

**Yang Ming Marine Transport Corporation
and Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2011 and 2010 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders
Yang Ming Marine Transport Corporation

We have audited the accompanying consolidated balance sheets of Yang Ming Marine Transport Corporation (the "Corporation") and its subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. However, we did not audit the financial statements of the following subsidiaries which had been audited by other auditors: For 2011 and 2010, YES Logistics Europe GmbH, YES Logistics (Shanghai) Corp., YES Logistics Company Ltd., YES Logistics (Netherlands) B.V., Yang Ming Line (Singapore) Pte. Ltd. and Yang Ming Line Holding Co. The combined total assets of these subsidiaries were 3.1% (NT\$4,021,347 thousand) and 3.3% (NT\$4,364,769 thousand) of the total consolidated assets as of December 31, 2011 and 2010, respectively. The combined total operating revenues of these subsidiaries were 1.8% (NT\$2,117,195 thousand) and 1.7% (NT\$2,240,038 thousand) of the consolidated revenue in 2011 and 2010, respectively. Also, we did not audit the financial statements of the following equity-method investees which had been audited by other auditors: In 2011 and 2010, Yang Ming (U.A.E.) Ltd., Yang Ming Shipping (Egypt) S.A.E, West Basin Container Terminal LLC, United Terminal Leasing LLC, Yang Ming (Vietnam) Corp., Corstor Ltd. and Chang Ming Logistics Company Limited. The carrying values of these investments were 1.0% (NT\$1,358,741 thousand) and 0.9% (NT\$1,153,319 thousand) of the total consolidated assets as of December 31, 2011 and 2010, respectively. The equity in these investees' net income was (1.8%) (NT\$172,567 thousand) of the consolidated loss before income tax in 2011 and 1.5% (NT\$202,287 thousand) of the consolidated income before income tax in 2010. The financial statements of these subsidiaries and investees were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for these subsidiaries and investees included in the accompanying consolidated financial statements, is based solely on the reports of other auditors.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Yang Ming Marine Transport Corporation and its subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the Republic of China.

March 26, 2012

Notice to Readers

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

For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2011		2010		LIABILITIES AND STOCKHOLDERS' EQUITY	2011		2010	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 4)	\$ 11,250,595	9	\$ 13,896,439	10	Short-term debt (Note 15)	\$ 3,010,704	2	\$ 1,048,063	1
Financial assets at fair value through profit or loss - current (Notes 2 and 5)	897,500	1	1,403,493	1	Commercial paper payable (Note 16)	3,246,359	2	-	-
Available-for-sale financial assets - current (Notes 2 and 6)	662,690	1	9,692,954	7	Financial liabilities at fair value through profit or loss - current (Notes 2 and 5)	47,136	-	-	-
Derivative financial assets for hedging - current (Notes 2 and 27)	49,161	-	-	-	Derivative financial liabilities for hedging - current (Notes 2 and 27)	229	-	21,686	-
Notes receivable, net (Notes 2 and 28)	291,674	-	357,200	-	Notes payable (Note 28)	62,469	-	58,390	-
Accounts receivable, net of allowance for doubtful accounts of \$64,055 thousand and \$73,910 thousand at December 31, 2011 and 2010 (Notes 2 and 3)	1,782,101	1	2,578,088	2	Accounts payable (Note 18)	5,043,130	4	4,689,192	4
Accounts receivable from related parties (Notes 2, 3 and 28)	70,119	-	59,581	-	Payable to related parties (Note 28)	132,114	-	193,836	-
Other receivables (Notes 5 and 6)	30,614	-	626,766	1	Income tax payable (Note 2)	132,736	-	117,157	-
Shipping fuel, net (Notes 2 and 7)	6,481,143	5	4,949,882	4	Accrued expenses (Note 19)	2,574,780	2	3,614,304	3
Prepaid expenses (Note 14)	963,303	1	1,217,016	1	Payables on equipment	1,417,263	1	1,184,188	1
Advances to shipping agents (Note 28)	572,222	-	592,409	1	Advances from customers	2,689,678	2	3,008,907	2
Deferred income tax assets - current (Notes 2 and 24)	36,513	-	57,395	-	Current portion of long-term interest-bearing debts (Notes 2, 10, 17 and 29)	8,834,538	7	17,861,239	13
Other current assets (Notes 28 and 29)	558,696	-	431,830	-	Payable to shipping agents	2,006,838	2	1,266,569	1
					Payable to shipping agents - related parties (Note 28)	83,724	-	147,699	-
					Other current liabilities (Note 24)	714,868	1	371,199	-
Total current assets	23,646,331	18	35,863,053	27	Total current liabilities	29,996,566	23	33,582,429	25
LONG-TERM INVESTMENTS (Notes 2, 6, 8, 9 and 28)					LONG-TERM LIABILITIES				
Available-for-sale financial assets - noncurrent	2,254,690	2	2,650,993	2	Bonds payable (Notes 2, 17 and 29)	14,436,490	11	8,945,210	7
Financial assets carried at cost - noncurrent	425,290	-	472,515	1	Long-term debts (Notes 17 and 29)	40,822,261	32	34,098,287	26
Investments accounted for using equity method	1,850,367	2	1,672,507	1	Obligations under capital leases - long-term portion (Notes 2, 10 and 17)	10,919,294	8	11,065,490	8
Cash surrender value of life insurance	20,396	-	28,294	-	Total long-term liabilities	66,178,045	51	54,108,987	41
Total long-term investments	4,550,743	4	4,824,309	4	RESERVE FOR LAND VALUE INCREMENT TAX (Note 20)	479,639	-	479,639	-
PROPERTIES (Notes 2, 10, 14 and 29)					OTHER LIABILITIES				
Cost					Accrued pension cost (Notes 2 and 22)	1,340,436	1	1,302,302	1
Land	773,972	-	773,682	1	Deferred income tax liabilities - noncurrent (Notes 2 and 24)	439,879	-	955,302	1
Buildings	1,320,902	1	1,237,643	1	Unrealized gain on sale and leaseback (Notes 2 and 21)	493,712	1	551,192	-
Containers and chassis	25,409,096	20	23,005,358	17	Others	74,846	-	84,729	-
Ships	66,574,080	51	56,828,669	42	Total other liabilities	2,348,873	2	2,893,525	2
Leased assets	13,963,478	11	13,877,721	10	Total liabilities	99,003,123	76	91,064,580	68
Leasehold improvements	244,620	-	239,216	-	YANG MING'S EQUITY				
Miscellaneous equipment	3,463,162	3	3,929,036	3	Capital stock - \$10 par value				
Total cost	111,749,310	86	99,891,325	74	Authorized - 3,600,000 thousand shares				
Less: Accumulated depreciation	37,503,630	29	33,386,734	25	Issued - 2,818,713 thousand shares in 2011 and 2,562,466 thousand shares in 2010	28,187,131	22	25,624,665	19
Less: Accumulated impairment	-	-	25,740	-	Capital surplus				
Construction in progress	6,302,183	5	6,308,670	5	Additional paid-in capital	4,710,566	4	4,710,566	3
Net properties	80,547,863	62	72,787,521	54	Long-term investments	8,927	-	8,927	-
INTANGIBLE ASSETS					Total capital surplus	4,719,493	4	4,719,493	3
Computer software (Note 2)	32,107	-	32,323	-	Retained earnings (accumulated loss)				
Deferred pension cost (Notes 2 and 22)	2,182	-	2,427	-	Legal reserve	1,178,785	1	-	-
Franchise (Notes 2, 11 and 29)	9,678,832	8	9,572,094	7	Special reserve	82,530	-	-	-
Total intangible assets	9,713,121	8	9,606,844	7	Unappropriated earnings (accumulated deficit)	(4,637,889)	(4)	11,787,853	9
OTHER ASSETS					Total retained earnings (accumulated loss)	(3,376,574)	(3)	11,787,853	9
Assets leased to others, net (Notes 2, 12 and 29)	3,663,627	3	3,693,521	3	Other equity				
Nonoperating assets, net (Notes 2 and 13)	234,359	-	234,359	-	Cumulative translation adjustments	(158,441)	-	(469,051)	-
Refundable deposits (Notes 10, 29 and 30)	5,715,983	4	5,889,027	4	Net loss not recognized as pension cost	(67,069)	-	(26,499)	-
Advances on long-term rent agreements (Note 14)	694,422	1	819,309	1	Unrealized gain on financial instruments	42,923	-	413,020	-
Deferred income tax assets - noncurrent (Notes 2 and 24)	561,006	-	55,157	-	Total other equity	(182,587)	-	(82,530)	-
Miscellaneous (Notes 2, 22 and 29)	80,584	-	94,346	-	Total controlling interest	29,347,463	23	42,049,481	31
Total other assets	10,949,981	8	10,785,719	8	MINORITY INTEREST	1,057,453	1	753,385	1
TOTAL	\$ 129,408,039	100	\$ 133,867,446	100	Total stockholders' equity	30,404,916	24	42,802,866	32
					TOTAL	\$ 129,408,039	100	\$ 133,867,446	100

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche audit report dated March 26, 2012)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME YEARS ENDED DECEMBER 31, 2011 AND 2010

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2011		2010	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 28)	\$ 118,554,959	100	\$ 130,549,767	100
OPERATING COSTS (Notes 2, 7, 25 and 28)	<u>123,487,238</u>	<u>104</u>	<u>108,885,960</u>	<u>83</u>
GROSS INCOME (LOSS)	<u>(4,932,279)</u>	<u>(4)</u>	<u>21,663,807</u>	<u>17</u>
OPERATING EXPENSES (Notes 25 and 28)				
Selling expenses	4,733,174	4	5,316,282	4
General and administrative expenses	<u>898,891</u>	<u>1</u>	<u>1,112,154</u>	<u>1</u>
Total operating expenses	<u>5,632,065</u>	<u>5</u>	<u>6,428,436</u>	<u>5</u>
OPERATING INCOME (LOSS)	<u>(10,564,344)</u>	<u>(9)</u>	<u>15,235,371</u>	<u>12</u>
NONOPERATING INCOME AND GAINS				
Gain on disposal of properties (Note 2)	1,172,994	1	632,533	1
Gain on sale of investments, net (Note 8)	417,003	1	317,689	-
Investment income recognized under equity method (Notes 2 and 9)	212,710	-	283,686	-
Dividend income	171,677	-	175,528	-
Exchange gain, net (Note 2)	150,816	-	-	-
Interest income (Note 28)	139,596	-	90,105	-
Rent income (Note 28)	109,637	-	79,905	-
Valuation gain on financial assets, net (Notes 2, 6 and 8)	-	-	142,310	-
Others (Note 28)	<u>340,804</u>	<u>-</u>	<u>177,419</u>	<u>-</u>
Total nonoperating income and gains	<u>2,715,237</u>	<u>2</u>	<u>1,899,175</u>	<u>1</u>
NONOPERATING EXPENSES AND LOSSES				
Interest expense (Notes 2 and 10)	1,643,014	1	1,378,978	1
Valuation loss on financial assets, net (Notes 2, 6 and 8)	223,499	-	-	-
Valuation loss on financial liabilities, net (Notes 2 and 5)	47,136	-	86,174	-
Exchange loss, net (Note 2)	-	-	1,781,667	2
Compensation loss (Note 30)	-	-	397,152	-
Impairment loss (Note 2)	-	-	36,686	-
Others	<u>91,679</u>	<u>-</u>	<u>223,044</u>	<u>-</u>
Total nonoperating expenses and losses	<u>2,005,328</u>	<u>1</u>	<u>3,903,701</u>	<u>3</u>

