>\$ 391,860,706</u>	<u>\$ 107,792,396</u>

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen Marine Corporation (Taiwan) Ltd.

### ***Introduction***

We have audited the accompanying consolidated balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. (the“ Company”) and its subsidiaries (collectively referred herein as the “Group”) as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent auditors (please refer to Other Matter section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2022 and 2021, and its financial performance and cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the 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 for 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 Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

### ***Accuracy and cut-off of freight revenue***

#### Description

Please refer to Note 4(32) for accounting policies on revenue recognition, Note 5(2) for uncertainty of accounting estimates and assumptions applied on revenue recognition, and Note 6(23) for details of sales revenue.

Evergreen Marine Corporation (Taiwan) Ltd. primarily engages in global container shipping service covering ocean-going and near-sea shipping line, shipping agency business as well as container freight station business. In 2022, freight revenue from contracts with customers was NT\$ 601,386,081 thousand, representing 95.87% of operating revenue. Since ocean-going shipping often lasts for several days, voyages are sometimes completed after the balance sheet date. Also, demand for freight services is consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel of which the service has been provided during the reporting period.

Despite the Group conducting business worldwide, its transactions are all in small amounts, whereas the freight rate is subject to fluctuation caused by cargo loading rate as well as market competition. Worldwide shipping agencies use a system to record the transactions by entering data including shipping departure, destination, counterparty, transit time, shipping amounts, and freight price for the Group. Therefore, the management could recognize freight revenue in accordance with the data on bill of lading reports generated from the system, accompanied by estimation made from past experience and current cargo loading conditions the revenue that would flow in, and calculate the revenue under the percentage-of-completion method. As the process of recording transactions, communicating with agencies, and maintaining the system are done manually, and the estimation of freight revenue are subject to management's judgement, therefore freight revenue involves high uncertainty and is material to the financial statements. Given the conditions mentioned above, we consider the accuracy of freight revenue and the appropriate use of cut-off by the Group and its investee companies as a key audit matter.

### How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Obtained an understanding of the operation and industry of the Group to assess the reasonableness of policies and procedures on revenue recognition, and confirmed whether it is appropriate to the financial statements.
2. Obtained an understanding of the procedures of revenue recognition from booking, picking, billing to receiving. Assessed and tested relevant internal controls, including checking freight items and amounts of delivery information against the approved contracts and booking list. In addition, recalculated the accuracy of freight revenue, and ensured its consistency with the bill of lading report.
3. Obtained the estimated freight income report for vessels underway as of balance sheet date, and inquired with management for the reasonableness of judgement. In addition, checked historical freight revenue for total voyage under each individual vessel, along with comparing with current cargo loading condition as well as actual revenue received after period end to ensure the reasonableness of revenue assumptions.
4. Confirmed the completeness of vessels underway for the reporting period, including tracking the movements of shipments on the internet to ensure the vessels that depart before period end have been taken into consideration in the freight revenue calculation.
5. Verified accuracy of data used in calculating percentage of completion under each voyage, including selecting samples and checking whether the total shipping days shown on the Company's website are in agreement with cruise timetable, considering the number of days delayed in the shipping routes due to port congestion as well as recalculating the shipping days (days between departure and balance sheet date), in order to examine the reasonableness of percentage applied.

***Other matter – Reference to the reports of other independent auditors***

We did not audit the financial statements of all the consolidated subsidiaries. Those statements and the information disclosed in Note 13 were audited by other independent auditors whose reports thereon have been furnished to us, and our audit expressed herein is based solely on the reports of the other independent auditors. The statements reflect that total assets in these subsidiaries amounted to NT\$ 64,803,127 thousand and NT\$ 53,617,263 thousand, constituting 7.30% and 8.77% of the total consolidated assets as of December 31, 2022, and 2021, respectively. Net operating revenues in the subsidiaries amounted to NT\$ 2,901,350 thousand and NT\$ 37,865,608 thousand, constituting 0.46% and 7.74% of the total consolidated net operating revenues of 2022 and 2021 for the years then ended. In addition, we did not audit the financial statements of all the investee companies accounted for using equity method. Those statements and the information disclosed in Note 13 were audited by other independent auditors whose reports thereon have been furnished to us, and our audit expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 related to these long-term equity investments, is based solely on the reports of the other independent auditors. Long-term equity investments in these investee companies amounted to NT\$ 29,272,471 thousand and NT\$ 22,983,239 thousand, constituting 3.30% and 3.76% of the total consolidated assets as of December 31, 2022 and 2021, respectively, and comprehensive income (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for using equity method) was NT\$ 6,819,519 thousand and NT\$ 4,955,989 thousand, constituting 1.86% and 1.89% of the consolidated total comprehensive income and loss for the years then ended, respectively.

***Other matter – Parent company only financial reports***

We have audited the parent company only financial statement of Evergreen Marine Corporation (Taiwan) Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unqualified opinion with explanatory paragraph thereon.



### ***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 the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 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 auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group.
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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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.

Lai, Chung-Hsi

Chou, Hsiao-Tzu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2023

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**EVERGREEN MARINE CORPORATION (TAIWAN) LTD.**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	December 31, 2022		December 31, 2021	
	AMOUNT	%	AMOUNT	%
<b>Current assets</b>				
Cash and cash equivalents	\$ 126,835,759	19	\$ 19,310,785	5
Financial assets at fair value through profit or loss - current	-	-	44,999	-
Current financial assets at amortised cost	9,791,047	2	20,500,935	5
Current financial assets for hedging	6,543,287	1	23,026,075	6
Current contract assets	179,682	-	988,691	-
Notes receivable - net	3,066	-	136	-
Accounts receivable - net	4,607,879	1	6,089,641	1
Accounts receivable, net - related parties	476,350	-	98,507	-
Other receivables	256,867	-	86,517	-
Other receivables - related parties	35,270	-	45,212	-
Current income tax assets	-	-	29,012	-
Inventories	1,473,262	-	916,874	-
Prepayments	342,809	-	261,555	-
Other current assets	2,492,147	-	2,252,589	1
<b>Current Assets</b>	<u>153,037,425</u>	<u>23</u>	<u>73,651,528</u>	<u>18</u>
<b>Non-current assets</b>				
Non-current financial assets at fair value through other comprehensive income	1,030,843	-	1,625,940	-
Non-current financial assets at amortised cost	295,918	-	261,315	-
Non-current financial assets for hedging	1,918,021	-	1,488,664	-
Investments accounted for using equity method	405,702,461	62	262,139,567	64
Property, plant and equipment - net	65,146,023	10	43,790,376	11
Right-of-use assets	17,047,039	3	18,829,781	5
Investment property - net	699,052	-	1,810,503	1
Intangible assets	19,701	-	8,810	-
Deferred income tax assets	436,326	-	450,314	-
Other non-current assets	9,143,921	2	5,862,948	1
<b>Non-current assets</b>	<u>501,439,305</u>	<u>77</u>	<u>336,268,218</u>	<u>82</u>
<b>Total assets</b>	<u>\$ 654,476,730</u>	<u>100</u>	<u>\$ 409,919,746</u>	<u>100</u>

(Continued)

