

**TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.**  
**PARENT COMPANY ONLY 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 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.

## **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, 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 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, 2022, and its financial performance and cash flows for the years ended December 31, 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, 2021 requested by NAO based on their audits in Jun 2022, and were restated to reflect adjustments the parent company only financial statements for the year ended December 31, 2021 in the second quarter of 2022.

Our opinion is not modified in respect of this matter.

## **Other Matters**

The parent company only financial statements of the Company for the year ended December 31, 2021, were audited by other independent accountants and Auditor's Unqualified Opinion Report was issued on March 8, 2022. Some items in the parent company only financial statements for the year ended December 31, 2021 requested by NAO, and were restated to reflect adjustments the parent company only financial statements for the year ended December 31, 2021 in the second quarter of 2022. The independent accountants issued a review report with unqualified conclusions with 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 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 14, 2023

#### **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, 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)	\$6,608,160	5	\$8,600,498	6
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	2
Notes receivable, net	4,6(5)	3,677	0	10,097	0
Accounts receivable, net	4,6(6),7	315,098	0	390,247	0
Other receivables		784,947	1	616,352	1
Other receivables - related parties	7	83,554	0	395,970	0
Inventories	4	694	0	786	0
Prepayments	6(7)	2,368,834	2	254,524	0
Other financial assets - current	6(8)	21,462,384	15	16,220,521	11
Other current assets		70,816	0	74,060	0
Total current assets		35,662,931	25	30,571,662	21
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)	5,558,750	4	5,068,537	3
Property, plant and equipment	4,6(10)	48,100,195	33	49,312,250	33
Right-of-use assets	4	831	0	984	0
Investment property, net	4,6(11)	29,053,559	20	25,878,997	17
Intangible assets	4,6(12)	384,491	0	405,072	0
Deferred tax assets	4,6(21)	1,093,336	1	1,002,683	1
Refundable deposits		38,732	0	38,653	0
Other non-current assets		338,799	0	286,767	0
Total non-current assets		109,340,284	75	117,984,280	79
Total Assets		\$145,003,215	100	\$148,555,942	100
Liabilities and Equity					
Current liabilities					
Contract liabilities		\$4,710	0	\$8,411	0
Notes payable and accounts payable		91,204	1	10,936	0
Other payables	6(13),7	6,003,600	4	11,388,828	8
Current tax liabilities	4,6(21)	984,002	1	996,649	1
Lease liabilities - current	4	197	0	268	0
Refund liabilities - current		713,272	0	497,071	0
Receipts in advance		162,837	0	406,055	0
Other current liabilities	7	338,918	0	286,639	0
Total current liabilities		8,298,740	6	13,594,857	9
Non-current liabilities					
Net defined benefit liabilities	4,6(14)	2,442,946	2	2,032,134	1
Deferred tax liabilities	4,6(21)	10,010	0	528	0
Lease liabilities - non-current	4	965	0	916	0
Deferred revenue - non-current	4	6,711,683	5	7,248,326	5
Guarantee deposits received		1,522,184	1	1,476,620	1
Other non-current liabilities		2,566,496	2	3,005,199	2
Total non-current liabilities		13,254,284	10	13,763,723	9
Total liabilities		21,553,024	16	27,358,580	18
Equity	6(15)				
Share capital					
Ordinary share capital		66,456,671	46	66,456,671	45
Advance received for shares		200,000	0	—	—
Total share capital		66,656,671	46	66,456,671	45
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
Total equity attributable to owners of parent		123,450,191	84	121,197,362	82
Total equity		123,450,191	84	121,197,362	82
Total liabilities and equity		\$145,003,215	100	\$148,555,942	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, 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					
Operating costs	4,6(16),7	\$21,922,411	###	\$20,803,005	###
Gross profit	4,7	(9,862,937)	(45)	(9,586,571)	(46)
Operating expenses		12,059,474	55	11,216,434	54
Sales and marketing expenses	6(17,18)				
General and administrative expenses		(1,479,427)	(7)	(1,662,724)	(8)
Research and development expenses		(1,144,385)	(5)	(1,179,951)	(6)
Expected credit loss		(33,359)	(0)	(30,866)	(0)
Subtotal	4,6(17)	(13,524)	(0)	—	—
Operating income		(2,670,695)	(12)	(2,873,541)	(14)
Non-operating income and expenses		9,388,779	43	8,342,893	40
Interest income	4,6(19)				
Other income		411,916	2	315,691	2
Other gains and losses		3,223,727	5	9,519	0
Share of the profit of subsidiaries and associates		(314,711)	(1)	(175,785)	(1)
Subtotal	4,6(9)	478,303	2	469,151	2
Profit before income tax		3,799,235	18	618,576	3
Income tax (expense)		13,188,014	60	8,961,469	43
Net income	4,6(21)	(1,918,477)	(9)	(1,681,544)	(8)
Other comprehensive (loss)		11,269,537	51	7,279,925	35
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)	(41)	19,342,057	93
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)	(42)	18,253,565	88
Total comprehensive income		\$2,052,829	9	\$25,533,490	###
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.