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YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Capital Stock		Capital Surplus (Notes 2 and 23)			Retained Earnings (Accumulated Loss) (Notes 2 and 23)			Other Equity (Notes 2 and 23)			Total Stockholders' Equity	
	Shares (Thousands)	Amount	Additional Paid-in Capital	Treasury Stock Transactions	Long-term Investments	Legal Reserve	Special Reserve	Unappropriated Earnings (Deficit)	Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Unrealized Gain (Loss) on Financial Instruments		Minority Interest
BALANCE, JANUARY 1, 2010	2,562,466	\$ 25,624,665	\$ 7,499,701	\$ 1,480,009	\$ 8,927	\$ 3,869,543	\$ 2,067,513	\$ (10,206,200)	\$ 240,626	\$ (25,379)	\$ 1,200,905	\$ 446,584	\$ 32,206,894
Compensation of 2009 deficit													
Capital surplus - additional paid in capital	-	-	(2,789,135)	-	-	-	-	2,789,135	-	-	-	-	-
Capital surplus - treasury stock transactions	-	-	-	(1,480,009)	-	-	-	1,480,009	-	-	-	-	-
Legal reserve	-	-	-	-	-	(3,869,543)	-	3,869,543	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	-	(2,067,513)	2,067,513	-	-	-	-	-
Consolidated net income for the year ended December 31, 2010	-	-	-	-	-	-	-	11,787,853	-	-	-	73,840	11,861,693
Translation adjustments on long-term investments accounted for using equity method	-	-	-	-	-	-	-	-	(711,013)	-	-	(44,245)	(755,258)
Changes in stockholders' equity of investees accounted for using equity method	-	-	-	-	-	-	-	-	-	398	(58,523)	-	(58,125)
Changes in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	(723,838)	-	(723,838)
Changes in unrealized loss on cash flow hedging financial instruments	-	-	-	-	-	-	-	-	-	-	(5,522)	-	(5,522)
Change in net loss not recognized pension cost	-	-	-	-	-	-	-	-	-	(1,518)	-	-	(1,518)
Effect of changes brought by sale of long-term equity-method investments	-	-	-	-	-	-	-	-	1,336	-	(2)	-	1,334
Increase in minority interest	-	-	-	-	-	-	-	-	-	-	-	318,697	318,697
Cash dividends received by minority interest	-	-	-	-	-	-	-	-	-	-	-	(41,491)	(41,491)
BALANCE, DECEMBER 31, 2010	2,562,466	25,624,665	4,710,566	-	8,927	-	-	11,787,853	(469,051)	(26,499)	413,020	753,385	42,802,866
Appropriations of 2010 earnings													
Legal reserve	-	-	-	-	-	1,178,785	-	(1,178,785)	-	-	-	-	-
Special reserve	-	-	-	-	-	-	82,530	(82,530)	-	-	-	-	-
Cash dividends - \$1.25 per share	-	-	-	-	-	-	-	(3,203,083)	-	-	-	-	(3,203,083)
Stock dividends - \$1.00 per share	256,247	2,562,466	-	-	-	-	-	(2,562,466)	-	-	-	-	-
Consolidated net loss for the year ended December 31, 2011	-	-	-	-	-	-	-	(9,398,878)	-	-	-	103,592	(9,295,286)
Translation adjustments on long-term investments accounted for using equity method	-	-	-	-	-	-	-	-	293,739	-	-	5,443	299,182
Changes in stockholders' equity of investees accounted for using equity method	-	-	-	-	-	-	-	-	-	418	(35,976)	-	(35,558)
Changes in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	(401,038)	-	(401,038)
Changes in unrealized gain on cash flow hedging financial instruments	-	-	-	-	-	-	-	-	-	-	66,931	-	66,931
Change in net loss not recognized pension cost	-	-	-	-	-	-	-	-	-	(40,988)	-	-	(40,988)
Effect of changes brought by sale of long-term equity-method investments	-	-	-	-	-	-	-	-	16,871	-	(14)	-	16,857
Increase in minority interest	-	-	-	-	-	-	-	-	-	-	-	315,776	315,776
Cash dividends received by minority interest	-	-	-	-	-	-	-	-	-	-	-	(120,743)	(120,743)
BALANCE, DECEMBER 31, 2011	<u>2,818,713</u>	<u>\$ 28,187,131</u>	<u>\$ 4,710,566</u>	<u>\$ -</u>	<u>\$ 8,927</u>	<u>\$ 1,178,785</u>	<u>\$ 82,530</u>	<u>\$ (4,637,889)</u>	<u>\$ (158,441)</u>	<u>\$ (67,069)</u>	<u>\$ 42,923</u>	<u>\$ 1,057,453</u>	<u>\$ 30,404,916</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche audit report dated March 26, 2012)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2011 AND 2010

(In Thousands of New Taiwan Dollars)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income (loss)	\$ (9,295,286)	\$ 11,861,693
Depreciation	6,723,686	7,125,446
Amortization	319,587	64,177
Provision (reversal) for doubtful accounts	(11,412)	37,104
Provision (repayment of) for pension cost	(908)	36,420
Provision for (reversal of) allowance for loss on shipping fuel	(48,219)	36,114
Gain on disposal of financial instruments, net	(417,003)	(317,689)
Gain on disposal of properties, net	(1,172,994)	(632,533)
Valuation loss (gain) on financial instruments	223,499	(142,310)
Valuation loss on financial liabilities	47,136	86,174
Impairment loss on properties and other assets	-	36,686
Investment income recognized under equity method	(212,710)	(283,686)
Cash dividends received from equity-method investee	79,639	174,679
Deferred income tax	(960,618)	720,525
Realized gain on sale and lease back	(57,480)	(57,480)
Changes in operating assets and liabilities		
Financial instruments held for trading	766,102	(285,298)
Notes receivable	65,526	(202,250)
Accounts receivable	805,565	(210,473)
Accounts receivable from related parties	(10,538)	71,516
Shipping fuel	(1,483,042)	(863,637)
Prepaid expenses	197,949	111,441
Advances to shipping agents	20,187	(179,680)
Other current assets	(126,835)	112,792
Notes payable	4,079	(14,142)
Accounts payable	353,938	1,340,072
Payables to related parties	(61,722)	128,350
Income tax payable	15,579	(548,147)
Accrued expenses	(1,039,555)	569,819
Advances from customers	(319,229)	478,998
Payables to shipping agents	740,269	143,627
Payables to shipping agents - related parties	(63,975)	54,714
Other current liabilities	343,673	10,187
Advances on long-term rent agreements	2,969	41,106
	(4,572,143)	19,504,315
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(17,881,419)	(24,388,219)
Proceeds from disposal of available-for-sale financial assets	27,337,854	15,752,986
Proceeds from disposal of financial assets carried at cost	-	477,081
Acquisition of investments accounted for using equity method	-	(14,485)
Proceeds from capital reduction of equity-method investees	11,589	21,685
Acquisition of properties	(12,986,183)	(4,965,764)

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YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2011 AND 2010 (In Thousands of New Taiwan Dollars)

	2011	2010
Acquisition of franchise	\$ (391,660)	\$ (4,180,445)
Acquisition of assets leased to others	(7,802)	-
Proceeds from disposal of properties	1,332,622	881,737
Decrease (increase) in cash surrender value of life insurance	7,898	(8,933)
Decrease (increase) in computer software	(12,540)	12,308
Decrease in refundable deposits	392,710	18,001
Decrease in other assets	<u>2,857</u>	<u>214,798</u>
Net cash used in investing activities	<u>(2,194,074)</u>	<u>(16,179,250)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term debt	1,962,641	192,886
Proceeds from commercial paper	3,546,359	-
Payment for commercial paper	(2,140,000)	-
Proceeds from issuance of bonds	6,451,280	4,985,210
Repayment of principal of bonds	(11,080,000)	(2,082,000)
Proceeds from long-term debts	17,955,945	6,492,690
Repayments of long-term debts	(9,106,540)	(8,861,993)
Payment for obligations under capital leases	(347,795)	(153,080)
Increase in minority interest	416,134	341,074
Decrease in other liabilities	(9,887)	(80,525)
Cash dividends paid by Yang Ming	(3,203,083)	-
Cash dividends received by minority interest	<u>(120,743)</u>	<u>(41,491)</u>
Net cash provided by financing activities	<u>4,324,311</u>	<u>792,771</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>(203,938)</u>	<u>1,728,600</u>
NET INCREASE (DECREASE) IN CASH	(2,645,844)	5,846,436
CASH, BEGINNING OF YEAR	<u>13,896,439</u>	<u>8,050,003</u>
CASH, END OF YEAR	<u>\$ 11,250,595</u>	<u>\$ 13,896,439</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ 2,191,091	\$ 1,305,713
Less: Capitalized interest	<u>16,797</u>	<u>115,109</u>
Interest paid (excluding capitalized interest)	<u>\$ 2,174,294</u>	<u>\$ 1,190,604</u>
Income tax paid	<u>\$ 462,460</u>	<u>\$ 492,189</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Reclassification of assets leased to others and nonoperating assets into properties	<u>\$ -</u>	<u>\$ 14,265</u>
Reclassification of properties into assets leased to others	<u>\$ 11,454</u>	<u>\$ -</u>

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YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2011 AND 2010

(In Thousands of New Taiwan Dollars)

	2011	2010
Reclassification of advances on long-term rent agreements into properties	<u>\$ 131,452</u>	<u>\$ -</u>
Current portion of long-term interest-bearing debts	<u>\$ 8,834,538</u>	<u>\$ 17,861,239</u>
INVESTING ACTIVITIES AFFECTING BOTH CASH AND NON-CASH ITEMS		
Acquisition of properties	\$ 13,219,258	\$ 12,712,110
Increase in payables on equipment	(233,075)	(835,373)
Increase in obligations under capital lease	<u>-</u>	<u>(6,911,973)</u>
Cash paid	<u>\$ 12,986,183</u>	<u>\$ 4,964,764</u>
Proceeds from disposal of available-for-sale financial assets	\$ 26,783,141	\$ 16,307,196
Receivables from disposal of securities	<u>554,713</u>	<u>(554,210)</u>
Cash received	<u>\$ 27,337,854</u>	<u>\$ 15,752,986</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche audit report dated March 26, 2012)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

- a. Yang Ming Marine Transport Corporation (the “Corporation” or YMTC), established in December 1972, was majority owned by the Ministry of Transportation and Communications (MOTC) of the Republic of China (ROC) until February 15, 1996 when MOTC reduced its holdings in the Corporation simultaneous to the Corporation’s listing of its shares of stock on the ROC Taiwan Stock Exchange. The ownership of MOTC was both 35.51% at December 31, 2011 and 2010.

YMTC’s shares have been listed on the ROC Taiwan Stock Exchange since April 1992. YMTC issued global depository receipts (GDRs), which have been listed on the London Stock Exchange (ticker symbol: YMTD) since November 1996.

To increase the Corporation’s competitiveness and performance through downsizing of organization and streamlining of operations, the shareholders had met and resolved to spin off its tramp business department into a subsidiary, Kuang Ming Shipping Corp., in accordance with the Business Mergers and Acquisitions Law, Company Act and other related regulations on October 1, 2008. The Corporation received 176,330 thousand of Kuang Ming Shipping Corp.’s newly issued shares for the spun-off department.