**EVERGREEN MARINE CORPORATION (TAIWAN) LTD.**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity	December 31, 2022		December 31, 2021	
	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>				
Financial liabilities at fair value through profit or loss - current	\$ 10,460	-	\$ -	-
Current financial liabilities for hedging	1,821,342	-	1,031,678	-
Current contract liabilities	1,431,570	-	3,304,976	1
Accounts payable	9,253,310	2	5,641,233	1
Accounts payable - related parties	351,602	-	149,973	-
Other payables	4,299,953	1	4,640,530	1
Other payables - related parties	96,166	-	28,687	-
Current income tax liabilities	52,948,536	8	8,136,437	2
Current lease liabilities	372,822	-	1,109,676	-
Other current liabilities	4,298,544	1	10,186,929	3
<b>Current Liabilities</b>	74,884,305	12	34,230,119	8
<b>Non-current liabilities</b>				
Non-current financial liabilities for hedging	15,054,334	2	10,477,195	3
Corporate bonds payable	4,806,154	1	6,772,950	2
Long-term loans	3,831,442	1	14,008,465	3
Non-current provisions	5,353	-	4,839	-
Deferred income tax liabilities	1,566,307	-	10,593,057	3
Non-current lease liabilities	97,164	-	4,931,430	1
Other non-current liabilities	2,017,642	-	2,117,155	-
<b>Non-current liabilities</b>	27,378,396	4	48,905,091	12
<b>Total Liabilities</b>	102,262,701	16	83,135,210	20
<b>Equity</b>				
Capital				
Common stock	21,164,201	3	52,908,484	13
Capital surplus				
Capital surplus	15,968,043	3	15,762,185	4
Retained earnings				
Legal reserve	32,019,129	5	8,122,482	2
Special reserve	1,145,770	-	581,406	-
Unappropriated retained earnings	465,562,042	71	250,555,749	61
Other equity interest				
Other equity interest	16,354,844	2	( 1,145,770)	-
<b>Total equity</b>	552,214,029	84	326,784,536	80
Significant Contingent Liabilities And Unrecognised Contract Commitments Significant Events After The Balance Sheet Date				
<b>Total liabilities and equity</b>	\$ 654,476,730	100	\$ 409,919,746	100

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Year ended December 31			
	2022		2021	
	AMOUNT	%	AMOUNT	%
Operating revenue	\$ 123,069,839	100	\$ 93,885,535	100
Operating costs	( 52,988,282)	( 43)	( 43,137,123)	( 46)
Gross profit	<u>70,081,557</u>	<u>57</u>	<u>50,748,412</u>	<u>54</u>
Operating expenses				
Selling expenses	( 3,374,315)	( 3)	( 1,984,683)	( 2)
General and administrative expenses	( 11,120,354)	( 9)	( 7,230,364)	( 8)
Expected credit (losses) gains	( 68)	-	126	-
Total operating expenses	( 14,494,737)	( 12)	( 9,214,921)	( 10)
Other gains - net	<u>178,489</u>	<u>-</u>	<u>( 1,837)</u>	<u>-</u>
Operating profit	<u>55,765,309</u>	<u>45</u>	<u>41,531,654</u>	<u>44</u>
Non-operating income and expenses				
Interest income	963,099	1	115,507	-
Other income	269,957	-	292,399	-
Other gains and losses	12,525,900	10	( 42,476)	-
Finance costs	( 604,059)	-	( 789,354)	( 1)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	<u>312,847,608</u>	<u>254</u>	<u>218,272,441</u>	<u>233</u>
Total non-operating income and expenses	<u>326,002,505</u>	<u>265</u>	<u>217,848,517</u>	<u>232</u>
<b>Profit before income tax</b>	<u>381,767,814</u>	<u>310</u>	<u>259,380,171</u>	<u>276</u>
Income tax expense	( 47,567,153)	( 39)	( 20,365,311)	( 21)
<b>Profit for the year</b>	<u>\$ 334,200,661</u>	<u>271</u>	<u>\$ 239,014,860</u>	<u>255</u>
<b>Other comprehensive income (loss)</b>				
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
Losses on remeasurements of defined benefit plans	(\$ 36,144)	-	(\$ 69,115)	-
Unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	( 595,097)	( 1)	313,582	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive (loss) income that will not be reclassified to profit or loss	( 376,870)	-	1,792,720	2
Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	<u>5,872</u>	<u>-</u>	<u>15,679</u>	<u>-</u>
Components of other comprehensive (loss) income that will not be reclassified to profit or loss	( 1,002,239)	( 1)	2,052,866	2
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
Other comprehensive income (loss), before tax, exchange differences on translation	19,725,553	16	( 2,346,629)	( 3)
Gains (losses) on hedging instrument	( 359,174)	-	( 42,909)	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive (loss) income that will be reclassified to profit or loss	( 425,546)	-	( 283,838)	-
Income tax relating to the components of other comprehensive income	<u>67,547</u>	<u>-</u>	<u>7,757</u>	<u>-</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>19,008,380</u>	<u>16</u>	<u>( 2,665,619)</u>	<u>( 3)</u>
<b>Other comprehensive income (loss) for the year</b>	<u>\$ 18,006,141</u>	<u>15</u>	<u>(\$ 612,753)</u>	<u>( 1)</u>
<b>Total comprehensive income for the year</b>	<u>\$ 352,206,802</u>	<u>286</u>	<u>\$ 238,402,107</u>	<u>254</u>
Basic earnings per share (in dollars)				
Basic earnings per share	\$ 87.07		\$ 45.57	
Diluted earnings per share	\$ 86.22		\$ 45.22	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Retained Earnings				Other equity interest			Total equity	
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translating the financial statements of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		Gains (losses) on hedging instruments
<b>Year 2021</b>									
Balance at January 1, 2021	\$ 48,980,353	\$ 12,433,364	\$ 5,714,940	\$ -	\$ 27,734,460	(\$ 4,328,344)	\$ 1,884,774	\$ 1,862,164	\$ 94,281,711
Profit for the year	-	-	-	-	239,014,860	-	-	-	239,014,860
Other comprehensive income (loss)	-	-	-	-	(90,912)	(2,404,662)	2,143,778	(260,957)	(612,753)
Total comprehensive income (loss)	-	-	-	-	238,923,948	(2,404,662)	2,143,778	(260,957)	238,402,107
Appropriation of 2020 earnings	-	-	-	-	(2,407,542)	-	-	-	-
Legal reserve	-	-	2,407,542	-	(581,406)	-	-	-	-
Special reserve	-	-	-	581,406	(13,156,234)	-	-	-	(13,156,234)
Cash dividends	-	-	-	-	42,523	-	(42,523)	-	153,764
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	-	(62)	-	-	-	-	-	-	62
Other changes in capital surplus	-	289,166	-	-	-	-	-	-	289,166
Due to recognition of equity component of Convertible Bonds	3,928,131	2,885,953	-	-	-	-	-	-	6,814,084
Conversion of Convertible Bonds	52,908,484	15,762,185	8,122,482	581,406	250,555,749	6,733,006	3,986,029	1,601,207	326,784,536
Balance at December 31, 2021	\$ 52,908,484	\$ 15,762,185	\$ 8,122,482	\$ 581,406	\$ 250,555,749	(\$ 6,733,006)	\$ 3,986,029	\$ 1,601,207	\$ 326,784,536
<b>Year 2021</b>									
Year 2021									
Profit (loss)	-	-	-	-	334,200,661	-	-	-	334,200,661
Other comprehensive income	-	-	-	-	347,354	20,223,384	(1,349,593)	(1,215,004)	18,006,141
Total comprehensive income	-	-	-	-	334,548,015	20,223,384	(1,349,593)	(1,215,004)	352,206,802
New Item	(31,746,301)	-	-	-	-	-	-	-	(31,746,301)
New Item	-	-	-	-	-	-	-	-	-
New Item	-	-	23,896,647	-	(23,896,647)	-	-	-	-
New Item	-	-	-	564,364	(564,364)	-	-	-	-
New Item	-	-	-	-	(95,238,884)	-	-	-	(95,238,884)
New Item	-	189,766	-	-	158,173	-	(158,173)	-	189,766
New Item	-	(20)	-	-	-	-	-	-	(20)
New Item	2,018	16,112	-	-	-	-	-	-	18,130
Year 2021	\$ 21,164,201	\$ 15,968,043	\$ 32,019,129	\$ 1,145,770	\$ 465,562,042	\$ 13,490,378	\$ 2,478,263	\$ 386,203	\$ 552,214,029

