

TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.
PARENT COMPANY ONLY FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

Address: No. 10, Peng-lai Road, Gushan Dist., Kaohsiung City, Taiwan (R.O.C.)

Telephone: 886-7-521-9000

The reader is advised that these parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Financial Statements

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Independent Auditors' Report

To Taiwan International Ports Corporation, Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Taiwan International Ports Corporation, Ltd. (the “Company”) as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of significant accounting policies (collectively “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in accordance with the regulations governing the accounting matters of state-owned enterprises issued by the government, Business Entity Accounting Act, Regulation on Business Entity Accounting Handling relevant to preparation of financial statements, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Emphasis of Matter

As discussed in Notes 4 and 13 to the accompanying parent company only financial statements, the amounts in the Company's financial statements shall be audited by National Audit Office, the Control Yuan (NAO). Therefore, some items in the parent company only financial statements for the year ended December 31, 2022 were restated on June, 2023 to reflect adjustments requested by the NAO based on their audits, and the financial statements for the year ended December 31, 2022 were recompiled in the second quarter of 2023.

Our opinion is not modified in respect of this matter.

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 parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports with the regulations governing the accounting matters of edetate matters By the government, Business Entity Accounting Act, Regulation on Business Entity Accounting Handling relevant to preparation of financial statements, International Financial Reporting Standards, International Accounting Standards and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, 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 Audit Committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only 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 auditor's 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 accompanying notes, and whether the parent company only 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 parent company only 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.

Ernst & Young, Taiwan

March 12, 2024

Notice to Readers

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

Accordingly, the accompanying parent company only 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, Ernst & Young 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.

TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2023	%	December 31, 2022 (Note 13)	%
Current assets					
Cash and cash equivalents	4,6(1)	\$7,314,466	6	\$6,608,160	5
Financial assets at fair value through profit or loss - current	4,6(2)	1,741,595	1	1,711,644	1
Financial assets at fair value through other comprehensive income - current	4,6(3)	497,530	0	353,123	0
Financial assets at amortized cost - current	4,6(4)	1,900,000	1	1,900,000	1
Notes receivable, net	4,6(5)	3,978	0	3,677	0
Accounts receivable, net	4,6(6),7	362,592	0	315,098	0
Other receivables		1,145,621	1	784,333	1
Other receivables - related parties	7	75,955	0	362,505	0
Current tax assets	4	—	—	614	0
Inventories	4	583	0	694	0
Prepayments	6(7)	3,146,000	2	276,953	0
Other financial assets - current	6(8)	9,175,900	7	21,462,384	16
Other current assets		67,331	0	70,816	0
Total current assets		25,431,551	18	33,850,001	24
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	4,6(3)	8,230,499	6	10,508,727	7
Financial assets at amortized cost - non-current	4,6(4)	15,381,795	11	14,262,864	10
Investments accounted for using the equity method	4,6(9)	5,747,682	4	5,279,799	4
Property, plant and equipment	4,6(10)	52,326,692	37	48,100,195	34
Right-of-use assets	4	801	0	831	0
Investment property, net	4,6(11)	32,157,418	23	29,053,559	20
Intangible assets	4,6(12)	454,867	0	384,491	0
Deferred tax assets	4,6(21)	1,142,865	1	1,083,526	1
Refundable deposits		73,896	0	38,732	0
Other non-current assets		265,296	0	338,799	0
Total non-current assets		115,781,811	82	109,051,523	76
Total Assets		\$141,213,362	100	\$142,901,524	100
Liabilities and Equity					
Current liabilities					
Contract liabilities		\$5,191	0	\$4,710	0
Notes payable and accounts payable	7	196,131	0	91,204	0
Other payables	6(13),7	6,262,730	4	15,251,807	11
Current tax liabilities	4,6(21)	849,284	1	984,002	1
Lease liabilities - current	4	460	0	197	0
Refund liabilities - current		827,771	1	713,272	0
Receipts in advance		40,380	0	162,837	0
Other current liabilities	7	418,016	0	338,918	0
Total current liabilities		8,599,963	6	17,546,947	12
Non-current liabilities					
Net defined benefit liabilities	4,6(14)	1,250,370	0	2,442,946	2
Deferred tax liabilities	4,6(21)	11,302	0	10,010	0
Lease liabilities - non-current	4	524	0	965	0
Deferred revenue - non-current	4	6,365,566	5	6,711,683	5
Guarantee deposits received		1,460,795	1	1,522,184	1
Other non-current liabilities		2,686,208	2	2,566,496	2
Total non-current liabilities		11,774,765	8	13,254,284	10
Total liabilities		20,374,728	14	30,801,231	22
Equity	6(15)				
Share capital					
Ordinary share capital		66,456,671	47	66,456,671	46
Advance received for shares		249,000	0	200,000	0
Total share capital		66,705,671	47	66,656,671	46
Capital surplus		19,266,262	14	19,266,262	13
Retained earnings					
Legal reserve		7,396,556	5	7,396,556	5
Special reserve		9,398,936	7	9,398,936	7
Unappropriated earnings		10,861,430	8	—	—
Total retained earnings		27,656,922	20	16,795,492	12
Other components of equity		7,209,779	5	9,381,868	7
Total equity		120,838,634	86	112,100,293	78
Total liabilities and equity		\$141,213,362	100	\$142,901,524	100

The accompanying notes are an integral part of the parent company only financial statements.

TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Accounting	Notes	For the years ended December 31			
		2023	%	2022 (Note 13)	%
Operating revenues	4,6(16),7	\$21,749,094	100	\$21,922,411	100
Operating costs	4,7	(9,879,403)	(46)	(9,862,937)	(45)
Gross profit		<u>11,869,691</u>	<u>54</u>	<u>12,059,474</u>	<u>55</u>
Operating expenses	6(17,18)				
Sales and marketing expenses		(1,538,484)	(7)	(1,479,427)	(7)
General and administrative expenses		(1,161,238)	(5)	(1,144,385)	(5)
Research and development expenses		(31,094)	(0)	(33,359)	(0)
Expected credit loss	4,6(17)	—	—	(13,524)	(0)
Subtotal		<u>(2,730,816)</u>	<u>(12)</u>	<u>(2,670,695)</u>	<u>(12)</u>
Operating income		<u>9,138,875</u>	<u>42</u>	<u>9,388,779</u>	<u>43</u>
Non-operating income and expenses	4,6(19)				
Interest income		561,608	3	411,916	2
Other income		3,223,013	15	3,223,727	15
Other gains and losses		(633,206)	(3)	(265,661)	(1)
Share of the profit of subsidiaries and associates	4,6(9)	495,548	2	478,303	2
Subtotal		<u>3,646,963</u>	<u>17</u>	<u>3,848,285</u>	<u>18</u>
Profit before income tax		<u>12,785,838</u>	<u>59</u>	<u>13,237,064</u>	<u>60</u>
Income tax (expense)	4,6(21)	(1,823,739)	(8)	(1,928,287)	(9)
Net income		<u>10,962,099</u>	<u>51</u>	<u>11,308,777</u>	<u>51</u>
Other comprehensive (loss)	4,6(20)				
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit plans		(138,053)	(1)	(400,393)	(2)
Unrealized gains on investments in equity instruments at fair value through other comprehensive income		(2,162,624)	(10)	(8,906,350)	(41)
Share of the other comprehensive income (loss) of associates		(1)	(0)	(8)	(0)
Income tax relating to items that will not be reclassified subsequently to profit or loss		27,610	0	80,080	0
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		237	0	13,414	0
Share of the other comprehensive income of associates		150	0	(960)	(0)
Income tax relating to items that may be reclassified subsequently to profit or loss		(77)	(0)	(2,491)	(0)
Total other comprehensive income (loss), net of tax		<u>(2,272,758)</u>	<u>(11)</u>	<u>(9,216,708)</u>	<u>(42)</u>
Total comprehensive income		<u><u>\$8,689,341</u></u>	<u><u>40</u></u>	<u><u>\$2,092,069</u></u>	<u><u>9</u></u>
Earnings per share (NTD)					
Basic earnings per share	6(22)	<u><u>\$1.65</u></u>		<u><u>\$1.70</u></u>	

The accompanying notes are an integral part of the parent company only financial statements.

TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Accounting	Share capital		Capital surplus	Retained earnings			Other components of equity		Total
	Ordinary Share Capital	Advance received for shares		Legal reserve	Special reserve	Unappropriated earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	
Balance as of January 1, 2022	\$66,456,671	—	\$19,266,262	\$5,932,148	\$7,608,400	—	\$21,944,776	(\$10,895)	\$121,197,362
Net income for the year ended December 31, 2022	—	—	—	—	—	11,308,777	—	—	11,308,777
Other comprehensive income for the year ended December 31, 2022	—	—	—	—	—	(320,321)	(8,906,350)	9,963	(9,216,708)
Total comprehensive income (loss)	—	—	—	—	—	10,988,456	(8,906,350)	9,963	2,092,069
Appropriation and distribution of 2022 retained earnings:									
Legal reserve	—	—	—	1,464,408	—	(1,464,408)	—	—	—
Special reserve appropriated	—	—	—	—	1,976,951	(1,976,951)	—	—	—
Appropriation to central government	—	—	—	—	(186,415)	(4,876,480)	—	—	(5,062,895)
Appropriation to local government	—	—	—	—	—	(2,372,341)	—	—	(2,372,341)
Appropriation to Port Construction Fund	—	—	—	—	—	(3,953,902)	—	—	(3,953,902)
Issue of shares	—	200,000	—	—	—	—	—	—	200,000
Disposal of financial assets at fair value through other comprehensive income	—	—	—	—	—	3,655,626	(3,655,626)	—	—
Balance as of December 31, 2022	<u>\$66,456,671</u>	<u>\$200,000</u>	<u>\$19,266,262</u>	<u>\$7,396,556</u>	<u>\$9,398,936</u>	<u>—</u>	<u>\$9,382,800</u>	<u>(\$932)</u>	<u>\$112,100,293</u>
Balance as of January 1, 2023	\$66,456,671	\$200,000	\$19,266,262	\$7,396,556	\$9,398,936	—	\$9,382,800	(\$932)	\$112,100,293
Net income for the year ended December 31, 2023	—	—	—	—	—	10,962,099	—	—	10,962,099
Other comprehensive income for the year ended December 31, 2023	—	—	—	—	—	(110,444)	(2,162,624)	310	(2,272,758)
Total comprehensive income (loss)	—	—	—	—	—	10,851,655	(2,162,624)	310	8,689,341
Issue of shares	—	49,000	—	—	—	—	—	—	490,000
Disposal of financial assets at fair value through other comprehensive income	—	—	—	—	—	9,775	(9,775)	—	—
Balance as of December 31, 2023	<u>\$66,456,671</u>	<u>\$249,000</u>	<u>\$19,266,262</u>	<u>\$7,396,556</u>	<u>\$9,398,936</u>	<u>\$10,861,430</u>	<u>\$7,210,401</u>	<u>(\$622)</u>	<u>\$120,838,634</u>