- b. The subsidiaries of the Corporation:

Investment company	Subsidiaries	Main Business	Proportion of Ownership Interest (%)		Note
			December 31		
			2011	2010	
Yang Ming Marine Transport Corporation	Yang Ming Line (B.V.I.) Holding Co., Ltd. (YML-BVI)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
“	Yang Ming Line (Singapore) Pte. Ltd. (YML-Singapore)	Investment, shipping service, chartering, sale and purchase of ships; and forwarding agency	100.00	100.00	
“	Ching Ming Investment Corp. (Ching Ming)	Investment	100.00	100.00	
“	All Oceans Transportation Inc. (AOT)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
“	Yes Logistics Corp. (Yes Logistics)	Warehouse operation and forwarding agency	50.00	50.00	Note a
“	Kuang Ming Shipping Corp. (Kuang Ming)	Shipping service, shipping agency and forwarding agency	86.57	93.24	Note c
“	Honming Terminal & Stevedoring Co., Ltd. (Honming)	Terminal operation and stevedoring	79.17	79.17	Note b
“	Jing Ming Transportation Co., Ltd. (Jing Ming)	Container transportation	50.98	50.98	
“	Yang Ming Line Holding Co. (YML Holding)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
“	Yang Ming (Liberia) Corp. (Yang Ming-Liberia)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
“	Kao Ming Container Terminal Corp., (Kao Ming)	Terminal operation and stevedoring	100.00	100.00	Note d

(Continued)

Investment company	Subsidiaries	Main Business	Proportion of Ownership Interest (%)		Note
			December 31		
			2011	2010	
Ching Ming	Honming	Terminal operation and stevedoring	20.83	20.83	Note b
"	Yes Logistics	Warehouse operation and forwarding agency	46.36	46.36	Note a
YML Holding	Yang Ming (America) Co. (Yang Ming-America)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Triumph Logistics, Inc.	Container transportation	100.00	100.00	
"	Olympic Container Terminal LLC	Terminal operation and stevedoring	100.00	100.00	
"	Topline Transportation, Inc.	Container transportation	100.00	100.00	
"	Coastal Tarheel Express, Inc.	Container transportation	100.00	100.00	
"	Transcont Intermodal Logistics, Inc.	Inland forwarding agency	100.00	100.00	
"	Yang Ming Shipping (Canada) Ltd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
YML-BVI	Yang Ming Line N.V. (YML-NV).	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
YML-NV	Yang Ming Line B.V. (YML-BV)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
YML-BV	Yangming (UK) Ltd. (Yangming-UK)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Shipping Europe GmbH (Yangming-ERO)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Italy S.p.A. (Yang Ming-Italy)	Shipping agency	50.00	50.00	
"	Yang Ming (Netherlands) B.V. (Yang Ming-Netherlands)	Shipping agency	100.00	100.00	Note f
"	Yang Ming (Belgium) N.V.	Shipping agency	89.92	60.00	Note g
Yangming (Netherlands) B.V.	Yang Ming (Belgium) N.V.	Shipping agency	10.08	-	Note g
Yangming-UK	Yes Logistic UK Limited (Yes-UK)	Forwarding agency	100.00	100.00	
Yang Ming-Italy	Yang Ming Naples S.r.l. (Yang Ming-Naples)	Forwarding agency	60.00	60.00	
YML-Singapore	Young-Carrier Company Ltd.	Investment, shipping agency, forwarding agency and shipping managers	91.00	91.00	
"	Yang Ming Shipping (B.V.I.) Inc. (YMS-BVI)	Forwarding agency and shipping agency	51.00	51.00	
"	Yangming (Japan) Co., Ltd. (Yangming Japan)	Shipping services, chartering, sale and purchase of ships, and forwarding agency	100.00	100.00	
"	Sunbright Insurance Pte. Ltd.	Insurance	100.00	100.00	
"	Yang Ming Line (Hong Kong) Ltd. (YML-HK)	Forwarding agency and shipping agency	51.00	51.00	
"	Yangming Shipping (Singapore) Pte. Ltd. (YMS-Singapore)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Line (M) Sdn. Bhd. (YML-M)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Line (India) Pvt. Ltd. (YML-India)	Shipping agency, forwarding agency and shipping managers	60.00	60.00	
"	Yang Ming (Korea) Co., Ltd. (Yang Ming-Korea)	Shipping agency, forwarding agency and shipping managers	60.00	60.00	
"	Yang Ming Anatolia Shipping Agency S.A.	Shipping agency, forwarding agency and shipping managers	50.00	50.00	
Yangming (Japan)	Manwa & Co., Ltd.	Forwarding agency and shipping agency	100.00	100.00	
YMS-BVI	Karlman Properties Limited	Property agency	100.00	100.00	
Kuang Ming Shipping Corp. (Kuang Ming)	Kuang Ming (Liberia) Corp.	Forwarding agency	100.00	100.00	
Yes Logistics	Yes Logistics Corp. USA (Yes-USA)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yes Yangming Logistics (Singapore) Pte. Ltd. (Yes-Singapore)	Investment and subsidiaries management	100.00	100.00	

(Continued)

Investment company	Subsidiaries	Main Business	Proportion of Ownership Interest (%)		Note
			December 31		
			2011	2010	
Yes-USA	Yes Logistics (Shanghai) Corp.	Forwarding agency	100.00	100.00	Note e
"	Golden Logistics USA Corporation (Golden-USA)	Container transportation	100.00	100.00	
"	Yes Logistics Europe GmbH (Yes-ERO)	Forwarding agency	100.00	100.00	
Yes Logistics (Shanghai) Corp.	Golden Logistics (Qingdao) Corp.	Forwarding agency	-	60.00	Note i
"	Star Logistics (Qingdao) Corp.	Forwarding agency	100.00	60.00	Note j
Yes-Singapore	Yes Logistics Company, Ltd.	Forwarding agency	100.00	100.00	
"	Yes Logistics (Netherlands) B.V.	Forwarding agency	100.00	100.00	
"	Yes Logistics Benelux B.V.	Forwarding agency	70.00	50.00	Note h

(Concluded)

Note a: Considering the group structure, Honming sold all of its interest in Yes Logistics (9.22%) to YMTC and Ching Ming on June 8, 2010. As of December 31, 2011 and 2010, the Corporation directly held 50% of Yes Logistics and indirectly held 46.36% of Yes Logistics through Ching Ming.

Note b: Considering the group structure, Yes Logistics sold all of its interest in Honming (10.96%) to Ching Ming on May 19, 2010. As of December 31, 2011 and 2010, the Corporation directly held 79.17% of Honming and indirectly held 20.83% of Honming through Ching Ming.

Note c: In order to improve the entire operating efficiency of the Corporation and subsidiaries (the "Group"), enhance the Group's financial structure and to facilitate initial public offering of Kuang Ming, the Corporation's board of directors resolved to dispose partial interests of Kuang Ming. The maximum number of shares for disposal should not exceed 61,500 thousand shares (approximately equal to 30% of Kuang Ming's share capital), and disposal price will depend on Kuang Ming's operating performance and market price at the time. For the years ended December 31, 2011 and 2010, the Corporation has disposed 13,700 thousand and 13,894 thousand shares to specified persons and employees (approximately equal to 6.76% of Kuang Ming's current share capital) at an average price of \$31.89 and \$25.97 per share, and recognized a disposal gain of \$83,501 thousand and \$22,377 thousand. As of December 31, 2011, the Corporation has disposed 27,594 thousand shares (approximately equal to 13.43% of Kuang Ming's current share capital) at an average price of \$28.88 per share and has recognized an accumulated disposal gain of \$105,878 thousand.

Note d: Kao Ming is engaged in the construction and operation of container terminal and in stevedoring and warehouse operation at the Kaohsiung harbor international container center under the contract with Kaohsiung Harbor Bureau MOTC titled "First Stage of Kaohsiung Harbor International Container Center Construction and Operation Project". The contract commenced on September 28, 2007 and will last for 50 years till September 27, 2056, including the construction and operation periods. Kaohsiung Harbor Bureau MOTC approved Kao Ming to start its operation on January 5, 2011.

Note e: Yes Logistics (Shanghai) Corp. (formerly Golden Logistics Shanghai Corporation) had completed the registration of its new name on September 15, 2010.

Note f: YML-BV acquired additional 40% interest in Yang Ming-Netherlands on December 30, 2010.

Note g: Yang Ming Line B.V. and Yang Ming (Netherlands) B.V. acquired 29.92% and 10.08% interest of Yang Ming (Belgium) N.V. on January and April 1, 2011, respectively.

Note h: Yes Logistics Benelux B.V. (formerly Burger Yes B.V.) had completed the registration of its new name on May 12, 2011. Yes Yang Ming Logistics (Singapore) Pte. Ltd. acquired 20% interests in Yes Logistics Benelux on May 5, 2011.

Note i: Yes Logistics (Shanghai) Corp.'s board of directors resolved to dispose Golden Logistics (Qingdao) Corp. Starting from May 19, 2011, the Corporation ceased to include Golden Logistics Corp.'s revenues and expenses in consolidated financial statements.

Note j: Yes Logistics (Shanghai) Corp. acquired 40% interest in Start Logistics (Qingdao) Corp. on October 20, 2011.

As of December 31, 2011 and 2010, the Group had 4,398 and 4,418 employees, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the ROC.

For readers' convenience, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretation of the two versions, the Chinese version of the financial statements shall prevail.

The Group's significant accounting policies are summarized as follows:

Foreign Currencies

Non-derivative foreign-currency transactions are recorded in respective functional currencies of consolidated subsidiaries at the rates of exchange in effect when the transactions occur. Exchange differences arising from settlement of foreign-currency assets and liabilities are recognized in profit or loss.

At the balance sheet date, foreign-currency monetary assets and liabilities are revalued using prevailing exchange rates and the exchange differences are recognized in profit or loss.

At the balance sheet date, foreign-currency nonmonetary assets and liabilities that are measured at fair value are revalued using prevailing exchange rates, with the exchange differences treated as follows:

- a. Recognized in shareholders' equity if the changes in fair value are recognized in shareholders' equity;
- b. Recognized in profit and loss if the changes in fair value are recognized in profit or loss.

Foreign-currency nonmonetary assets and liabilities that are carried at cost continue to be stated at exchange rates at trade dates.

If the functional currency of an equity-method investee is a foreign currency, translation adjustments will result from the translation of the investee's financial statements into the reporting currency of the Corporation. Such adjustments are accumulated and reported as a separate component of shareholders' equity.

Accounting Estimates

Under above guidelines and principles, certain estimates and assumptions have been used for the allowance for doubtful accounts, evaluation of financial assets and liabilities, provision for losses on shipping fuel, depreciation of property, plant and equipment and assets leased to others, impairment of assets, income tax, pension cost, loss on pending litigations, payables to shipping agents, bonuses to employees, directors and supervisors, etc. Actual results may differ from these estimates.

Consolidation

As required by the revised ROC Statement of Financial Accounting Standards No. 7 “Consolidated Financial Statements,” consolidated financial statements should include the accounts of YMTC and its direct and indirect subsidiaries or other investees in which YMTC has controlling interests.

Although the Corporation directly or indirectly owns less than 50% of shares with voting rights of Yang Ming-Italy and Yang Ming Anatolia Shipping Agency S.A., it should regard the investee as its subsidiary and incorporate the investee into the consolidated entity under certain premises as follows:

- a. The Corporation has the right of control through owning more than 50% of the voting rights of the board of directors of the investee, and the board of directors has control over the Corporation, or
- b. The Corporation has the right of control over the investee’s finance, operation or human resources.

On the date the Corporation acquires or loses control of its subsidiaries, the Corporation should start to incorporate or cease to include the subsidiaries’ revenues and expenses in the consolidated financial statements.

All significant intercompany accounts and transactions have been eliminated from the consolidated financial statements.

The financial statements of some immaterial consolidated entities as of and for the years ended December 31, 2011 and 2010 (YES Logistics (UK) Limited, Yes Logistics Benelux B.V., Golden Logistics USA Corp., Golden Logistics Corp. and Star Logistics Corp.) were unaudited. YMTC’s management believed that unaudited financial statements of these companies will not have material effect on the Group’s consolidated financial statements.