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Year ended December 31	
	2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Profit before tax	\$ 381,767,814	\$ 259,380,171
Adjustments		
Adjustments to reconcile profit (loss)		
Financial assets and liabilities at fair value through profit or loss	55,510	( 28,472 )
Depreciation	6,771,304	5,378,873
Amortization	24,526	22,051
Expected credit gain (loss)	68	( 126 )
Interest expense	604,059	789,354
Interest income	( 963,099 )	( 115,507 )
Dividend income	( 91,473 )	( 69,198 )
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	( 312,847,608 )	( 218,272,441 )
Loss on disposal of investments	( 33,605 )	( 11,191 )
NewItem	( 2,516 )	-
(Gains) losses arising from lease modification	-	( 3,802 )
Net loss (gain) on disposal of property, plant and equipment	( 178,489 )	1,837
Changes in operating assets and liabilities		
Changes in operating assets		
Current contract assets	809,009	( 186,214 )
Notes receivable	( 2,931 )	( 107 )
Accounts receivable	1,481,696	( 2,813,798 )
Accounts receivable - related parties	( 377,844 )	( 29,457 )
Other receivables	( 52,443 )	( 39,825 )
Other receivables - related parties	9,942	16,417
Inventories	( 556,388 )	( 393,548 )
Prepayments	( 81,255 )	( 11,774 )
Other current assets	( 239,557 )	758,645
Changes in operating liabilities		
Current contract liabilities	( 1,873,405 )	2,810,183
Accounts payable	3,612,077	711,308
Accounts payable - related parties	201,629	( 160,815 )
Other payables	1,121,677	1,154,994
Other payables - related parties	74,159	4,351
Other current liabilities	360,795	( 915,692 )
Other non-current liabilities	( 142,637 )	732,912
Cash inflow generated from operations	79,451,015	48,709,129
Interest received	845,192	97,278
Interest paid	( 594,935 )	( 823,825 )
Income tax paid	( 11,664,696 )	( 3,864,698 )
Net cash flows from operating activities	<u>68,036,576</u>	<u>44,117,884</u>

(Continued)



EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Year ended December 31	
	2022	2021
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Decrease in financial assets at amortised cost	\$ 10,709,888	(\$ 16,329,725 )
Decrease (increase) in financial assets at amortised cost-non-current	( 34,603 )	28,336
Increase in financial assets for hedging	-	( 28,524,568 )
Decrease in financial assets for hedging	17,081,743	3,691,280
Acquisition of investments accounted for using equity method	( 4,011,791 )	( 1,385,000 )
Acquisition of property, plant and equipment	( 16,918,146 )	( 3,526,200 )
Proceeds from disposal of property, plant and equipment	217,556	6,300
Acquisition of intangible assets	( 30,801 )	( 10,230 )
Increase in other non-current assets	( 12,373,437 )	( 6,399,396 )
Increase in guarantee deposits paid	( 3,623 )	( 1,528 )
Decrease in guarantee deposits paid	9,559	1,870
Cash dividends received	192,544,553	33,744,954
Net cash flows from (used in) investing activities	<u>187,190,898</u>	<u>( 18,703,907 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Increase in short-term loans	50,000	-
Decrease in short-term loans	( 50,000 )	-
Increase in long-term loans	11,287,114	3,688,406
Decrease in long-term loans	( 25,713,318 )	( 15,820,554 )
Increase in corporate bonds payable	-	5,043,721
Decrease in corporate bonds payable	( 4,000,000 )	( 4,000,000 )
Payments of lease liabilities	( 2,298,586 )	( 2,422,007 )
Increase in guarantee deposits received	10,259	1,391
Decrease in guarantee deposits received	( 2,764 )	( 843 )
Cash dividends paid	( 95,238,884 )	( 13,156,234 )
NewItem	( 31,746,301 )	-
Other financing activities	( 20 )	( 62 )
Net cash flows used in financing activities	<u>( 147,702,500 )</u>	<u>( 26,666,182 )</u>
Net increase (decrease) in cash and cash equivalents	107,524,974	( 1,252,205 )
Cash and cash equivalents at beginning of year	19,310,785	20,562,990
Cash and cash equivalents at end of year	<u>\$ 126,835,759</u>	<u>\$ 19,310,785</u>

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen Marine Corporation (Taiwan) Ltd.

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. (the “Company”) as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of Evergreen Marine Corporation (Taiwan) Ltd. as of December 31, 2022 and 2021, 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 and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission .

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor’s 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 Accountants 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 for our opinion.

### ***Key audit matters***

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

Key audit matters for the parent company only financial statements for the year ended December 31,2022 are stated as follows:

### **Accuracy and cut-off of freight revenue**

#### Description

Please refer to Note 4(31) for accounting policy on revenue recognition, Note 5(2) for uncertainty of accounting estimates and assumptions applied on revenue recognition, and Note 6(23) for details of sales revenue, Note 6(8) for details of investments accounted for using equity method, and Table 7 for information on investees accounted for using equity method.

The Company, its directly held subsidiaries, Peony Investment S.A. and Evergreen Marine (Asia) Pte. Ltd., which are recognised in investments accounted for using equity method, and its subsidiary, Evergreen Marine (Hong Kong) Ltd., which is directly and indirectly held an 80% equity interest by the Company, primarily engages in global container shipping service covering ocean-going and near-sea shipping line, shipping agency business as well as container freight station business. Since ocean-going shipping often lasts for several days, voyages are sometimes completed after the balance sheet date. Also, demand for freight services is consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel of which the service has been provided during the reporting period.

Despite the Company and its investee companies conducting business worldwide, its transactions are all in small amounts, whereas the freight rate is subject to fluctuation caused by cargo loading rate as well as market competition. Worldwide shipping agencies use a system to record the transactions by entering data including shipping departure, destination, counterparty, transit time, shipping amounts, and freight price for the Company. Therefore, the management could recognise freight revenue in accordance with the data on bill of lading reports generated from the system, accompanied by estimations made from past experience and current cargo loading conditions the revenue that would flow in, and calculate the revenue under percentage-of-completion method. As the process of recording transactions, communicating with agencies, maintaining the system are done manually, and the estimation of freight revenue is subject to management's judgement, therefore freight revenue involves high uncertainty and is material to the financial statements. Given the conditions as described above, we consider the accuracy of freight revenue and the appropriate use of cut-off by the Company and its investee companies as a key audit matter.

### How our audit addressed the matter

We and other auditors performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the operation and industry of the Company and its investee companies to assess the reasonableness of policies and procedures on revenue recognition, and confirmed whether it is appropriate to the financial statements.
2. Obtained an understanding of the procedures of revenue recognition from booking, picking, billing to receiving. Assessed and tested relevant internal controls, including checking freight items and amounts of delivery information against the approved contracts and booking list. In addition, recalculated the accuracy of freight revenue, and ensured its consistency with the bill of lading report.
3. Obtained the estimated freight income report for vessels underway as of balance sheet date, and inquired with management for the reasonableness of judgment. In addition, checked historical freight revenue for total voyage under each individual vessel, along with comparing with current cargo loading condition as well as actual revenue received after period end to ensure the reasonableness of revenue assumptions.
4. Confirmed the completeness of vessels underway for the reporting period, including tracking the movements of shipments on the internet to ensure the vessels that depart before period end have been taken into consideration in the freight revenue calculation.
5. Verified accuracy of data used in calculating percentage of completion under each voyage, including selecting samples and checking whether the total shipping days shown on the Company's website are in agreement with cruises timetable, considering the number of days delayed in shipping routes due to port congestion as well as recalculating the shipping days (days between departure and balance sheet date), in order to examine the reasonableness of percentage applied.