TAIWAN INTERNATIONAL PORTS CORPORATION, LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
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		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, 2021	\$65,000,000	\$1,456,671	\$19,266,262	\$5,021,972	\$6,379,662	—	\$5,510,420	\$(8,266)	\$102,626,721
Net income for the year ended December 31, 2021	—	—	—	—	—	7,279,925	—	—	7,279,925
Other comprehensive income for the year ended December 31, 2021	—	—	—	—	—	(1,085,863)	19,342,057	(2,629)	18,253,565
Total comprehensive income (loss)	—	—	—	—	—	6,194,062	19,342,057	(2,629)	25,533,490
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)
Appropriation to local government	—	—	—	—	—	(2,457,476)	—	—	(2,457,476)
Appropriation to Port Construction Fund	—	—	—	—	—	(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)	—	—
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
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	—	—	—	—	—	11,269,537	—	—	11,269,537
Other comprehensive income for the year ended December 31, 2022	—	—	—	—	—	(320,321)	(8,906,350)	9,963	(9,216,708)
Total comprehensive income (loss)	—	—	—	—	—	10,949,216	(8,906,350)	9,963	2,052,829
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	\$66,456,671	\$200,000	\$19,266,262	\$5,932,148	\$7,608,400	\$14,604,842	\$9,382,800	\$(932)	\$123,450,191

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, 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	\$13,188,014	\$8,961,469
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	3,756,356	3,700,226
Amortization	104,828	98,343
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	(411,916)	(315,691)
Dividend income	(3,223,727)	(9,519)
Share of the (profit) of subsidiaries and associates accounted for using the equity method	(478,303)	(469,151)
Loss on disposal of property, plan and equipment	81,643	158,303
Loss (gain) on disposal 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	(536,643)	(493,490)
Others	(131)	(18,590)
Subtotal	(864,197)	2,653,048
Changes in operating assets and liabilities:		
Decrease (Increase) in notes receivable	6,420	(397)
Decrease in accounts receivable	61,625	38,871
(Increase) Decrease in other receivable(including related parties)	(144,297)	2,259,943
Decrease in inventories	92	2,557
(Increase) Decrease in prepayments	(22,429)	20,940
Decrease in other current assets	3,244	1,436
(Decrease) in contract liabilities	(3,701)	(817)
Increase in notes payable and accounts payable	80,268	8,540
Increase (Decrease) in other payables	375,599	(462,494)
(Decrease) Increase in receipts in advance	(243,218)	245,389
Increase in net defined benefit liabilities	10,419	8,408
Increase in other current liabilities	52,279	65,164
Increase in refund liabilities	216,201	419,211
Subtotal	392,502	2,606,751
Cash generated from operations	12,716,319	14,221,268
Income tax paid	(1,935,319)	(1,435,120)
Net cash provided by operating activities	10,781,000	12,786,148

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, 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	(6,440,981)	(5,266,272)
Proceeds from disposal of property, plant and equipment	232,441	35,055
Acquisition of investment properties	(304,267)	(35,372)
Proceeds from disposal of investment properties	24,585	154,926
(Increase) in refundable deposits	(79)	(27,316)
Acquisition of intangible assets	(84,247)	(74,317)
(Increase) in other financial assets	(5,241,863)	(2,660,325)
(Increase) in other non-current assets	(52,032)	(121,928)
Interest received	398,570	330,385
Other dividends received	3,223,727	9,519
Dividends received from associates	535	503
Dividends received from subsidiaries	302,078	281,073
Net cash (used in) investing activities	(5,395,434)	(6,026,291)
Cash flows from financing activities:		
Increase in guarantee deposits received	45,564	232,537
Repayment of the principal portion of lease liabilities	(425)	(198)
Proceeds from issuing shares	200,000	—
(Decrease) Increase in other non-current liabilities	(438,703)	129,087
Dividends paid	(7,184,340)	(4,781,819)
Net cash (used in) financing activities	(7,377,904)	(4,420,393)
Net (Decrease) Increase in cash and cash equivalents	(1,992,338)	2,339,464
Cash and cash equivalents at beginning of period	8,600,498	6,261,034
Cash and cash equivalents at end of period	\$6,608,160	\$8,600,498

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