YMTC did not have controlling interest on Corstor Ltd.; thus Corstor’s accounts were not consolidated.

In the preparation of the consolidated financial statements, the financial statements of the foreign subsidiaries are translated from their respective functional currencies into New Taiwan dollars as follows:

- a. All assets and liabilities - at the exchange rate prevailing on the balance sheet dates;
- b. Share capital, retained earnings and/or accumulated deficit - at their historical rates of exchange; and
- c. All items in the statement of income - at the average rate of exchange for the year.

The resulting translation gains and losses are accounted for as cumulative translation adjustments.

Current and Noncurrent Assets and Liabilities

Current assets include unrestricted cash, and those assets held primarily for trading purposes or to be realized, sold or and other consumed within one year from the balance sheet date. Property and equipment and those not classified as current assets are noncurrent assets. Current liabilities are obligations incurred for trading purpose or to be settled within one year from the balance sheet date. All other liabilities are classified as noncurrent.

Financial Assets and Liabilities at Fair Value through Profit or Loss

Financial instruments classified as financial assets at fair value through profit or loss (“FVTPL”) include financial assets or financial liabilities held for trading and those designated as at FVTPL on initial recognition. The Group recognizes a financial asset or a financial liability on its balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognized when the Group has lost control of its contractual rights over the financial asset. A financial liability is derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired.

Financial instruments at FVTPL are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss. At each balance sheet date subsequent to initial recognition, financial assets or financial liabilities at FVTPL are remeasured at fair value, with changes in fair value recognized directly in profit or loss in the year in which they arise. Cash dividends received subsequently (including those received in the year of investment) are recognized as income for the year. On derecognition of a financial asset or a financial liability, the difference between its carrying amount and the sum of the consideration received and receivable or consideration paid and payable is recognized in profit or loss. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

A derivative that does not meet the criteria for hedge accounting is classified as a financial asset or a financial liability held for trading. If the fair value of the derivative is positive, the derivative is recognized as a financial asset; otherwise, the derivative is recognized as a financial liability.

Fair values of financial assets and financial liabilities at the balance sheet date are determined as follows: Publicly traded stocks - at closing prices; open-end mutual funds - at net asset values; bonds - at prices quoted by the Taiwan GreTai Securities Market; and financial assets and financial liabilities without quoted prices in an active market - at values determined using valuation techniques.

Hybrid contracts containing one or more embedded derivatives are designated as financial assets at fair value through profit or loss.

Available-for-sale Financial Assets

Available-for-sale financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are remeasured at fair value, with changes in fair value recognized in equity until the financial assets are disposed of, at which time, the cumulative gain or loss previously recognized in equity is included in profit or loss for the year. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

The recognition, derecognition and the fair value bases of available-for-sale financial assets are similar to those of financial assets at FVTPL.

Cash dividends are recognized on the ex-dividend date, except for dividends distributed from the pre-acquisition profit, which are treated as a reduction of investment cost. Stock dividends are not recognized as investment income but are recorded as an increase in the number of shares. The total number of shares subsequent to the increase is used for recalculation of cost per share.

An impairment loss is recognized when there is objective evidence that the financial asset is impaired. Any subsequent decrease in impairment loss for an equity instrument classified as available-for-sale is recognized directly in equity. If the fair value of a debt instrument classified as available-for-sale subsequently increases as a result of an event which occurred after the impairment loss was recognized, the decrease in impairment loss is reversed to profit.

Hedge Accounting

Derivatives that qualify as effective hedging instruments are measured at fair value, with subsequent changes in fair value recognized either in profit or loss, or in shareholders' equity, depending on the nature of the hedging relationship.

Hedge accounting recognizes the offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedged item as follows:

a. Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value and the gain or loss on the hedged item attributable to the hedged risk are recognized in profit or loss.

b. Cash flow hedge

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in shareholders' equity. The amount recognized in shareholders' equity is recognized in profit or loss in the same year or years during which the hedged forecast transaction or an asset or liability arising from the hedged forecast transaction affects profit or loss. However, if all or a portion of a loss recognized in shareholders' equity is not expected to be recovered in the future, the amount that is not expected to be recovered is reclassified into profit or loss.

Financial Asset Carried at Cost

Investments in equity instruments with no quoted prices in an active market and with fair values that cannot be reliably measured, such as non-publicly traded stocks and stocks traded in the Emerging Stock Market, are measured at their original cost. The accounting treatment for dividends on financial assets carried at cost is the same with that for dividends on available-for-sale financial assets. An impairment loss is recognized when there is objective evidence that the asset is impaired. A reversal of this impairment loss is disallowed.

Impairment of Accounts Receivable

An allowance for doubtful accounts is provided on the basis of a review of the collectibility of accounts receivable. The Group assesses the probability of collections of accounts receivable by examining the aging analysis of the outstanding receivables and assessing the value of the collateral provided by customers.

As discussed in Note 3 to the financial statements, the Group adopted the third-time revised Statement of Financial Accounting Standards (SFAS) No. 34, "Financial Instruments: Recognition and Measurement." One of the main revisions is that impairment of receivables originated by the Group should be covered by SFAS No. 34. Accounts receivable are assessed for impairment at the end of each reporting period and considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the accounts receivable, the estimated future cash flows of the asset have been affected. Objective evidence of impairment could include:

- Significant financial difficulty of the debtor;
- Accounts receivable becoming overdue; or
- It is becoming probable that the debtor will enter bankruptcy or financial re-organization.

Accounts receivable that are assessed as not impaired individually are further assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of accounts receivable could include the Group's past experience of in the collection payments, an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with defaults on receivables.

The amount of the impairment loss recognized is the difference between the asset carrying amount and the present value of estimated future cash flows, after taking into account the related collateral and guarantees, discounted at the receivable's original effective interest rate.

The carrying amount of the accounts receivable is reduced through the use of an allowance account. When accounts receivable are considered uncollectible, they are written off against the allowance account. Recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognized as bad debt in profit or loss.

Impairment of Assets

If the recoverable amount of an asset (mainly property, plant and equipment, computer software, franchise, leased assets, nonoperating assets and investments accounted for using equity method) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is charged to earnings.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased accordingly, but the increased carrying amount may not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized in earnings.

For long-term equity investments in which the Corporation has significant influence but with no control, the carrying amount (including goodwill) of each investment is compared with its own recoverable amount for the purpose of impairment testing.

Shipping Fuel

Shipping fuel is stated at the lower of cost or net realizable value. Any write-down is made item by item. Shipping fuel is recorded at weighted-average cost.

Investments Accounted for Using Equity Method

Investments in which the Group holds 20 percent or more of the investees' voting shares or exercises significant influence over the investees' operating and financial policy decisions are accounted for by the equity method.

The cost of investment is allocated to the assets and liabilities of the investee (proportionate to the percentage of ownership) based on their fair values at the date of investment, and the excess of the investment cost over the fair value of the identifiable net assets of the investee is recognized as goodwill. Goodwill is not amortized. The excess of the fair value of the net identifiable assets of the investee over the investment cost is used to reduce the fair value of each of the noncurrent assets of the investee (except for financial assets other than investments accounted for using equity method, deferred income tax assets, prepaid pension or other postretirement benefit) in proportion to the respective fair values of the noncurrent assets, with any excess recognized as an extraordinary gain.

Profits from downstream transactions with an equity-method investee are eliminated in proportion to the Corporation's percentage of ownership in the investee; however, if the Corporation has control over the investee, all the profits are eliminated. Profits from upstream transactions with an equity-method investee are eliminated in proportion to the Corporation's percentage of ownership in the investee. Profits from sales of products between equity-method investees are deferred to the extent of the Corporation's equity interests in these investees.

Cash Surrender Value of Life Insurance

Annual insurance premium paid for the incremental bonus life insurance of which the Corporation is the beneficiary includes a savings component that is recognized as cash surrender value of life insurance (under Long-term Investment) and recorded as deduction of insurance expenses.

Properties and Assets Leased to Others

Properties and assets leased to others are stated at cost less accumulated depreciation. Borrowing costs directly attributable to the acquisition or construction of property, plant and equipment and assets leased to others are capitalized as part of the cost of those assets. Major additions and improvements to property, plant and equipment and assets leased to others are capitalized, while costs of repairs and maintenance are expensed currently.

Assets held under capital leases are initially recognized as assets of the Group at the lower of their fair value at the inception of the lease or the present value of the minimum lease payments; the corresponding liability is included in the balance sheet as obligations under capital leases. The interest included in lease payments is expensed when paid.

Depreciation is provided on a straight-line basis over estimated useful lives as follows: buildings, 40 to 55 years; containers and chassis, 6 to 10 years; ships, 20 to 25 years; dry dock, 2.5 to 5 years; leased assets, 4 to 25 years; leasehold improvements, 2 to 10 years; and miscellaneous equipment, 3 to 18 years. Properties still in use beyond their original estimated useful lives are further depreciated over their new estimated useful lives.

The related cost and accumulated depreciation of an item of property, plant and equipment and assets leased to others are derecognized from the balance sheet upon its disposal. Any gain or loss on disposal of the asset is included in nonoperating gains or losses in the year of disposal.

Computer Software

Computer software products acquired are initially recorded at cost and are amortized on a straight-line basis over periods ranging from 2 years to 3 years.

Deferred Charges

Deferred charges refer to issuance expenses of bonds issued on or before December 31, 2005. These are capitalized and amortized using the straight-line method over periods ranging from 7 years to 12 years.

Nonoperating Assets

Properties not currently used in operations are transferred to nonoperating assets at the lower of the carrying value or net fair value, with any reduction in carrying value charged to nonoperating expenses. Starting on January 1, 2006, based on related regulations, nonoperating assets are depreciated using the straight-line method over the estimated useful lives of the properties.

Franchise

Costs incurred during the course of building public facilities by private sectors are recognized as franchise. Franchise is amortized over the assigned operating period, or the estimated economic life, whichever is shorter, from the date of completion of construction and beginning of operation. Upon expiration of the contract or operating period, the cost of franchise and related accumulated amortization are removed from the accounts.

Pension

YMTC, AOT, Yang Ming-Liberia, Yangming-UK, and domestic subsidiaries have pension plans for all regular employees.

Pension cost under a defined benefit plan is determined by actuarial valuations. Contributions made under a defined contribution plan are recognized as pension cost during the year in which employees render services.

Curtailment or settlement gains or losses of the defined benefit plan are recognized as part of the net periodic pension cost for the year.

Except Ching Ming, the other consolidated subsidiaries, which are mainly for investment holding purpose, have either very few or no staff. These subsidiaries have no pension plans and thus do not contribute to pension funds and do not recognize pension costs.

Except the companies mentioned above, the consolidated subsidiaries all contribute to pension funds and recognize pension costs based on local government regulations.

Unrealized Gain (Loss) on Sale and Leaseback

A gain or loss on the sale of containers, chassis and ships that are leased back by the Group is deferred and amortized over the term of the lease or their estimated service lives, whichever is shorter.

Provision for Onerous Contract

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it.

Income Tax

The intra-period allocation method is used for income taxes. Deferred income tax assets and liabilities are recognized for the tax effects of temporary differences, unused income tax credits, and unused loss carryforwards. Valuation allowance is recognized on deferred income tax assets that are not expected to be realized. A deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of its related asset or liability. However, if a deferred income tax asset or liability does not relate to an asset or liability in the financial statements, then it is classified as either current or noncurrent based on the expected length of time before it is realized or settled.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

The Corporation and its subsidiary, Kuang Ming Shipping Corp., elected to file combined final business tax return. This election resulted in the adjustments of differences in income tax expense and deferred income taxes between the Corporation and its subsidiary and any related distribution or payments arising from the consolidated tax returns will be recorded as receivables from or payables to related parties on the consolidated financial statements. The Corporation will discontinue filing consolidated tax returns in 2011 since the Corporation became disqualified under the regulation.