### **Other matter – Reference to the audits of other auditors**

We did not audit the financial statements of all the investee companies accounted for using equity method. Those statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 relating to these long-term equity investments, is based solely on the reports of the other independent auditors. Long-term equity investments in these investee companies amounted to NT\$ 53,183,389 thousand and NT\$ 39,219,549 thousand, constituting 8.13% and 9.57% of the total assets as of December 31, 2022 and

2021, respectively, and comprehensive income (loss) (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for using equity method) was NT\$ 7,365,951 thousand and NT\$ 14,169,123 thousand, constituting 2.09% and 5.94% of the total comprehensive income (loss) as of December 31, 2022 and 2021, respectively.

***Responsibilities of management and those charged with governance for the parent company only 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 supervisors, are responsible for overseeing the Company's financial reporting process.

***Auditors' responsibilities for the audit of the parent company only financial statements***

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only 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 parent company only 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only 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.

Lai, Chung-Hsi

Chou, Hsiao-Tzu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2023

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

EVERGREEN MARINE CORP. (TAIWAN) LTD.

2022 PROFIT ALLOCATION PROPOSAL

Unit : NT\$

Item	Amount
Unappropriated Retained Earnings of Previous Years	\$130,855,853,283
Add : Net Income of 2022	334,200,660,684
Add : Adjustment for Retained Earnings	505,528,299
Add : Reversal of Special Reserve	1,145,770,962
Subtract : Legal Reserve	(33,470,618,898)
	302,381,341,047
Retained Earnings in 2022 Available for Distribution	433,237,194,330
Distribution Item :	
Shareholders' Dividends	148,149,405,740
Unappropriated Retained Earnings	\$285,087,788,590



# **Audit Committee's Review Report**

TO : 2023 Annual General Meeting of Shareholders

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

The Board of Directors has prepared the Company's 2022 business report, financial report, and proposal for distribution of earnings. The CPA firm of PricewaterhouseCoopers, Taiwan has audited the financial report and issued the audit report.

The above business report, financial report, and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of EVERGREEN MARINE CORPORATION (TAIWAN) LTD. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

Convener of the Audit Committee: Li, Chang-Chou

March 14, 2023

**EVERGREEN MARINE CORPORATION (TAIWAN) LTD.**  
**2023 Annual General Shareholders' Meeting**  
**Roster of Directors (Including Independent Directors) Candidates**

NO.	Item	Candidate	Gender Age	Expertise	Major Education and Experience	Major Concurrent Positions	Shareholdings (Note)	In Person Attendance Rate for 2022 Board Meetings
1	Director	HUI Corporation Representative: <b>Chang, Yen-I</b> (Current Board Member)	Male 61~70	Business Management Transportation Management	Education: <ul style="list-style-type: none"> <li>■ Taipei College of Maritime Technology in Navigation (Now called Taipei University of Marine Technology)</li> </ul> Experience: <ul style="list-style-type: none"> <li>■ Chairman, Taipei Port Container Terminal Corp.</li> <li>■ Chairman, United Stevedoring Corp.</li> </ul>	Chairman: <ul style="list-style-type: none"> <li>■ Evergreen Marine Corp. (Taiwan) Ltd.</li> </ul> Director: <ul style="list-style-type: none"> <li>■ Evergreen International Storage &amp; Transport Corp. (Stock Code : 2607)</li> <li>■ Taipei Port Container Terminal Corp.</li> </ul>	400,000	100%
2	Director	<b>Chang, Kuo-Hua</b> (Current Board Member)	Male 61~70	Business Management Transportation Management	Education: <ul style="list-style-type: none"> <li>■ Taipei College of Maritime Engineering (Now called Taipei University of Marine Technology)</li> </ul> Experience: <ul style="list-style-type: none"> <li>■ Vice Chairman, Evergreen Marine Corp. (Taiwan) Ltd.</li> </ul>	Director: <ul style="list-style-type: none"> <li>■ Evergreen Marine Corp. (Taiwan) Ltd.</li> <li>■ Evergreen International Corp.</li> </ul>	63,938,462	100%

NO.	Item	Candidate	Gender Age	Expertise	Major Education and Experience	Major Concurrent Positions	Shareholdings (Note)	In Person Attendance Rate for 2022 Board Meetings
3	Director	Scept Corporation Representative: <b>Ko, Lee-Ching</b> (Current Board Member)	Female 71~80	Business Management Transportation Management Finance Accounting	Education: ■ National Keelung Girls' Senior High School Experience: ■ Vice Group Chairman, Evergreen Group ■ Chairman, Evergreen International Corp.	Director: ■ Evergreen Marine Corp. (Taiwan) Ltd. ■ Evergreen International Storage & Transport Corp. (Stock Code : 2607) ■ Evergreen Steel Corp. (Stock Code : 2211) ■ Taiwan High Speed Rail Corp. (Stock Code : 2633) Supervisor: ■ Evergreen Sky Catering Corp. (Stock Code : 9978)	6,720,000	100%
4	Director	Scept Corporation Representative: <b>Hsieh, Huey-Chuan</b> (Former Board Member)	Male 61~70	Business Management Transportation Management	Education: ■ Bachelor of Transportation and Engineering Management, National Chiao Tung University Experience: ■ Executive Vice President, Project Department of Evergreen Marine Corp. (Taiwan) Ltd. ■ Vice Chairman, Italia Marittima S.p.A.	President: ■ Evergreen Marine Corp. (Taiwan) Ltd. Director: ■ Taipei Port Container Terminal Corp.	6,720,000	100%

NO.	Item	Candidate	Gender Age	Expertise	Major Education and Experience	Major Concurrent Positions	Shareholdings (Note)	In Person Attendance Rate for 2022 Board Meetings
5	Director	HUI Corporation Representative: <b>Tai, Jiin-Chyuan</b> (Current Board Member)	Male 61~70	Business Management Transportation Management Law	Education: ■ Master of Maritime Law, National Taiwan Ocean University Experience: ■ Director, President, and Executive Vice President of Legal Department of Evergreen International Corp.	Director: ■ Evergreen Marine Corp. (Taiwan) Ltd. ■ Evergreen International Storage & Transport Corp. (Stock Code : 2607) ■ Evergreen Sky Catering Corp. (Stock Code : 9978) ■ Taipei Port Container Terminal Corp. Supervisor: ■ Evergreen International Corp.	400,000	100%
6	Director	Evergreen Steel Corp. Representative: <b>Wu, Kuang-Hui</b> (Current Board Member)	Male 61~70	Business Management Transportation Management Finance Accounting	Education: ■ Master of Business Administration, National Sun Yat-Sen University Experience: ■ Executive Vice President, Finance Department of Evergreen Marine Corporation (Taiwan) Ltd.	■ Chief Executive Vice President, Evergreen Marine Corp. (Taiwan) Ltd. Director: ■ Evergreen Marine Corp. (Taiwan) Ltd. ■ Taipei Port Container Terminal Corp. Supervisor: ■ Uni Airways Corp. (Stock Code : 2621) ■ Taiwan Terminal Services Corp. Ltd.	15,304,681	100%

NO.	Item	Candidate	Gender Age	Expertise	Major Education and Experience	Major Concurrent Positions	Share- holdings (Note)	In Person Attendance Rate for 2022 Board Meetings
7	Independent Director	<b>Yu, Fang-Lai</b> (Current Board Member)	Male 71 ~80	Business Management Transportation Management Government & Supervision	Education: ■ MBA of Institute of Management Science, National Chiao Tung University ■ Bachelor of Transportation & Communication Management Science, National Cheng Kung University  Experience: ■ Independent Director, Evergreen International Storage & Transport Corp. ■ Director, China Aviation Development Foundation ■ Chairman, Chungwa Post Co., Ltd. ■ Political Deputy Minister, Ministry of Transportation & Communications ■ Administrative Deputy Minister, Ministry of Transportation & Communications	Independent Director: ■ Evergreen Marine Corp. (Taiwan) Ltd.	0	100%

