

**TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
WITH REPORT OF INDEPENDENT ACCOUNTANTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2022 AND 2021**

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The reader is advised that these consolidated 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.

## **Independent Auditors' Report**

To Taiwan International Ports Corporation, Ltd.

### **Opinion**

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended 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 the Standards on Auditing of 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 Company and its subsidiaries 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 consolidated financial statements, the 2021 consolidated financial statements of the Republic of China have been reviewed and completed by the Audit Department of the Supervisory Yuan in June 2022. Matters that should be adjusted in the account have been supplemented according to the instructions, And in the second quarter of 2022, the consolidated financial statements of the Republic of China will re-compile the consolidated financial statements for 2021.

The accountant did not amend the audit opinion because of this.

## **Other Matters**

The Company's 2021 consolidated financial statements were checked by other accountants, and an unqualified audit report was issued on March 8, 2022. After the review by the Audit Department of the Supervisory Yuan is completed, the Port Company will re-edit the 2021 in the second quarter of 2022 For the annual audited consolidated financial statements, other accountants will issue a review report with unqualified conclusions and emphasized matters on September 6, 2022.

## **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 consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports with the regulations governing the accounting matters of ederate 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
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 and its subsidiaries. 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 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 auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries 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 14, 2023

#### **Notice to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

English Translation of Consolidated Financial Statements Originally Issued in Chinese					
TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.					
CONSOLIDATED BALANCE SHEETS					
December 31, 2022 and 2021					
(Expressed in Thousands of New Taiwan Dollars)					
Assets	Notes	December 31, 2022	%	December 31, 2021	%
Current assets					
Cash and cash equivalents	4,6(1)	\$8,461,880	6	\$10,454,108	7
Financial assets at fair value through profit or loss - current	4,6(2)	1,711,644	1	1,703,125	1
Financial assets at fair value through other comprehensive income - current	4,6(3)	353,123	0	405,482	0
Financial assets at amortized cost - current	4,6(4)	1,900,000	1	1,900,000	1
Notes receivable, net	4,6(5)	3,677	0	10,897	0
Accounts receivable, net	4,6(6),7	354,699	0	407,264	0
Other receivables	7	792,061	1	623,028	1
Inventories	4	2,758	0	1,032	0
Prepayments	6(7)	2,419,730	2	299,132	0
Other financial assets, current	6(8)	22,386,304	15	17,144,140	12
Other current assets		70,815	0	74,060	0
Total current assets		38,456,691	26	33,022,268	22
Non-current assets					
Financial assets at fair value through other comprehensive income, non-current	4,6(3)	10,508,727	7	23,224,568	16
Financial assets at amortized cost - non-current	4,6(4)	14,262,864	10	12,765,769	9
Investments accounted for using the equity method	4,6(9)	326,575	0	251,051	0
Property, plant and equipment	4,6(10)	51,313,638	36	52,355,339	35
Right-of-use assets	4	36,492	0	4,015	0
Investment property, net	4,6(11)	29,053,559	20	25,878,997	17
Intangible assets	4,6(12)	390,604	0	412,477	0
Deferred tax assets	4,6(22)	1,093,336	1	1,002,683	1
Refundable deposits		45,044	0	40,756	0
Other financial assets, non-current	6(8)	1,323	0	2,318	0
Other non-current assets		339,014	0	287,618	0
Total non-current assets		107,371,176	74	116,225,591	78
Total Assets		\$145,827,867	100	\$149,247,859	100
Liabilities and Equity	Notes	December 31, 2022	%	December 31, 2021	%
Current liabilities					
Contract liabilities		\$5,282	0	\$8,411	0
Notes payable and accounts payable		111,885	1	24,474	0
Other payables	6(14)	6,591,895	5	11,959,590	8
Current tax liabilities	4,6(21)	1,030,961	1	1,056,780	1
Lease liabilities, current	4	1,770	0	3,330	0
Refund liabilities, current		713,272	0	497,071	1
Receipts in advance		215,943	0	420,643	0
Other current liabilities		233,846	0	179,738	0
Total current liabilities		8,904,854	7	14,150,037	10
Non-current liabilities					
Long-term borrowings	4,6(13)	60,000	0	-	-
Net defined benefit liability	4,6(15)	2,442,946	2	2,032,134	1
Deferred tax liabilities	4,6(22)	10,010	0	528	0
Lease liabilities, non-current	4	35,123	0	916	0
Deferred revenue, non-current	4	6,712,143	4	7,248,514	5
Guarantee deposits received		1,592,648	1	1,559,536	1
Other non-current liabilities		2,569,426	2	3,006,679	2
Total non-current liabilities		13,422,296	9	13,848,307	9
Total liabilities		22,327,150	16	27,998,344	19
Equity	6(16)				
Share capital					
Ordinary share capital		66,456,671	46	66,456,671	44
Advance received for shares		200,000	0	-	-
Total share capital		66,656,671	46	66,456,671	44
Capital surplus		19,266,262	13	19,266,262	13
Retained earnings					
Legal reserve		5,932,148	4	5,932,148	4
Special reserve		7,608,400	5	7,608,400	5
Unappropriated earnings		14,604,842	10	-	-
Total retained earnings		28,145,390	19	13,540,548	9
Other components of equity		9,381,868	6	21,933,881	15
Non-controlling interests		50,526	0	52,153	0
Total equity attributable to owners of parent		123,450,191	84	121,197,362	81
Total equity		123,500,717	84	121,249,515	81
Total liabilities and equity		\$145,827,867	100	\$149,247,859	100