Revenue Recognition

Revenue is recognized when the earnings process is completed and the revenue is realizable and measurable. The costs of providing services are recognized as incurred.

Cargo revenues are recognized using the completion of voyage method. Monthly rental revenues on ships and containers leased to others and ship management revenues are recognized in the month the services are rendered. Forwarder revenues are recognized after the goods are packed for shipment. The revenues from cargo arrangement services which are earned from logistic service and shipping service are recognized after the completion of service. Warehouse rental revenues and insurance premium are recognized in the period the services are rendered.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts agreed between the Group and the customers for goods sold in the normal course of business, net of discounts. For trade receivables due within one year from the balance sheet date, as the nominal value of the consideration to be received approximates its fair value and transactions are frequent, fair value of the consideration is not determined by discounting all future receipts using an imputed rate of interest.

Reclassifications

Certain accounts in the consolidated financial statements as of and for the year ended December 31, 2010 have been reclassified to be consistent with the presentation of consolidated financial statements as of and for the year ended December 31, 2011.

3. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES

Financial Instruments

On January 1, 2011, the Group adopted the newly revised SFAS No. 34, "Financial Instruments: Recognition and Measurement." The main revisions included loans and receivables originated by the Group under SFAS No. 34. This accounting change did not have significant influence on the consolidated financial statements.

Operating Segments

On January 1, 2011, the Group adopted the newly issued SFAS No. 41, "Operating Segments." The statement requires that segment information be disclosed based on the information about the components of the Group that management uses to make operating decisions. SFAS No. 41 requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance. This statement supersedes SFAS No. 20, "Segment Reporting." The Group considered the cost of the restating segment information as of and for the year ended December 31, 2010 to be so high that the Corporation decided not to restate it.

4. CASH

	<u>December 31</u>	
	2011	2010
Petty cash and cash on hand	\$ 10,055	\$ 20,318
Checking accounts and demand deposits	7,399,307	8,603,866
Time deposits: Interest - 0.03%-8.25% in 2011 and 0.06%-8.50% in 2010	<u>3,841,233</u>	<u>5,272,255</u>
	<u>\$ 11,250,595</u>	<u>\$ 13,896,439</u>

As of December 31, 2011 and 2010, time deposits with maturity of over one year amounted to \$4,900 thousand and \$1,231 thousand, respectively.

The overseas deposits of YMTC as of December 31, 2011 and 2010 are summarized in the accompanying Schedule A and Schedule B.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

Financial instruments at FVTPL:

	<u>December 31</u>	
	2011	2010
<u>Financial assets held for trading</u>		
Mutual funds	\$ 689,773	\$ 576,065
Quoted stocks	140,500	237,215
Forward exchange contracts	51,743	-
Crude oil swap and oil swap option	15,484	-
Principal guarantee notes	<u>-</u>	<u>590,213</u>
	<u>\$ 897,500</u>	<u>\$ 1,403,493</u>
<u>Financial liabilities held for trading</u>		
Forward exchange contracts	<u>\$ 47,136</u>	<u>\$ -</u>

Principal guaranteed notes were held to link to share price of TTT50 and Chunghwa Telecom, and certain interest rate range of commercial paper. The contract had been repaid by February 2011.

Foreign exchange forward contracts were held mainly to hedge the exchange rate risks arising on net assets or liabilities denominated in foreign currency or to earn gains from exchange rates. The hedging strategy was developed with the objective to reduce the risk of market price or cash flow fluctuations. The derivative transactions for the years ended December 31, 2011 and 2010 entered into by the Corporation were based on forecasted cash flows, and the risk of the transactions can be controlled by the Corporation.

Outstanding forward contracts as of December 31, 2011 were as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)	Fair Value (In Thousands)
<u>December 31, 2011</u>				
Buy	US\$/NT\$	February 2012	US\$32,500/NT\$936,000	\$ 51,743
Sell	US\$/NT\$	February 2012	US\$32,500/NT\$936,000	(47,136)

Outstanding forward contracts as of December 31, 2010 had been settled.

The Corporation's purpose for trading crude oil swap and oil swap option was to reduce the cost burden from oil price increase. The Corporation entered into crude oil swap and oil swap option contracts. The contracts were settled in amounts that ranged from US\$2,495 thousand to US\$12,628 thousand and from US\$2,100 thousand to US\$11,992 thousand every month for the years ended December 31, 2011 and 2010, respectively. The terms of the derivatives mentioned above did not qualify as effective hedging instruments, thus hedge accounting was not applied.

Outstanding crude oil swap and oil swap option contracts as of December 31, 2011 were as follows:

	Due Date	Notional Amount	Unsettled Amount	
			Contract Amount	Fair Value
<u>December 31, 2011</u>				
Crude oil swap and oil swap option	2012.03.31	US\$104,384 thousand	US\$9,832 thousand	\$ 15,484

Outstanding crude oil swap and oil swap option contracts as of December 31, 2010 had been settled.

Net gains from financial assets held for trading were \$226,418 thousand and \$304,775 thousand for the years ended December 31, 2011 and 2010, respectively.

Net losses from financial liabilities held for trading were \$47,136 thousand and \$86,174 thousand for the years ended December 31, 2011 and 2010, respectively.

As of December 31, 2011 and 2010, the receivables from disposal of securities were \$30,614 thousand and \$72,053 thousand, respectively, and were recognized as other receivables. The proceeds had been received.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2011	2010
Domestic quoted stocks	\$ 2,521,433	\$ 3,045,570
Mutual funds	335,367	9,240,097
Corporate bonds	<u>60,580</u>	<u>58,280</u>
	2,917,380	12,343,947
Less: Current portion	<u>(662,690)</u>	<u>(9,692,954)</u>
	<u>\$ 2,254,690</u>	<u>\$ 2,650,993</u>

The Corporation recognized valuation loss on financial assets of \$147,106 thousand for the year ended December 31, 2011.

As of December 31, 2010, the receivables from disposal of securities were \$554,713 thousand and were recognized as other receivables. The proceeds had been received.

7. SHIPPING FUEL

	<u>December 31</u>	
	<u>2011</u>	<u>2010</u>
Shipping fuel	<u>\$ 6,481,143</u>	<u>\$ 4,949,882</u>

As of December 31, 2010, the allowance for inventory devaluation was \$48,219 thousand.

The cost of shipping fuel recognized as operating cost for the years ended December 31, 2011 and 2010, was \$35,181,404 thousand and \$25,958,456 thousand, respectively. The cost of shipping fuel recognized as operating cost for the year ended December 31, 2011 included \$48,219 thousand reversal of write-down of fuel price. The cost of shipping fuel recognized as operating cost for the year ended December 31, 2010 included \$36,114 thousand provision for loss on shipping fuel due to decline of fuel price.

8. FINANCIAL ASSET CARRIED AT COST - NONCURRENT

	<u>December 31</u>			
	<u>2011</u>		<u>2010</u>	
	<u>Carrying Value</u>	<u>% of Ownership</u>	<u>Carrying Value</u>	<u>% of Ownership</u>
Domestic unquoted common stocks				
Taipei Port Container Terminal Co., Ltd.	\$ 381,369	9.76	\$ 406,640	9.76
Ascentek Venture Capital Corp.	7,896	2.14	7,896	2.14
United Venture Capital Corp.	7,152	9.04	16,752	9.04
Kingmax Technology Corp.	6,421	1.38	8,320	1.38
China Technology Venture Capital Corp.	6,120	8.96	16,575	8.96
United Stevedoring Corporation	5,000	10.00	5,000	10.00
SF Technology Venture Capital Corp.	3,337	7.24	3,337	7.24
United Raw Material Solutions Inc.	<u>2,953</u>	2.76	<u>2,953</u>	2.76
	<u>420,248</u>		<u>467,473</u>	
Overseas unquoted common stocks				
B2B.Com Holdings Ltd.	5,042	9.88	5,042	9.88
Antwerp International Terminal	<u>-</u>	14.02	<u>-</u>	16.33
	<u>5,042</u>		<u>5,042</u>	
	<u>\$ 425,290</u>		<u>\$ 472,515</u>	

Because of deterioration in operations of investee companies, the Group recognized a valuation loss of \$35,636 thousand and \$7,693 thousand for the years end December 31, 2011 and 2010, respectively.

On July 23, 2010, the Corporation's board of directors resolved to dispose all of its 43,780,180 shares in NCIC to Yuan Cing Infocomm Tech Co., Ltd. through tender offer. The purchase price is NT\$10.93 per share in cash. The Corporation recognized gain on disposal of shares of \$49,292 thousand. The proceeds had been received.

The above equity investments, which had no quoted prices in an active market and of which fair value could not be reliably measured, were carried at cost.

9. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31			
	2011		2010	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
West Basin Container Terminal LLC	\$ 759,079	40.00	\$ 646,577	40.00
Chang Ming Logistics Company Limited	358,819	49.00	321,884	49.00
Formosa International Development Corporation	241,039	30.00	228,934	30.00
Yunn Wang Investment Co., Ltd.	172,322	49.75	199,640	49.75
United Terminal Leasing LLC	153,024	40.00	114,361	40.00
Transyang Shipping Pte. Ltd.	78,265	49.00	90,614	49.00
Yang Ming Shipping (Egypt) S.A.E.	38,472	49.00	25,122	49.00
Yang Ming (U.A.E.) LLC	36,988	49.00	25,891	49.00
Corstor Ltd.	7,028	50.00	7,469	50.00
Yang Ming (Vietnam) Corp.	<u>5,331</u>	49.00	<u>12,015</u>	49.00
	<u>\$ 1,850,367</u>		<u>\$ 1,672,507</u>	

Investment income recognized under the equity method was as follows:

Investee	Years Ended December 31	
	2011	2010
West Basin Container Terminal LLC	\$ 86,927	\$ 117,977
United Terminal Leasing LLC	34,127	31,417
Yang Ming Shipping (Egypt) S.A.E.	21,060	14,125
Yang Ming (U.A.E.) LLC	17,877	25,901
Transyang Shipping Pte. Ltd.	16,790	34,057
Formosa International Development Corporation	12,632	36,578
Yunn Wang Investment Co., Ltd.	10,721	10,764
Chang Ming Logistics Company Limited	8,180	5,184
Yang Ming (Vietnam) Corp.	2,251	4,650
Corstor Ltd.	<u>2,145</u>	<u>3,033</u>
	<u>\$ 212,710</u>	<u>\$ 283,686</u>

10. PROPERTIES

	December 31	
	2011	2010
Accumulated depreciation		
Buildings	\$ 359,988	\$ 273,865
Containers and chassis	16,228,173	15,592,907
Ships	13,419,945	10,232,074
Leased assets	4,973,721	4,411,183
Leasehold improvements	188,207	179,052
Miscellaneous equipment	<u>2,333,596</u>	<u>2,697,653</u>
	<u>\$ 37,503,630</u>	<u>\$ 33,386,734</u>

Information about capitalized interest on properties was as follows:

	Years Ended December 31	
	2011	2010
Capitalized interest	\$ 16,797	\$ 137,127
Capitalization rate	0.73%-1.6182%	0.96%-1.92%

YMTC leases containers and chassis under capital lease agreements. The related information for future rentals is shown in Note 30. The terms of the leases were from nine years to ten years for containers and eight years for chassis. The annual rent payable on leased containers under the agreements is US\$4,337 thousand. YMTC has the option to buy, at the end of the lease terms, all leased containers at a bargain purchase price of US\$1 per unit. The annual rent payable on leased chassis is based on contract terms, and, at the end of the lease terms, the ownership of all the leased chassis will be transferred to YMTC at no additional cost.