NO.	Item	Candidate	Gender Age	Expertise	Major Education and Experience	Major Concurrent Positions	Shareholdings (Note)	In Person Attendance Rate for 2022 Board Meetings
8	Independent Director	<b>Li, Chang-Chou</b> (Current Board Member)	Male 51~60	Business Management Finance Accounting	Education: <ul style="list-style-type: none"> <li>■ Master of Accounting, University of Illinois at Urbana-Champaign</li> </ul> Experience: <ul style="list-style-type: none"> <li>■ Partner, PricewaterhouseCoopers, Taiwan</li> </ul>	<ul style="list-style-type: none"> <li>■ Partner, CPA, Zhi Cheng CPA Firm</li> </ul> Independent Director: <ul style="list-style-type: none"> <li>■ Evergreen Marine Corporation (Taiwan) Ltd.</li> <li>■ Silicon Optronics, Inc. (Stock Code : 3530)</li> <li>■ St. Shine Optical Co., Ltd. (Stock Code : 1565)</li> <li>■ Hotai Insurance Co., Ltd. (Stock Code : 6029)</li> </ul>	0	100%
9	Independent Director	<b>Chang, Chia-Chee</b> (Current Board Member)	Male 61~70	Business Management Law Accounting and Information Technology Medical Science	Education: <ul style="list-style-type: none"> <li>■ Master degree-Law, National Taiwan University</li> <li>■ Medicine Institute of Molecular Medicine, National Taiwan University</li> <li>■ Accounting and Information Technology, National Chung Cheng University</li> </ul> Bachelor degree- <ul style="list-style-type: none"> <li>■ Medicine, National Taiwan University</li> </ul>	<ul style="list-style-type: none"> <li>■ Tai-Yang Business Attorney-in-Charge</li> </ul> Independent Director: <ul style="list-style-type: none"> <li>■ Evergreen Marine Corp. (Taiwan) Ltd.</li> </ul>	0	100%

NO.	Item	Candidate	Gender Age	Expertise	Major Education and Experience	Major Concurrent Positions	Share- holdings (Note)	In Person Attendance Rate for 2022 Board Meetings
					<ul style="list-style-type: none"> <li>■ Law, National Taiwan University</li> <li>■ Business Administration, National Taiwan University</li> </ul> Experience: <ul style="list-style-type: none"> <li>■ Same as Major Concurrent Positions</li> </ul>			
<p><u>The rational for nomination of Independent Director who has served for three or more consecutive terms:</u></p> <p>Mr. Chang, Chia-Chee (張家琦), an Independent Director of the Company, holds a master's degree in Law, National Taiwan University, Medicine Institute of Molecular Medicine, National Taiwan University, and Accounting and Information Technology, National Chung Cheng University. He is currently serving as the attorney-in-charge of Tai-Yang Life Science Business Law Office. He also has extensive practical experience in law, accounting, information technology and medicine science.</p> <p>During his tenure as an Independent Director of the Company, he provided professional advice for the operation and management of the Company. Considering the needs of the Company for long-term development, it is necessary to continue to rely on his professionalism. The Board believes he continues to possess the requisite independence of judgement and action, and has not formed such associations with management (or others) as may compromise his ability to exercise impartial judgment or act without bias in the best interests of the Company. Therefore, in this election, we intend to continue to nominate him as the Company's Independent Director.</p>								

Note : The number of shares held by shareholders on the book closure date for the Company's shareholders' meeting (April 1, 2023).

# EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

## The Competitive Activities of the Director Candidates Table

Director Candidates—

1.HUI Corporation Representative: Chang, Yen-I

Company Name	Concurrent Position	The Business which is similar to the Company's
Gaining Enterprise S.A.	Director and President	Ship Transportation
Evergreen Marine (Hong Kong) Ltd.	Director	
Evergreen International Storage & Transport Corp.	Director	Ship Transportation Container Distributing Center Business
Taipei Port Container Terminal Corp.	Director	Container Distributing Center Business
Ningbo Victory Container Co., Ltd.		
Qingdao Evergreen C&T Co., Ltd.		
Kingtrans Intl, Logistics (Tianjin) Co., Ltd.		
Everport Terminal Services Inc.		
Pt. Multi Bina Pura International		
South Asia Gateway Terminals Pte. Ltd.		
VIP Greenport Joint Stock Company		
Evergreen-Shipping Agency (Ecuador) S.A.	Chairman	Shipping Agency Services
Evergreen Shipping Agency (Argentina) S.A.	Director	
Evergreen Shipping Agency (Brazil) S.A.		
Evergreen Shipping Services (Cambodia) Co., Ltd.		
Evergreen Shipping Agency (Chile) SPA.		
Evergreen Shipping Services (Colombia) S.A.S.		
Evergreen Shipping Agency (Greece) Anonimi Eteria		
Evergreen Shipping Agency (India) Pvt. Ltd.		



Company Name	Concurrent Position	The Business which is similar to the Company's
Evergreen Marine (Hong Kong) Ltd.	Director	Shipping Agency Services
Evergreen Shipping Agency (Israel) Ltd.		
Evergreen Shipping Agency (Italy) S.p.A.		
Evergreen Shipping Agency Mexico S.A. De C.V.		
Unigreen Marine, S.A.		
Evergreen Shipping Agency (Peru) S.A.C.		
Evergreen Shipping Agency Philippines Corp.		
Evergreen Shipping Agency (Russia) Ltd.		
Evergreen Shipping Agency Saudi Co. (L.L.C.)		
Evergreen Agency (South Africa) (Pty) Ltd.		
Evergreen Shipping Agency Lanka Ptd. Ltd.		
Evergreen Shipping Agency (Thailand) Co., Ltd.		
Evergreen Gemi Acenteliği Anonim Şirketi		
Evergreen Shipping Agency Co. (U.A.E.) LLC.		

## 2.Chang, Kuo-Hua

Company Name	Concurrent Position	The Business which is similar to the Company's
Evergreen Shipping Agency (America) Corp.	Director	Shipping Agency Services

## 3. Scept Corporation Representative: Ko, Lee-Ching

Company Name	Concurrent Position	The Business which is similar to the Company's
Evergreen International Storage & Transport Corp.	Director	Ship Transportation Container Distributing Center Business
Gaining Enterprise S.A.	Director	Ship Transportation
Evergreen Marine (Singapore) Pte. Ltd.		

#### 4. Scept Corporation Representative: Hsieh, Huey-Chuan

Company Name	Concurrent Position	The Business which is similar to the Company's
Evergreen Marine (Hong Kong) Ltd.	Director	Ship Transportation
Gaining Enterprise S.A.		
Italia Marittima S.P.A.		
Taipei Port Container Terminal Corporation	Director	Container Distributing Center Business
PT. Multi Bina Pura International		
Everport Terminal Services Inc.		
Evergreen Shipping Services (Cambodia) Co., Ltd.	Director	Shipping Agency Services
Evergreen Shipping Agency (Chile) SPA.		
Evergreen Shipping Services (Colombia) S.A.S.		
Evergreen Shipping Agency (Greece) Anonimi Eteria		
Evergreen Marine (Hong Kong) Ltd.		
Pt. Evergreen Shipping Agency Indonesia		
Evergreen Shipping Agency (Israel) Ltd.		
Evergreen Shipping Agency (Italy) S.p.A.		
Evergreen Shipping Agency (Mexico) S.A. De C.V.		
Unigreen Marine, S.A.		
Evergreen Shipping Agency (Peru) S.A.C.		
Evergreen Shipping Agency Philippines Corp.		
Evergreen Shipping Agency (Russia) Ltd.		
Evergreen Agency (South Africa) (Pty) Ltd.		
Evergreen Shipping Agency Lanka (Private) Ltd.		
Evergreen-Shipping Agency (Ecuador) S.A.		