The accompanying notes are an integral part of the parent company only financial statements.

TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Accounting	For the years ended December 31	
	2023	2022
Cash flows from operating activities:		
Net income before tax	\$12,785,838	\$13,237,064
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	3,833,968	3,756,356
Amortization	111,324	104,828
Expected credit loss (reversal)	(24,821)	13,524
Net (gain) on financial assets and liabilities at fair value through profit or loss	(20,744)	(8,519)
Interest income	(561,608)	(411,916)
Dividend income	(3,223,013)	(3,223,727)
Share of the (profit) of subsidiaries and associates accounted for using the equity method	(495,548)	(478,303)
Loss on disposal of property, plan and equipment	121,302	81,643
(Gain) Loss on disposal of investment properties	(26,368)	20,035
Unrealized foreign exchange loss (gain)	15,592	(181,344)
Transfer of deferred revenue to rental revenue	(346,117)	(536,643)
Others	—	(131)
Subtotal	(616,033)	(864,197)
Changes in operating assets and liabilities:		
(Increase) Decrease in notes receivable	(301)	6,420
(Increase) Decrease in accounts receivable	(22,673)	61,625
(Increase) in other receivable(including related parties)	(337,654)	(144,297)
Decrease in inventories	111	92
Decrease (Increase) in prepayments	51,883	(22,429)
Decrease in other current assets	3,485	3,244
Increase (Decrease) in contract liabilities	481	(3,701)
Increase in notes payable and accounts payable	104,927	80,268
(Decrease) Increase in other payables	(134,002)	326,549
(Decrease) in receipts in advance	(122,457)	(243,218)
(Decrease) Increase in net defined benefit liabilities	(1,330,629)	10,419
Increase in other current liabilities	79,098	52,279
Increase in refund liabilities	114,499	216,201
Subtotal	(1,593,232)	343,452
Cash generated from operations	10,576,573	12,716,319
Income tax paid	(1,988,357)	(1,935,319)
Net cash provided by operating activities	8,588,216	10,781,000

The accompanying notes are an integral part of the parent company only financial statements.

TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Accounting	For the years ended December 31	
	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(69,113)	(24,330)
Proceeds from disposal of financial assets at fair value through other comprehensive income	40,310	3,886,180
Acquisition of financial assets at amortised cost	(2,793,598)	(3,415,751)
Proceeds from disposal of financial assets at amortised cost	1,658,853	2,100,000
Acquisition of financial assets at fair value through profit or loss	(8,985)	—
Acquisition of property, plant and equipment	(6,394,452)	(6,440,981)
Proceeds from disposal of property, plant and equipment	37,302	232,441
Acquisition of investment properties	(5,017,809)	(304,267)
Proceeds from disposal of investment properties	558,326	24,585
(Increase) in refundable deposits	(35,164)	(79)
Acquisition of intangible assets	(181,700)	(84,247)
Decrease (Increase) in other financial assets	12,286,484	(5,241,863)
Decrease (Increase) in other non-current assets	73,503	(52,032)
Interest received	545,573	398,570
Other dividends received	3,223,013	3,223,727
Dividends received from associates	28,051	535
Dividends received from subsidiaries	278,951	302,078
Net cash provided by (used in) investing activities	4,229,545	(5,395,434)
Cash flows from financing activities:		
(Decrease) Increase in guarantee deposits received	(61,389)	45,564
Repayment of the principal portion of lease liabilities	(592)	(425)
Proceeds from issuing shares	49,000	200,000
Increase (Decrease) in other non-current liabilities	119,712	(438,703)
Dividends paid	(12,218,186)	(7,184,340)
Net cash (used in) financing activities	(12,111,455)	(7,377,904)
Net (Decrease) Increase in cash and cash equivalents	706,306	(1,992,338)
Cash and cash equivalents at beginning of period	6,608,160	8,600,498
Cash and cash equivalents at end of period	\$7,314,466	\$6,608,160

The accompanying notes are an integral part of the parent company only financial statements.