YML-BVI leases ships under 25-year capital lease agreements. The lease contracts were secured by standby letters of credit issued by a bank. YML-BVI deposited a portion of its lease payments in bank as collaterals (included in refundable deposits). YM UK leases ships under 18-year capital lease agreements. Annual rentals are stipulated in the contracts.

The details of these leases as of December 31, 2011 and 2010 were as follows:

	December 31			
	2011		2010	
	U.S. Dollars (Thousands)	New Taiwan Dollars (Thousands)	U.S. Dollars (Thousands)	New Taiwan Dollars (Thousands)
Total capital lease obligations (undiscounted)	\$ 611,867	\$ 18,534,366	\$ 651,632	\$ 18,988,560
Less: Unamortized interest expense	<u>238,533</u>	<u>7,225,187</u>	<u>260,243</u>	<u>7,583,502</u>
	<u>\$ 373,364</u>	<u>\$ 11,309,179</u>	<u>\$ 391,389</u>	<u>\$ 11,405,058</u>

11. FRANCHISE

Kao Ming, a subsidiary of the Corporation, signed contracts for terminal construction and operation on various dates during 2007 to 2010. MOTC Harbor Bureau approved Kao Ming to start its operation and issued the permit on January 5, 2011. Franchise is being amortized from the date MOTC issued the permit. Amortization period is the shorter of the assigned operating period or estimated economic life.

	2011	2010
<u>Cost</u>		
Balance, beginning of year	\$ 9,572,094	\$ 5,391,649
Addition	<u>391,660</u>	<u>4,180,445</u>
Balance, end of year	<u>9,963,754</u>	<u>9,572,094</u>
<u>Accumulated amortization</u>		
Balance, beginning of year	-	-
Amortization	<u>284,922</u>	<u>-</u>
Balance, end of year	<u>284,922</u>	<u>-</u>
	<u>\$ 9,678,832</u>	<u>\$ 9,572,094</u>

12. ASSETS LEASED TO OTHERS, NET

	<u>December 31</u>	
	2011	2010
Cost		
Land	\$ 2,731,447	\$ 2,731,447
Buildings	<u>1,131,657</u>	<u>1,145,169</u>
	3,863,104	3,876,616
Less: Accumulated impairment - land	10,507	10,507
Accumulated impairment - buildings	2,832	2,832
Accumulated depreciation - buildings	<u>186,138</u>	<u>169,756</u>
	<u>\$ 3,663,627</u>	<u>\$ 3,693,521</u>

As of December 31, 2011, future rental payments receivable were summarized as follows:

Fiscal Year	Amount
2012	\$ 96,939
2013	72,771
2014	36,095
2015	26,645
2016	9,060

Rentals after 2017 amount to \$842 thousand. The present value of those rentals, computed at an annual interest rate of 1.355%, is \$787 thousand.

13. NONOPERATING ASSETS, NET

	<u>December 31</u>	
	2011	2010
Cost		
Land	\$ 234,359	\$ 234,359
Buildings	<u>1,585</u>	<u>1,746</u>
	235,944	236,105
Less: Accumulated depreciation - buildings	<u>1,585</u>	<u>1,746</u>
	<u>\$ 234,359</u>	<u>\$ 234,359</u>

14. ADVANCES ON LONG-TERM RENT AGREEMENT

For the purpose of managing storage, processing, transfer and distribution of goods, the Corporation collaborated with MOTC Harbor Bureau in construction and operation of the First and Second Logistics Centers of the Kaohsiung Third Container Center. The final review of First Logistics Center had been completed. According to the contract, the Corporation is entitled to the use of the center for 30 years based on the initial investment made by the Corporation. The project of the Second Logistics Center of the Kaohsiung Third Container Center had been completed in October 2007 and commenced operation in 2008. The issue regarding the tenancy calculation had been arbitrated by the Arbitration Association of the Republic of China, and the Corporation reclassified the amount of \$131,452 thousand, which was part of the original investment of \$691,544 thousand, into miscellaneous equipment in properties. The amount of \$560,092 thousand was reclassified into advances on long-term rent agreement which are amortized over 28 years and 9 months.

	Current	Long-term	Total
<u>December 31, 2011</u>			
Advances on long-term rent agreement	\$ 31,572	\$ 694,422	\$ 725,994
<u>December 31, 2010</u>			
Advances on long-term rent agreement	\$ 41,106	\$ 819,309	\$ 860,415

15. SHORT-TERM DEBT

	<u>December 31</u>	
	2011	2010
Unsecured bank loans - interest of 1.20%-2.2561% in 2011 and 1.39%-5.00% in 2010	\$ 3,010,704	\$ 1,048,063

16. COMMERCIAL PAPER PAYABLE

	<u>December 31, 2011</u>	
	Interest Rate	Amount
Commercial paper payable	0.998%-1.088%	\$ 3,250,000
Less: Unamortized discount on commercial paper payable		<u>3,641</u>
		<u>\$ 3,246,359</u>

17. LONG-TERM INTEREST-BEARING DEBTS

	Current	Long-term	Total
<u>December 31, 2011</u>			
Long-term unsecured bank loans	\$ -	\$ 10,450,000	\$ 10,450,000
Long-term secured bank loans	7,484,653	30,372,261	37,856,914
Domestic unsecured bonds	960,000	3,000,000	3,960,000
Domestic secured bonds	-	11,436,490	11,436,490
Capital leases	<u>389,885</u>	<u>10,919,294</u>	<u>11,309,179</u>
	<u>\$ 8,834,538</u>	<u>\$ 66,178,045</u>	<u>\$ 75,012,583</u>
<u>December 31, 2010</u>			
Long-term unsecured bank loans	\$ -	\$ 1,000,000	\$ 1,000,000
Long-term secured bank loans	6,440,540	31,258,287	37,698,827
Long-term secured loans	1,131	-	1,131
Domestic unsecured bonds	11,080,000	3,960,000	15,040,000
Domestic secured bonds	-	4,985,210	4,985,210
Commercial paper	-	1,840,000	1,840,000
Capital leases	<u>339,568</u>	<u>11,065,490</u>	<u>11,405,058</u>
	<u>\$ 17,861,239</u>	<u>\$ 54,108,987</u>	<u>\$ 71,970,226</u>

Long-term Unsecured Bank Loans

The unsecured bank loan will be repaid in New Taiwan dollars in one-lump sum payment at maturity in December 2014. The balance of 2010 was repaid in advance in December 2011. Interest rates were 1.10% to 1.544% and 0.8% on December 31, 2011 and 2010, respectively.

Long-term Secured Bank Loans

Secured bank loans are repayable in installments at varying amounts in New Taiwan dollars with the latest maturity in June 2016. Interest rates were 1.2674% to 2.315% and 0.9789% to 2.1% on December 31, 2011 and 2010, respectively. The Corporation's ships, containers, assets leased to others and the ships of a subsidiary, All Oceans Transportation, Inc., are pledged as collaterals for the secured loans.

The loan of All Oceans Transportation Inc. (AOT) will be repaid in US dollars. The loan is repayable every six months. The loan is expected to be fully repaid before October 2019. The interest rates were 1.0475%-2.01% and 0.99% as of December 31, 2011 and 2010, respectively. The ships of AOT were pledged as collateral for the secured loan.

The loan of Yang Ming (Liberia) Corp. will be repaid in US dollars, and it will be repayable over a certain period from the date the loan was obtained and every six months thereafter in variable amounts. The interest rates were 0.5232%-1.56315% and 0.56263%-1.3125% as of December 31, 2011 and 2010, respectively. The loan will be fully repaid before December 2017. The ships of Yang Ming (Liberia) were pledged as collateral for the secured loan.

The loan of Kuang Ming Shipping Corp. will be repaid in JPY and New Taiwan dollars, and it will be repayable after one year from September 2012, the date the loan was obtained and will be repaid in installments every six months. The loan is expected to be fully repaid on March 31, 2018. The loan in Japanese yen was paid in advance in December 2011; the interest rate was 1.65% and 0.7439% as of December 31, 2011 and 2010, respectively. The ships of Kuang Ming were pledged as collateral for the secured loan.

The loan of Kuang Ming (Liberia) Corp. will be repaid in US dollars and JPY dollars, and it will be repayable over a certain period from the date the loan was obtained and every six months thereafter. The loan is expected to be fully repaid on December 31, 2017, and the interest rates were 0.8875%-1.4125% and 0.7875%-1.25% as of December 31, 2011 and 2010, respectively. The ships of Kuang Ming (Liberia) were pledged as collateral for the secured loan.

In order to fund capital for undergoing the "First stage of Kaohsiung harbor intercontinental container center construction and operation project," Kao Ming Container Terminal Corp. provided the acquired and built properties under the contract as collaterals, and it also signed a long-term financing contract with a bank with a credit limit of \$16,200,000 thousand in December 2008. The loan will mature in June 2029. As of December 31, 2011, the amount of the loan was \$5,940,000 thousand and the interest rates were 2.32% and 2.08% as of December 31, 2011 and 2010, respectively.

The loan agreement has been in effect since June 2009. One of the requirements is that Kao Ming Container Terminal Corp. has to meet financial ratio during the loan period.

- a. Current ratio shall be at least 100%.

b. Debt ratio shall not be higher than the following criteria:

Period	Ratio (%)
2009-2015	200
2016-2018	150
2019-2028	100

c. Interest coverage ratio shall not be lower than following levels:

Period	Times
2013-2016	1.2
2017-2028	1.3

The above financial covenants are evaluated based on the company's audited financial statements. As of December 31, 2011 and 2010, Kao Ming had complied with such financial covenants.

Long-term Secured Loans

In order to purchase transportation facility, Young-Carrier Company Limited mortgaged the same facility for HK\$1,363 thousand which is amortized over 60 installments. The mortgage was repaid in December 2011. The interest rate was 6.3%-7.3% as of December 31, 2010.

Domestic Unsecured Bonds

On various dates, YMTC issued domestic unsecured bonds; the dates and the aggregate face values were as follows: \$1,800,000 thousand on June 1, 2000 (the "June 2000 Bonds"); \$2,400,000 thousand on November 20, 2000 (the "November 2000 Bonds"); \$1,600,000 thousand on June 18, 2004 (the "June 2004 Bonds"), \$5,000,000 thousand from October 8 to October 20 in 2004 (the "October 2004 Bonds"); \$2,500,000 thousand from December 8 to December 14 in 2004 (the "December 2004 Bonds") \$6,000,000 thousand on October 23, 2006 (the "October 2006 Bonds").

Other bond features and terms were as follows:

June 2000 Bonds: Repayments: 33% - June 1, 2008, 33% - June 1, 2009, and 34% June 1, 2010; 6.09% annual interest. As of June 1, 2010, the bonds had been repaid.

November 2000 Bonds: Repayments: 20% - November 20, 2010, 40% - November 20, 2011, and 40% - November 20, 2012; 6.02% annual interest.

June 2004 Bonds: Type A - aggregate face value of \$600,000 thousand and maturity on June 18, 2011; 2.46% annual interest. As of June 18, 2011, the bonds had been fully repaid.

Type B - aggregate face value of \$500,000 thousand and maturity on June 18, 2011 at USD 6-month LIBOR rate (the target rate) when the target rate is smaller than 1.15%; at 4.4% when the target rate is between 1.15% and 3.5%; at 6% less the target rate when the target rate is greater than 3.5%. The interest rate should not be smaller than 0% and will be reset quarterly. As of June 18, 2011, the bonds had been fully repaid.

Type C - aggregate face value of \$500,000 thousand and maturity on June 18, 2011 at 4.5% interest multiplied by a ratio (interest-bearing days per month divided by interest-bearing days per year) when USD 6-month LIBOR rate (the target rate) is between a certain interest range; at 0% when the target rate is out of the interest range. As of June 18, 2011, the bonds had been fully repaid.