### 5. HUI Corporation Representative: Tai, Jiin-Chyuan

Company Name	Concurrent Position	The Business which is similar to the Company's
Taipei Port Container Terminal Corporation	Director	Container Distributing Center Business
Evergreen Container Terminal (Thailand) Ltd.		
Evergreen International Storage & Transport Corp.	Director	Ship Transportation Container Distributing Center Business

### 6. Evergreen Steel Corp. Representative: Wu, Kuang-Hui

Company Name	Concurrent Position	The Business which is similar to the Company's
Evergreen Marine (Hong Kong) Ltd.	Director	Ship Transportation
Italia Marittima S.P.A.		
Taipei Port Container Terminal Corporation	Director	Container Distributing Center Business
Ningbo Victory Container Co., Ltd.		
Evergreen Marine (Hong Kong) Ltd.	Director	Shipping Agency Services
Evergreen Agency (South Africa) (Pty) Ltd.		

# **EVERGREEN MARINE CORPORATION (TAIWAN) LTD.**

## **Articles of Incorporation**

### **Chapter 1 General Provisions**

#### **Article 1**

This Company is incorporated pursuant to the provisions governing a company limited by Shares of the Company Act of Republic of China with the name of 長榮海運股份有限公司 in Chinese and EVERGREEN MARINE CORPORATION (TAIWAN) LTD. in English.

#### **Article 2**

The Company may engage in the following activities:

1. G301011 Ship Transportation;
2. G401011 Shipping Agency Services;
3. G404011 Container Distributing Center Business;
4. I701011 Occupation Services;
5. CD01070 Commercial Port Area Ship-repair;
6. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

#### **Article 3**

The office of the Company is located at Taipei, Taiwan, where necessary, the Company may have branches or offices established within or outside the Republic of China as decided by resolution adopted by the Board of Directors.

#### **Article 4**

The total amount of investment by the Company shall not be subject to the restriction of 40 percent of the paid-up capital of the Company pursuant to Article 13 of the Company Act.

The Company may render external guarantees.

### **Chapter 2 Shares**

## **Article 5**

The total authorized capital of the Company shall be NT\$70,000,000,000 divided into 7,000,000,000 shares at NT\$10 each. The Board of Directors is hereby authorized to issue the unissued shares in installments.

## **Article 6**

The shares issued by the Company shall be registered in the Securities Central Depository Business Institution.

## **Article 7**

Registration of share transfer, within sixty (60) days before the date of Annual General Meeting of the Shareholders, thirty (30) days before the date of Extraordinary Meeting of Shareholders, or five (5) days before the date fixed by the Company for distribution of dividends, bonus or other benefits, shall not be conducted.

## **Chapter 3 Shareholders' Meeting**

### **Article 8**

The Shareholders' Meeting of the Company consists of two categories; the Annual General and Extraordinary Meetings;

1. The Annual General Meeting shall be duly held within six (6) months after the end of each fiscal year of the Company;
2. The Extraordinary Meeting of the Company may be duly held if necessary.

The Company's shareholders' meetings can be held by means of video conferencing network or other methods as promulgated by the central competent authority.

In the case where a shareholders' meeting is convened via a video conferencing network, the shareholders taking part in such a video conference meeting shall be deemed to have attended the meeting in person.

### **Article 9**

Notices to convene the Annual General Meeting shall be given to each shareholder thirty (30) days in advance, and the one to convene the Extraordinary Meeting shall be given fifteen (15) days in advance. Notices of the Shareholders' Meeting shall specify the time and place of the meeting and the particulars of the business to be transacted, and shall be given to all the Shareholders.

## **Article 10**

The shareholders of the Company shall have one voting right for each share, except the shares which set forth in Article 179 of the Company Act are no voting right.

## **Article 11**

A shareholder who is unable to attend a Shareholders' Meeting may duly authorize another person as his proxy to attend and vote on his behalf pursuant to a power of attorney printed and distributed by the Company duly issued by the Shareholder stating the ambit of the proxy's authority.

## **Article 12**

Unless otherwise provided under the Company Act and related regulations, the quorum for a Shareholders' Meeting shall be duly adopted by a majority in the meeting attended by Shareholders who represent a majority of the total issued shares.

## **Article 13**

When Shareholders' Meeting is convened by the Board of Director, its chairman shall be processed in accordance with the provision in Article 208 of the Company Act. When the meeting is convened by other party with right of summons other than the Board of Directors, the Chairman shall be undertaken by that party with right of summons. When there are two and more parties with right of summons, one party will be elected among these parties.

## **Article 14**

The resolutions adopted by the Shareholders' Meeting shall be reported in the minutes. The content, distribution and other essentials of the minutes shall be made in accordance with the provision of Article 183 of the Company Act.

## **Chapter 4 Directors And Managers**

### **Article 15**

The Company shall have seven to nine (7~9) Directors.

The election of the Directors shall adopt the candidate nomination system provided in the Article 192-1 of the Company Act. The shareholders shall elect the Directors from the list of candidates announced by the Company. The following matters shall be processed according to the relevant regulations.

The total number of shares that should be held by all preceding Directors shall be subject to the provision established by the Securities Management Institution.

## **Article 15-1**

The number of the Directors set forth in the preceding article shall include three (3) Independent Directors.

The independent and non-independent directors shall be elected at the same time, but the number of votes shall be calculated separately.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election, and other matters for compliance with respect to Independent Directors shall be subject to the Securities and Exchange Act and other relevant regulations.

## **Article 16**

The Directors shall be elected at the Shareholders' Meeting and they are selected due to their competence and disposing capacity. They shall have a three-year term of office and are eligible for re-election. The Directors may, according to Article 199 of the Company Act, be discharged at any time by a resolution passed at a Shareholders' Meeting.

## **Article 17**

When the number of vacancies of Directors reaches one-third of the total number of Directors, the Board of Directors shall convene a Shareholders' Meeting for supplementary election within 60 days from the date on which the situation arose. Its term of office shall only be limited to full replenishment of the original term of office.

When the dismissal of Independent Director(s) result in the number of Independent Directors less than the number providing in the paragraph 1 of the Article 15-1, the Company shall hold supplementary election for Independent Director(s) at the next following Shareholders' Meeting. When all Independent Directors have been dismissed, the Board of Directors shall convene a Shareholders' Meeting for electing Independent Directors within 60 days from the date on which the situation arose.

## **Article 18**

The Directors shall constitute the Board. The Chairman shall be elected at a meeting attended by at least two-thirds (2/3) of the Directors and by a simple majority vote of the Directors present at the meeting and may also elect a Vice Chairman in the same manner. The Chairman of the Board of Directors shall internally preside at the Meetings of Shareholders and Board Meetings, and shall externally represent the Company. When the Chairman is on leave of absence or cannot exercise its job for any cause, agency of his/her job shall be handled in accordance with Article 208 of the Company Act.

## **Article 19**

For execution of business of the Company, apart from items that are separately specified in related laws or the Articles of Incorporation to be resolved at the Shareholders' Meeting, all items shall be resolved by the Board of Directors.

## **Article 20**

Notices of the Board Meeting shall be dispatched to each of the Directors seven (7) days prior to convening such meeting. Nevertheless, in case of emergency, the said meeting may be convened anytime.

The notice set forth in the preceding paragraph may be conducted in the form of writing or by way of e-mail or fax.

Where a Director is unable to attend a Board Meeting, he may authorize another Director to attend on his behalf by issuing a power of attorney in the latter's favor specifying the business to be conducted thereat and the scope of the authority to be granted.