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

## TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.

## CONSOLIDATED BALANCE SHEETS

For the years ended December 31, 2022 and 2021

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

Accounting	Notes	For the years ended December 31			
		2022	%	2021	%
Operating revenues		\$23,703,353	100	\$22,532,165	100
Operating costs	4,6(16),7	(11,046,747)	(47)	(10,705,062)	(48)
Gross profit	4,7	12,656,606	53	11,827,103	52
Operating expenses					
Sales and marketing expenses	6(17,18)	(1,541,666)	(7)	(1,718,208)	(8)
General and administrative expenses		(1,200,718)	(5)	(1,237,144)	(5)
Research and development expenses		(33,359)	(0)	(30,866)	(0)
Expected credit loss		(13,524)	(0)	-	-
Subtotal	4,6(17)	(2,789,267)	(12)	(2,986,218)	(13)
Operating income		9,867,339	41	8,840,885	39
Non-operating income and expenses					
Interest income	4,6(19)	425,982	2	324,899	2
Other income		3,223,727	14	9,519	0
Other gains and losses		(290,941)	(1)	(127,304)	(1)
Share of the profit of associates		63,614	0	26,585	0
Subtotal	4,6(9)	3,422,382	15	233,699	1
Profit from operations		13,289,721	56	9,074,584	40
Income tax (expense)		(2,021,811)	(9)	(1,793,582)	(8)
Net income	4,6(21)	11,267,910	47	7,281,002	32
Other comprehensive (loss)					
Items that will not be reclassified to profit or loss	4,6(20)				
Remeasurement of defined benefit plans		(400,393)	(2)	(1,357,330)	(6)
Unrealized gains on investments in equity instruments at fair value through other comprehensive income		(8,906,350)	(38)	19,342,057	86
Share of the other comprehensive income (loss) of associates		(8)	(0)	1	0
Income tax relating to items that will not be reclassified subsequently to profit or loss		80,080	0	271,466	1
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		13,414	0	(3,233)	(0)
Share of the other comprehensive income of associates		(960)	(0)	(53)	(0)
Income tax relating to items that may be reclassified subsequently to profit or loss		(2,491)	(0)	657	0
Total other comprehensive income (loss), net of tax		(9,216,708)	(39)	18,253,565	81
Total comprehensive income		\$2,051,202	8	\$25,534,567	113
Net profit attributable to:		\$11,269,537		\$7,279,925	
Owners of the corporation		(1,627)		1,077	
Non-controlling interests		\$11,267,910		\$7,281,002	
Total comprehensive income attributable to:		\$2,052,829		\$25,533,490	
Owners of the corporation		(1,627)		1,077	
Non-controlling interests		\$2,051,202		\$25,534,567	
Earnings per share (NTD)					
Basic earnings per share	6(22)	\$1.69		\$1.11	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.  
CONSOLIDATED BALANCE SHEETS  
For the years ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

Accounting	Share capital		Capital surplus	Retained earnings			Other components of equity		Equity attributable to owners of parent member	Non-controlling interests	Total
	Share capital awaiting retirement	Advance received for shares		Legal reserve	Special reserve	(Accumulated losses) 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, 2021	\$65,000,000	\$1,456,671	\$19,266,262	\$5,021,972	\$6,379,662	-	\$5,510,420	\$(8,266)	\$102,626,721	\$51,900	\$102,678,621
Net income for the year ended December 31, 2021	-	-	-	-	-	7,279,925	-	-	7,279,925	1,077	7,281,002
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	(1,085,863)	19,342,057	(2,629)	18,253,565	-	18,253,565
Total comprehensive income (loss)	-	-	-	-	-	6,194,062	19,342,057	(2,629)	25,533,490	1,077	25,534,567
Appropriation and distribution of 2020 retained earnings:											
Legal reserve	-	-	-	910,176	-	(910,176)	-	-	-	-	-
Special reserve appropriated	-	-	-	-	1,228,738	(1,228,738)	-	-	-	-	-
Appropriation to central government	-	-	-	-	-	(3,030,887)	-	-	(3,030,887)	-	(3,030,887)
Appropriation to local government	-	-	-	-	-	(2,457,476)	-	-	(2,457,476)	-	(2,457,476)
Appropriation to Port Construction Fund	-	-	-	-	-	(1,474,486)	-	-	(1,474,486)	-	(1,474,486)
Issue of shares	1,456,671	(1,456,671)	-	-	-	-	-	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	2,907,701	(2,907,701)	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	(824)	(824)
Balance as of December 31, 2021	\$66,456,671	-	\$19,266,262	\$5,932,148	\$7,608,400	-	\$21,944,776	\$(10,895)	121,197,362	52,153	\$121,249,515
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	\$52,153	\$121,249,515
Net income for the year ended December 31, 2022	-	-	-	-	-	11,269,537	-	-	11,269,537	(1,627)	11,267,910
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	(320,321)	(8,906,350)	9,963	(9,216,708)	-	(9,216,708)
Total comprehensive income (loss)	-	-	-	-	-	10,949,216	(8,906,350)	9,963	2,052,829	(1,627)	2,051,202
Issue of shares	-	200,000	-	-	-	-	-	-	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	\$66,456,671	\$200,000	\$19,266,262	\$5,932,148	\$7,608,400	\$14,604,842	\$9,382,800	\$(932)	\$123,450,191	\$50,526	\$123,500,717