October 2004 Bonds: Type A, B, D, E, G, H, I - aggregate face value of \$500,000 thousand for each type and maturity from October 8 to October 20 in 2011; 3.30% annual interest. As of October 20, 2011, the bonds had been fully repaid.

Type C - aggregate face value of \$800,000 thousand and maturity on October 20, 2011; 3.30% annual interest. As of October 20, 2011, the bonds had been fully repaid.

Type F - aggregate face value of \$700,000 thousand and maturity on October 20, 2011; 3.30% annual interest. As of October 20, 2011, the bonds had been fully repaid.

December 2004 Bonds: Aggregate face value of \$2,500,000 thousand and maturity from December 8 to 14 in 2011; 2.99% annual interest. As of December 14, 2011, the bond bonds have been fully repaid.

October 2006 Bonds: Type A - aggregate face value: \$3,000,000 thousand; repayments: 33% - October 23, 2009, 33% - October 23, 2010, and 34% - October 23, 2011; 2.09% annual interest. As of October 23, 2011, the bond bonds had been fully repaid.

Type B - aggregate face value of \$3,000,000 thousand and maturity on October 23, 2013; 2.32% annual interest.

Domestic Secured Bonds

On May 20, 2010, the Corporation issued five-year domestic secured bonds with an aggregate face value of \$5,000,000 thousand.

The bond features and terms are as follows:

May 2010 Bonds: Type A - aggregate face value: \$500,000 thousand; repayments: 50% - May 20, 2014 and 50% - May 20, 2015, 1.42% annual interest.

Type B - aggregate face value of \$1,000,000 thousand; repayments: 50% - May 20, 2014 and 50% - May 20, 2015; 1.42% annual interest.

Type C - aggregate face value: \$500,000 thousand; repayments: 50% - May 20, 2014 and 50% - May 20, 2015, 1.42% annual interest.

Type D - aggregate face value: \$500,000 thousand; repayments: 50% - May 20, 2014 and 50% - May 20, 2015, 1.42% annual interest.

Type E - aggregate face value of \$1,000,000 thousand; repayments: 50% - May 20, 2014 and 50% - May 20, 2015; 1.42% annual interest.

Type F - aggregate face value: \$500,000 thousand; repayments: 50% - May 20, 2014 and 50% - May 20, 2015, 1.42% annual interest.

Type G - aggregate face value: \$500,000 thousand; repayments: 50% - May 20, 2014 and 50% - May 20, 2015, 1.42% annual interest.

Type H - aggregate face value: \$500,000 thousand; repayments: 50% - May 20, 2014 and 50% - May 20, 2015, 1.42% annual interest.

Guarantees:

- Type A: Guaranteed by Taiwan Bank.
- Type B: Guaranteed by Cathay United Commercial Bank.
- Type C: Guaranteed by Taiwan Cooperative Commercial Bank.
- Type D: Guaranteed by China Trust Commercial Bank.
- Type E: Guaranteed by First Commercial Bank.
- Type F: Guaranteed by Yuanta Commercial Bank.
- Type G: Guaranteed by Hua Nan Commercial Bank.
- Type H: Guaranteed by Shanghai Commercial & Savings Bank.

According to performance guarantee agreements, the Corporation has to pay annual advance guarantee on the date of issuance and every year thereafter. The guarantee payments are recognized as costs of the corporate bond issuance and are amortized over the issuance period. As of December 31, 2011 and 2010 unamortized cost of issuance both amounted to \$14,790 thousand.

On December 27, 2011 the Corporation issued five-year domestic secured bonds with an aggregate face value of \$6,500,000 thousand.

The bond features and terms are as follows:

- December 2011 Bonds:
- Type A - aggregate face value: \$1,000,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.
 - Type B - aggregate face value of \$500,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.
 - Type C - aggregate face value: \$1,000,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.
 - Type D - aggregate face value: \$1,000,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.
 - Type E - aggregate face value: \$1,000,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.
 - Type F - aggregate face value: \$1,000,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.
 - Type G - aggregate face value of \$500,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.
 - Type H - aggregate face value of \$500,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.

Guarantees:

- Type A: Guaranteed by Taiwan Bank.
- Type B: Guaranteed by Mega International Commercial Bank.
- Type C: Guaranteed by Taipei Fubon Financial Bank.
- Type D: Guaranteed by Taiwan Cooperative Commercial Bank.
- Type E: Guaranteed by First Commercial Bank.
- Type F: Guaranteed by Chang Hwa Bank.
- Type G: Guaranteed by Hua Nan Commercial Bank.
- Type H: Guaranteed by Shin Kong Bank.

According to performance guarantee agreements, the Corporation has to pay annual advance guarantee on the date of issuance and every year thereafter. The guarantee payments are recognized as costs of the corporate bond issuance and are amortized over the issuance period. As of December 31, 2011, unamortized cost of issuance amounted to \$48,720 thousand.

Commercial Paper

The Corporation signed a three-year syndicated underwriting contract for purchase of commercial paper on March 27, 2009 and the first supplementary contract on August 14, 2009, respectively, with International Bills Finance Corporation. International Bills Finance Corporation, as the lead underwriter, issued long-term commercial papers with a credit limit of \$2,300,000 thousand. The underwriting credit limit was based on the ships of All Oceans Transportation, Inc., a subsidiary of the Corporation, as collaterals. The ownership of the ships mentioned above had been transferred to the Corporation on May and July 2009, and the re-mortgage process was completed in September 2009. The Corporation can issue the commercial papers in a revolving scheme during the period of the financing contract, and issuance period of each commercial paper cannot be over 90 days. The Corporation should repay all debts under the contract at maturity date. Because the contract period is over one year, and the Corporation intended to keep refinancing for long term, the bills payable are included in long-term debts. The interest rate is the Fixing Rate of 90-day referred to in Reuters (page 6165) plus spread. The interest rate was 1.376% on December 31, 2010, and outstanding loans amounted to \$1,840,000 thousand.

Obligation under Capital Leases

Obligations under capital leases are summarized in Note 10.

Unsecured Private Bonds

In order to expand working capital and improve financial operation, on March 6, 2012, the Corporation issued the first unsecured private bonds with an aggregate face value of \$5,544,000 thousand. March 2012 bonds: Type A - aggregate face value of \$1,759,000 thousand and maturity on March 6, 2016; 2.08% annual interest. Type B - aggregate face value of \$3,785,000 thousand and maturity on March 6, 2017; 2.18% annual interest.

In order to expand working capital and improve financial operation, the board resolved to issue the second unsecured private bonds with an aggregate face value of \$4,350,000 thousand. Type A - aggregate face value of \$1,550,000 thousand and four-year maturity; 2.08% annual interest. Type B - aggregate face value of \$2,800,000 thousand and five-year maturity; 2.18% annual interest.

18. ACCOUNTS PAYABLE

	December 31	
	2011	2010
Fuel	\$ 4,038,683	\$ 3,383,573
Space hire	<u>1,004,447</u>	<u>1,305,619</u>
	<u>\$ 5,043,130</u>	<u>\$ 4,689,192</u>

19. ACCRUED EXPENSES

	<u>December 31</u>	
	<u>2011</u>	<u>2010</u>
Container lease	\$ 543,377	\$ 470,357
Salary and bonus	233,589	1,047,261
Vessel charter hire	152,401	317,634
Maintenance	114,965	56,454
Interest	101,341	167,653
Others	<u>1,429,107</u>	<u>1,554,945</u>
	<u>\$ 2,574,780</u>	<u>\$ 3,614,304</u>

20. RESERVE FOR LAND VALUE INCREMENT TAX

The reserve for land value increment tax resulted from YMTC's merger with China Merchants Steam Navigation Company.

21. UNREALIZED GAIN ON SALE AND LEASEBACK

	<u>December 31</u>	
	<u>2011</u>	<u>2010</u>
YM Uberty	\$ 399,847	\$ 445,984
YM Utopia	58,738	66,090
YM Enhancer	<u>35,127</u>	<u>39,118</u>
	<u>\$ 493,712</u>	<u>\$ 551,192</u>

The above properties had been sold and then leased back by YMTC and AOT. The resulting gains on the sale were deferred and amortized over the lease term.

22. PENSION PLAN

a. Pension plan of YMTC

YMTC has adopted three pension plans since it was privatized on February 15, 1996. Before YMTC's privatization, qualified employees received pension payments for service years before the start of the privatization. The service years of the employees who received pre-privatization pension payments and continued to work in YMTC after privatization will be excluded from the calculation of pension payments after privatization. These plans are as follows:

The pension plan under the Labor Standards Law for onshore employees is a defined benefit plan. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation contributed amounts equal to 3% of salaries every month; starting from September 2010, the Corporation contributed amounts equal to 13% of salaries to the pension fund; starting from September 2011, the Corporation contributed amounts equal to 3% of salaries every month. The pension fund is administered by the pension fund monitoring committee and deposited in the committee's name in the Bank of Taiwan.

Pension plan under the Maritime Labor Law for shipping crews is a defined benefit plan. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crew's hiring contracts. Under the Law, benefits are based on service years and average basic salary of the six months before retirement.

Pension plan for retired employees of China Merchants Steamship Navigation Company (CMSNC) provides benefits based on service years and level of monthly basic salary at the time of retirement.

Because of spin-off, the service years of the employees transferred to Kuang Ming Shipping Corp. are continued from the service years in the Corporation. Benefits are based on the proportion of service years between the Corporation and Kuang Ming Shipping Corp. and are paid by individual pension accounts.

Pension plan is a defined contribution scheme under the Labor Pension Act (the "Act") for onshore employees and shipping crew. Starting on July 1, 2005, YMTC makes monthly contributions to the employees' individual pension accounts in the Bureau of Labor Insurance at 6% of employees' salaries every month.

In an effort to encourage employee retirement, hence improve the human resource structure and enhance vitality within organization, YMTC calculates favorable retirement benefits according to the retirement policies. YMTC recognized pension cost of \$5,372 thousand and \$32,063 thousand for the years ended December 31, 2011 and 2010, respectively.

b. Pension plan of subsidiaries

Domestic subsidiaries have a defined contribution plan under the Act. Starting on July 1, 2005 the above subsidiaries make monthly contributions to the employees' individual pension accounts in the Bureau of Labor Insurance at 6% of employees' salaries every month.

Under the Labor Standards Law, the domestic subsidiaries have a defined benefit pension plan. Benefits are based on service years and average basic salary of the six months before retirement. The Subsidiaries contribute certain percentage of total salaries and wages every month, to each pension fund, which is administered by each pension plan committee and deposited in each committee's name in the Bank of Taiwan.

All Oceans Transportation Inc., Yang Ming (UK) Ltd., and Yang Ming (Liberia) Corp. have pension plan under the Maritime Labor Law for shipping crew, and the pension plan are defined benefit plans. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crews hiring contracts. Under the Law, benefits are based on service years and average monthly salary of the six months before retirement.

Yang Ming (America) Corporation has entered into an agreement with the ILWU office and Clerical Employees Local 63 to provide medical care covered by the agreement, and it was defined benefit pension plan. However, according to collective bargaining agreements, effective June 1, 2008, a new taft-hartely trust, named "OCU Health Trust" will replace the 2003 YML/ILWU agreement's framework for the above stated benefits, which is a defined contribution plan. Starting from 2008, the contribution made to the OCU trust was calculated based on US\$4.05 per working hour. In addition to the US\$4.05 per hour contribution, the Corporation does have a contractual obligation to fund the unfunded liability transferred to the OCU multiemployer trust over a period of no more than ten years. As of December 31, 2011 and 2010, the balance of the accrued expense was \$135,235 thousand and \$142,150 thousand, respectively.