## **Article 21**

Unless otherwise provided under related regulations or the Articles of Incorporation, resolutions of the Board Meeting shall be adopted by a majority of the Directors at a meeting attended by a majority of the Directors.

## **Article 22**

The Company shall establish the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The exercise of power and others of the Audit Committee and its members shall be in accordance with the Securities and Exchange Act and the relevant laws and regulations.

The Board of Directors may set up functional committees in accordance with regulations or business needs. Their Charters shall be made by the Board of Directors.

## **Article 23**

The compensation of the Directors (the "compensation") to be resolved by the Board of the Directors authorized herein will be based on the level of each one's participation in and the value of individual's contribution to the Company's operation as well as the ordinary standard of the competitors' compensation.

In order to cover the loss causing from liabilities of the Directors and to raise awareness of corporate governance, the Company may take out liability insurance for all Directors and the representatives who are designated by the Company to its investing companies to act as Director or Supervisor during their terms of offices.



## **Article 24**

The company may have managers. Its appointment, discharge and remuneration shall be handled in accordance with the provision of Article 29 of the Company Act.

## **Chapter 5 Accounting**

### **Article 25**

After the end of each fiscal year of the Company, the Board of Directors shall prepare and submit the following reports to the Annual General Meeting of the Shareholders for approval according to legal procedures:

1. Business report.
2. Financial statements.
3. Proposal for allocation of surplus profit or making up loss.

### **Article 26**

If the Company makes profit in a fiscal year, employees' compensation, no less than 0.5% of the profit, and directors' remuneration, no more than 2% of the profit, shall be set aside. However, in case the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses beforehand. The employees' compensation and directors' remuneration shall be set aside afterwards according to the principles mentioned above.

The employees' compensation shall be distributed in the form of stock or cash; while the directors' remuneration shall be distributed only in the form of cash.

The profit in item 1 refers to profit before tax without deducting employees' compensation and directors' remuneration.

The amount of employees' compensation and directors' remuneration as well as the payment method of employees' compensation shall be determined by a resolution adopted by a majority vote at a board of directors' meeting attended by two-thirds or more of the directors and be reported at a shareholders' meeting.

### **Article 26-1**

If the Company reports a surplus at the year end, after clearing taxes, the Company shall first offset losses from previous years (if any), then set aside 10% of the balance as the statutory surplus reserve, and set aside or reverse special surplus reserve per the provisions. After that, the Board of Directors shall propose a surplus distribution plan of the balance plus the retained earnings accrued from prior years, submit the distribution plan to the shareholders' meeting for approval, and then distribute it.

Where the special surplus reserve set aside in the preceding paragraph belongs to a part

not fully set aside accrued from prior years, the same amount thereof shall be set aside for the special surplus reserve from the retained earnings accrued from prior years. If the special surplus reserve is still insufficient, the amount from the net income after taxes for the current period plus the items other than the net income after taxes for the current period shall be included in the amount of the retained earnings for the current period to be set aside for such a purpose.

The dividends may be distributed either in full in cash, or in the combination of cash and stocks, however the cash dividends shall not be less than 10% of the total amount of dividends.

## **Chapter 6 Miscellaneous**

### **Article 27**

The rules and regulations of the Company and various operation procedures shall be separately stipulated by the Board of Directors.

### **Article 28**

Any matter not provided for by these Articles shall be subject to the Company Act and related regulations.

### **Article 29**

These Articles were originally established on September 3, 1968;

The 1st amendment was made on November 12, 1970;

The 2nd amendment was made on July 27, 1974;

The 3rd amendment was made on December 6, 1974;

The 4th amendment was made on July 15, 1975;

The 5th amendment was made on September 2, 1976;

The 6th amendment was made on September 9, 1978;

The 7th amendment was made on December 8, 1978;

The 8th amendment was made on August 11, 1979;

The 9th amendment was made on November 15, 1980;

The 10th amendment was made on May 23, 1981;

The 11th amendment was made on April 20, 1982;

The 12th amendment was made on June 11, 1983;

The 13th amendment was made on September 10, 1983;

The 14th amendment was made on December 1, 1983;

The 15th amendment was made on April 27, 1984;

The 16th amendment was made on December 27, 1984;  
The 17th amendment was made on March 30, 1985;  
The 18th amendment was made on April 26, 1986;  
The 19th amendment was made on August 21, 1986;  
The 20th amendment was made on March 16, 1987;  
The 21st amendment was made on April 14, 1987;  
The 22nd amendment was made on March 25, 1988;  
The 23rd amendment was made on April 17, 1989;  
The 24th amendment was made on May 11, 1991;  
The 25th amendment was made on May 9, 1992;  
The 26th amendment was made on May 8, 1993;  
The 27th amendment was made on April 20, 1996;  
The 28th amendment was made on May 16, 1998;  
The 29th amendment was made on June 22, 1999;  
The 30th amendment was made on 20 June, 2000;  
The 31st amendment was made on June 20, 2001;  
The 32nd amendment was made on June 21, 2002;  
The 33rd amendment was made on June 20, 2003;  
The 34th amendment was made on June 24, 2004;  
The 35th amendment was made on June 23, 2005;  
The 36th amendment was made on June 23, 2006;  
The 37th amendment was made on June 27, 2007;  
The 38th amendment was made on June 19, 2009;  
The 39th amendment was made on June 24, 2011, but the article 15-1 and the paragraph 2 of the article 17 will not effective until the Shareholders' Meeting of the Company elects Independent Directors;  
The 40th amendment was made on June 15, 2012;  
The 41st amendment was made on June 14, 2013;  
The 42nd amendment was made on June 22, 2016;  
The 43rd amendment was made on June 22, 2017;  
The 44th amendment was made on June 24, 2020;  
The 45th amendment was made on May 30, 2022.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

Chairman Chang, Yen-I

# **EVERGREEN MARINE CORPORATION (TAIWAN) LTD.**

## **Rules and Procedures of Shareholders' Meeting**

### **Article 1**

Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with the Company Act and other relevant laws and regulations.

### **Article 2**

Shareholders in these Rules refer to shareholders themselves or their designated proxies attending the Meeting.

The number of representatives appointed by any juristic person shareholders attending the shareholders' meeting shall not exceed the total number of the Company's directors of the current term.

Where a juristic person is delegated to attend the shareholders' meeting, such juristic person shall only appoint one (1) representative to attend such meeting.

### **Article 3**

Shareholders attending the Meeting shall bring an attendance card and identification document. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders.

The attendance of the Meeting shall be calculated based on shares.

The Company shall announce the number of non-voting shares, the number of shares in attendance and other relevant information.

### **Article 4**

The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

### **Article 5**

Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the majority at the time scheduled for the Meeting, the chairman may postpone the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two

postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act.

If before the end of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman shall submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Act.

## **Article 6**

The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors.

If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting. If there are more than two persons convening the Meeting, they should select one person to be the chairman.

## **Article 7**

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the items (including special motions) listed in the agenda are resolved. In the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned.

## **Article 7-1**

In accordance with Article 172-1 of the Company Act, the shareholders who hold one percent (1%) or more of the total number of outstanding shares of the Company may submit proposal in written form for discussion at the annual general meeting of shareholders.

The proposals submitted by shareholders violating Article 172-1 of the Company Act shall not be included in the agenda of the Meeting and the minute of the Meeting, but the

cause of exclusion of such proposals shall be listed in the appendix of the handbook for shareholders' meeting proceedings of the Company.

The shareholders' proposals complying with the Article 172-1 of the Company Act, which are classified into the same category of the proposal submitted by the Board of Directors, shall be deemed as the amendment of the proposal submitted by the Board of Directors, and the Chairman may combine them into one proposal to deal with.