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



## TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.

## CONSOLIDATED BALANCE SHEETS

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Accounting	For the years ended December 31	
	2022	2021
Cash flows from operating activities:		
Net income before tax	#REF!	#REF!
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	3,990,077	3,919,809
Amortization	106,617	99,835
Expected credit loss (reversal)	13,524	(1,434)
Net (gain) on financial assets and liabilities at fair value through profit or loss	(8,519)	(2,755)
Interest income	(425,982)	(324,899)
Dividend income	(3,223,727)	(9,519)
Share of the (profit) of associates accounted for using equity method	(63,614)	(26,585)
Loss on disposal of property, plan and equipment	81,643	158,303
Loss (gain) on disposal and abandonment of investment properties	20,035	(43,420)
(Gain) on disposal of investments	-	(819)
Unrealized foreign exchange (gain) loss	(181,344)	51,045
Transfer of deferred revenue to rental revenue	(536,371)	(493,352)
Others	43	(18,590)
Subtotal	(227,618)	3,307,619
Changes in operating assets and liabilities:		
Decrease in notes receivable	7,220	2,049
Decrease in accounts receivable	39,041	58,788
(Increase) Decrease in other receivable	(154,663)	2,245,375
(Increase) Decrease in inventories	(1,726)	2,646
(Increase) Decrease in prepayments	(28,717)	26,390
Decrease in other current assets	3,245	1,436
(Decrease) in contract liabilities	(3,129)	(2,374)
Increase in notes payable and accounts payable	87,411	11,243
Increase (Decrease) in other payables	372,704	(360,137)
(Decrease) Increase in receipts in advance	(204,700)	244,866
Increase in net defined benefit liability	54,108	77,182
Increase in other current liabilities	10,419	8,408
Increase in refund liabilities	216,201	419,211
Subtotal	397,414	2,735,083
Cash generated from operations	13,459,517	15,117,286
Income tax paid	(2,051,828)	(1,542,128)
Net cash provided by operating activities	11,407,689	13,575,158

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

## TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.

## CONSOLIDATED BALANCE SHEETS

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Accounting	For the years ended December 31	
	2022	2021
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(24,330)	(253,029)
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,886,180	4,370,096
Acquisition of financial assets at amortised cost	(3,415,751)	(3,170,108)
Proceeds from disposal of financial assets at amortised cost	2,100,000	1,300,000
Acquisition of financial assets at fair value through profit or loss	—	(2,200,000)
Proceeds from disposal of financial assets at fair value through profit or loss	—	1,300,819
Acquisition of property, plant and equipment	(6,820,357)	(5,825,339)
Proceeds from disposal of property, plant and equipment	232,441	35,055
(Increase) in refundable deposits	(4,288)	(28,382)
Acquisition of intangible assets	(84,744)	(77,185)
Acquisition of investment properties	(304,267)	(35,372)
Proceeds from disposal of investment properties	24,585	154,926
(Increase) in other financial assets	(5,241,169)	(2,959,206)
(Increase) in other non-current assets	(51,396)	(121,919)
Interest received	412,229	339,381
Other dividends received	3,223,727	9,519
Dividends received from associates	535	503
Net cash (used in) investing activities	(6,066,605)	(7,160,241)
Cash flows from financing activities:		
Proceeds from long-term debt	60,000	—
Increase in guarantee deposits received	33,112	240,815
Repayment of the principal portion of lease liabilities	(4,007)	(3,241)
Proceeds from issuing shares	200,000	—
(Decrease) Increase in other non-current liabilities	(437,253)	103,332
Dividends paid	(7,185,164)	(4,781,819)
Changes in non-controlling interests	-	(1,956)
Net cash provided by (used in) financing activities	(7,333,312)	(4,442,869)
Net (Decrease) Increase in cash and cash equivalents	(1,992,228)	1,972,048
Cash and cash equivalents at beginning of period	10,454,108	8,482,060
Cash and cash equivalents at end of period	\$8,461,880	\$10,454,108

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