### **Article 8**

When a shareholder attending the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of the Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

If any shareholder presenting at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairman shall stop such interruption.

### **Article 9**

If a juristic person shareholder designates two or more representatives to attend the Meeting, only one representative is entitled to speak for each discussion item.

When reporting the topic, speech for each shareholder is limited to once, and the speech shall not exceed five minutes for all reporting items.

Unless otherwise permitted by the chairman, each shareholder shall not speak more than two times concerning each motion and each proposition shall not exceed 5 minutes with regard to each proposal listed in ratification and discussion items listed on the agenda, proposals collected during special motion procedure.

When a shareholder speaks with regard to non-proposal matters and expresses other opinions during the special motion session, the provisions in the preceding paragraph regarding speaking time and number of speaking times shall be applied.

In case the speech of any shareholder violates the preceding four provisions, exceeds the scope of the discussion item, or disturbs the order of the meeting, the chairman is entitled to stop the speech of such shareholder.

## **Article 10**

The Company may ask its lawyer, certified public accountant or related person to attend the Meeting. After a shareholder speaks, chairman may answer the question personally or designate the related person to answer the question.

## **Article 11**

Unless otherwise required by the Company Act or the Articles of Incorporation, a resolution of a shareholders' meeting shall be adopted by a majority of the votes represented by the Shareholders present at the Meeting.

## **Article 12**

The resolution shall be voted on by casting ballots, and the chairman shall decide all voting (including the election votes) to be conducted separately or at the meantime.

## **Article 13**

If there is an amendment to or a substitute for a proposal of a discussion topic, the chairman shall decide the sequence of voting for the amendment or the substitute, together with the original proposal. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

## **Article 14**

Where the chairman believes that the proposal discussed may be resolved, he/she may announce the ending of the discussion, and propose that votes be made and arrange adequate voting time.

## **Article 15**

During the Meeting, the chairman may, at his/her discretion, set time for intermission.

## **Article 16**

The election of directors at a shareholders meeting shall be held in accordance with "Regulations for Electing Directors" of the Company.

## **Article 17**

The personnel supervising and calculating the votes for the proposals shall be designated by the chairman, but the supervising personnel shall be a shareholder.

The result of the votes shall be announced on the spot and recorded.

## **Article 18**

The process of the meeting shall be fully recorded via audio or video recording, and retained for at least one (1) year. However, if any shareholder files a lawsuit pursuant to Article 189 of the Company Act, the audio or video recording shall be retained until the final conclusion of the lawsuit.

## **Article 19**

Logistics staff and disciplinary personnel (including security guards) assisting the Meeting shall wear badge or armband for identification purpose.

The chairman may command the disciplinary personnel (or security guards) to help safeguard the order of the meeting site.

Shareholders who violate these Rules and Procedures and defy the chairman's correction, or obstruct the proceeding of the meeting and refuse to stop, the chairman may direct the disciplinary personnel (including security guards) to escort the shareholder off the meeting.

## **Article 20**

These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

The History of "RULES AND PROCEDURES OF SHAREHOLDERS' MEETING"

The Rules are duly established on March 16, 1987;

The 1st amendment was made on April 20, 1996;

The 2nd amendment was made on May 16, 1998;

The 3rd amendment was made on June 21, 2002;

The 4th amendment was made on June 23, 2006;

The 5th amendment was made on June 19, 2009;

The 6th amendment was made on June 15, 2012;

The 7th amendment was made on July 21, 2021.



# **EVERGREEN MARINE CORPORATION (TAIWAN) LTD.**

## **REGULATIONS FOR ELECTING DIRECTORS**

### **Article 1**

The election of the Directors of the Company shall be handled in accordance with the Regulations.

### **Article 2**

The election of the Directors shall adopt the candidate nomination system provided in the Article 192-1 of the Company Act. The shareholders shall elect the Directors from the list of candidates announced by the Company. The following matters shall be processed according to the relevant regulations.

### **Article 2-1**

The election of the Directors of the Company shall be executed by adopting the method of accumulative voting by open vote. Each share held by a shareholder shall be entitled to the number of right-to-vote equal to the number of Directors to be elected. A shareholder may concentrate all the number of right-to-vote for one candidate or distribute the number of right-to-vote to several candidates. Shareholder account number or Attendance Certificate number printed on the vote may be used to represent the voter instead of the name of the voter.

The independent and non-independent directors shall be elected at the same time, but the number of votes shall be calculated separately.

### **Article 3**

Before the votes are opened, the Chairman of the Shareholders' Meeting shall designate appropriate number of vote examiner who should be the Shareholder of the Company, vote counting personnel and related personnel for performing the relevant duty assigned to them.

### **Article 4**

The required number of Directors and Independent Directors shall be elected in accordance with the Articles of Incorporation, and the candidates who obtain more votes than others from the election will be deemed elected in turn. When the number of votes obtained by two or more than two candidates is the same but that exceed the required number of Directors to be elected, the case shall be determined by drawing lots, and the Chairman of the Shareholders' Meeting shall draw the lots for any candidate who is involved in the case but fails to attend the meeting.

## **Article 5**

The vote shall be prepared by the Board of Directors, and shall note shareholder account number, Attendance Certificate number and number of voting right on the vote.

## **Article 6**

If the elected person possesses shareholder status, in the “election candidate” column on the vote the voter shall fill in the name of the election candidate and shareholder account number. If the elected person does not possess shareholder status, the voter shall fill in the name and identity card number of the election candidate.

## **Article 7**

Any vote that is in any of the following conditions shall be deemed ineffective:

- (1) Vote not specified in Article 5 of this regulation.
- (2) Blank vote.
- (3) Writing is blurred and cannot be identified.
- (4) If the filled in election candidate possesses shareholder status, when its account name, shareholder account number do not match the shareholder register; if the filled in election candidate does not possess shareholder status, his/her name and identity card number does not match.
- (5) Write other word apart from the name of the election candidate, shareholder account number, identity card number or the number of voting rights.
- (6) Two or more elected candidates are filled in the same vote.

## **Article 8**

After the votes are completed, the votes shall be opened on the spot, and the results of the votes shall be announced by the Chairman of the shareholders’ meeting.

For the preceding election, the Company shall keep the voting papers for at least one year, but for any shareholder who files a litigation in accordance with Article 189 of the Company Act, the voting papers shall be kept until the end of the litigation.

## **Article 9**

The Regulations shall come into force after the approval of the shareholders’ meeting, and the same shall apply after amendment.

### **The History of “REGULATIONS FOR ELECTING DIRECTORS”**

The Regulations were duly established on March 16, 1987;

The 1st amendment was made on June 20, 2001;

The 2nd amendment was made on June 21, 2002;

The 3rd amendment was made on June 24, 2011;

The 4th amendment was made on June 15, 2012.

The 5th amendment was made on June 22, 2017.

(the previous title: REGULATIONS FOR ELECTING DIRECTORS AND SUPERVISORS)

# EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

## Shareholdings of Directors

Title	Name	Shareholdings
Chairman	HUI Corporation Representative: Chang, Yen-I	400,000
Director	HUI Corporation Representative: Tai, Jiin-Chyuan	
Director	Chang, Kuo-Hwa	63,938,462
Director	Evergreen International S.A. Representative: Ko, Lee-Ching	156,714,726
Director	Evergreen Steel Corp. Representative: Wu, Kuang-Hui	15,304,681
Independent Director	Yu, Fang-Lai	0
Independent Director	Li, Chang-Chou	
Independent Director	Chang, Chia-Chee	
Total		236,357,869

### Notes:

1. As of April 1, 2023, the book closure date for the Company's shareholders' meeting, the total number of shares already issued is 2,116,420,082 shares.
2. The minimum shareholding required to be held by all directors is 50,794,082 shares.