Some consolidated subsidiaries, which are mainly for investment holding purpose, have either very few or no staff. These subsidiaries have no pension plans and thus do not contribute to pension funds and do not recognize pension costs.

Except for these companies, the consolidated subsidiaries all contribute to pension funds and recognize pension costs based on local government regulations.

c. Information on the pension cost under the Act

The pension costs under the defined contribution plan amounted to \$264,882 thousand and \$184,759 thousand for the years ended December 31, 2011 and 2010, respectively.

d. Combined information on the defined benefit pension plan under the Labor Standards Law and local regulation.

Under Statement of Financial Accounting Standards No. 18, "Accounting for Pensions," pension cost should be recognized using actuarial method. The pension information of YMTC and certain subsidiaries was as follows:

1) Net periodic pension cost

	<u>Year Ended December 31</u>	
	2011	2010
Service cost	\$ 72,654	\$ 108,109
Interest cost	50,586	49,355
Projected return on plan assets	(14,747)	(10,266)
Amortization of net transition asset or obligation	2,974	2,979
Amortization of prior service cost	(2,171)	(2,171)
Amortization of unrecognized pension cost	<u>19,887</u>	<u>20,906</u>
Net pension cost	<u>\$ 129,183</u>	<u>\$ 168,912</u>

2) Reconciliation of funded status of the plan and accrued pension cost was as follows:

	<u>December 31</u>	
	2011	2010
Benefit obligation		
Vested benefit obligation (VBO)	\$ 1,114,516	\$ 948,931
Non-vested benefit obligation	<u>750,870</u>	<u>764,214</u>
Accumulated benefit obligation (ABO)	1,865,386	1,713,145
Additional benefits based on future salaries	<u>571,117</u>	<u>548,636</u>
Projected benefit obligation	2,436,503	2,261,781
Fair value of plan assets	<u>(775,505)</u>	<u>(694,529)</u>
Plan funded status	1,660,998	1,567,252
Unrecognized net transition obligation amortization	(18,002)	(20,618)
Unrecognized prior service cost	39,629	41,839
Unrecognized pension cost	(553,151)	(462,022)
Additional minimum pension liability	<u>69,251</u>	<u>28,926</u>
Accrued pension cost	<u>\$ 1,198,725</u>	<u>\$ 1,155,377</u>

Accrued pension cost is recognized under:

Accrued pension cost	<u>\$ 1,205,201</u>	<u>\$ 1,160,152</u>
Prepaid pension cost (included in other assets - other)	<u>\$ 6,476</u>	<u>\$ 4,775</u>

	December 31	
	2011	2010
3) Vested benefits	<u>\$ 1,518,840</u>	<u>\$ 1,338,000</u>
4) Actuarial assumptions		
Discount rate	2.00%-2.25%	2.25%
Future salary increase rate	2.00%-2.75%	2.00%-2.75%
Expected rate of return on plan assets	2.00%	2.00%
	Year Ended December 31	
	2011	2010
5) Contribution and benefits paid		
Contributions to the fund	<u>\$ 80,753</u>	<u>\$ 46,153</u>
Payments from the fund	<u>\$ 6,539</u>	<u>\$ 47,590</u>

23. STOCKHOLDERS' EQUITY

a. Global depository receipts

On November 14, 1996, YMTC issued 10 million units of global depository receipts (GDRs), representing 100 million shares, at an issue price of US\$11.64 dollar per unit. The holders of the GDRs may not exchange them for YMTC's stocks. However, starting February 14, 1997, the holders of the GDR may request the depository bank to sell the shares represented by the GDRs. As of December 31 2011, there were 5,330,595 units outstanding, representing 53,306,040 shares, 1.89% of total issued shares.

The holders of the GDR retain stockholder's rights that are the same as those of YMTC's common stockholders, but the exercise of stockholder's rights should be under related laws and regulations in ROC and the terms of the GDR contracts. One of these rights is that GDR holders should be able to exercise the right of voting, sell the shares represented by the GDRs, receive dividends and subscribe for the issued stock through the depository bank.

b. Capital surplus

Under the Company Law, capital surplus may only be used to offset a deficit. However, the capital surplus from share issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds and treasury stock transactions) may be capitalized, which however is limited to a certain percentage of the Corporation's paid-in capital. Under the revised Company Law issued on January 4, 2012, the aforementioned capital surplus also may be distributed in cash.

c. Appropriation of earnings and dividend policy

YMTC's Articles of Incorporation provide that various reserves should be set aside from annual net income less any accumulated losses. In addition, a special reserve should be appropriated as needed. For the remainder of the income plus accumulated unappropriated earnings, the board of directors should propose an appropriation plan and request the shareholders to pass and execute the plan. The appropriation of earnings should be in the following order:

- 1) 1% to 5% as bonus to employees;
- 2) 2% or less as remuneration to directors and supervisors; and

3) Remainder as stockholders' dividends.

The Articles of Incorporation provide that YMTC should consider certain factors, including YMTC's profits, the change in the environment of the industry, potential growth of YMTC, costs, expenditures and the working capital for operation in proposing stock dividend appropriation plan. YMTC shall declare at least 20% of the amount declared as dividends in the form of cash as opposed to stock.

YMTC did not accrue bonus to employees and remuneration to directors and supervisors due to the losses for the year ended December 31, 2011. The bonus to employees for the year ended December 31, 2010 was accrued in the amount of \$156,886 thousand based on historical experience. Material difference between such estimated amount and the amount proposed by the Board of Directors in the following year is adjusted for in the current year. If the actual amounts subsequently resolved by the shareholders differ from the proposed amount, the difference is recorded in the year of shareholders' resolution as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the shareholders' meeting.

Based on a directive issued by the Securities and Futures Bureau, an amount equal to the net debit balance of certain shareholders' equity accounts shall be transferred from unappropriated earnings to a special reserve. Any special reserve appropriated may be reversed to the extent of the decrease in the net debit balance.

Under the Company Law, legal reserve should be appropriated until the accumulated reserve reaches the Corporation's paid-in capital. This reserve may be used to offset a deficit. Under the revised Company Law issued on January 4, 2012, when the legal reserve has exceeded 25% of YMTC's paid-in capital, the excess may be transferred to capital or distributed in cash.

Except for non-ROC resident shareholders, all shareholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Corporation.

The stockholders resolved to appropriate the 2010 earnings on June 24, 2011, as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal capital reserve	\$ 1,178,785	
Special reserve	82,530	
Cash dividends	3,203,083	\$1.25
Stock dividends	2,562,466	1.00

The bonus to employees of \$156,886 thousand for 2010 was approved in the stockholders' meeting on June 24, 2011. The approved amount of the bonus to employees was not different from that in the financial statements for the year ended December 31, 2010.

The shareholders' meeting held on June 24, 2011 also resolved to distribute stock dividends out of undistributed earnings in the amount of \$2,562,466 thousand. The above capital increase was approved by the Financial Supervisory Commission of Executive Yuan on August 3, 2011. The revision of registration of the capital increase was approved by the Ministry of Economic Affairs, ROC on October 6, 2011.

On June 18, 2010, the Corporation's stockholders resolved to pass the proposal for reversing special reserve of \$2,067,513 thousand from prior year to offset the deficit from 2009. In addition a deficit of \$8,138,687 thousand had been offset by the following:

	2010
Capital surplus - treasury stock transactions	\$ 1,480,009
Capital surplus - additional paid-in capital	2,789,135
Legal reserve	<u>3,869,543</u>
	<u>\$ 8,138,687</u>

Information about the bonus to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

d. Unrealized gain or loss on financial instruments

For the years ended December 31, 2011 and 2010, movements of unrealized gain or loss on financial instruments were as follows:

	Available- for-sale Financial Assets	Equity- method Investments	Gain (Loss) on Cash Flow Hedges	Total
<u>2011</u>				
Balance, beginning of year	\$ 424,440	\$ 6,578	\$ (17,998)	\$ 413,020
Recognized in shareholders' equity	(377,113)	(35,976)	66,931	(346,158)
Transferred to profit or loss	<u>(23,925)</u>	<u>(14)</u>	<u>-</u>	<u>(23,939)</u>
Balance, end of year	<u>\$ 23,402</u>	<u>\$ (29,412)</u>	<u>\$ 48,933</u>	<u>\$ 42,923</u>
<u>2010</u>				
Balance, beginning of year	\$ 1,148,278	\$ 65,103	\$ (12,476)	\$ 1,200,905
Recognized in shareholders' equity	(672,117)	(58,523)	(5,522)	(736,162)
Transferred to profit or loss	<u>(51,721)</u>	<u>(2)</u>	<u>-</u>	<u>(51,723)</u>
Balance, end of year	<u>\$ 424,440</u>	<u>\$ 6,578</u>	<u>\$ (17,998)</u>	<u>\$ 413,020</u>

24. INCOME TAX

According to regulations stipulated by Ruling Letter No. 910458039 dated February 12, 2003, "Principles and regulations of profit seeking businesses filing joint tax returns in accordance with Article 49 of the Financial Holding Company Law and Article 40 of Enterprise Merger Law", the Corporation and the subsidiary can file a joint tax return once the Corporation holds more than 90% of the subsidiary for 12 months during a taxable year. The Corporation and Kuang Ming Shipping Corp. jointly filed income tax returns since 2009. The Corporation held less than 90% of the shares of Kuang Ming Shipping Corp. and will terminate to file a joint tax return starting from 2011.

- a. A reconciliation of income tax expense (benefit) based on income (loss) before income tax at the statutory rate and income tax expense (benefit) was as follows:

	Year Ended December 31	
	2011	2010
Income tax expense (benefit) at statutory rate	\$ (1,436,849)	\$ 2,535,905
Tax effect on adjusting items:		
Permanent differences	(58,489)	(162,794)
Temporary differences	64,053	(68,146)
Loss carryforwards provided (used)	1,697,167	(2,074,589)
Others	(12,274)	2,279
Additional income tax under the AMT	2,784	613
Additional 10% income tax on undistributed earnings	<u>-</u>	<u>2,130</u>
Income tax payable - current	<u>\$ 256,392</u>	<u>\$ 235,398</u>

- b. Tax expense (benefit) was as follows:

	Year Ended December 31	
	2011	2010
Income tax payable - current	\$ 256,392	\$ 235,398
Overseas income tax	163,203	252,102
Deferred income tax expenses		
Temporary differences	(23,867)	7,949
Loss carryforwards	(1,788,604)	2,050,725
Adjustment to valuation allowance	889,339	(1,445,476)
Effect of tax law change on deferred income tax	309	46,532
Adjustment to prior years' taxes	(16,091)	183,745
Others	<u>(39,830)</u>	<u>38,177</u>
Income tax expense (benefit)	<u>\$ (559,149)</u>	<u>\$ 1,369,152</u>

In May 2010, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Law, which reduced a profit-seeking enterprise's income tax rate from 20% to 17%, effective January 1, 2010.

- c. Deferred income tax assets (liabilities) were as follows:

	December 31	
	2011	2010
Current		
Deferred income tax assets		
Investment tax credit	\$ 13,965	\$ -
Provision for bad debts exceeding limits	7,114	5,891
Unrealized exchange loss	4,417	33,263
Unrealized shipping fuel valuation losses	-	8,197
Others	<u>11,017</u>	<u>2,584</u>
	36,513	49,935
Deferred income tax liabilities (included under current liabilities)		
Unrealized exchange gain	<u>(542)</u>	<u>(31)</u>
Others		
	<u>\$ 35,971</u>	<u>\$ 49,904</u>

(Continued)

	December 31	
	2011	2010
Noncurrent		
Deferred income tax assets		
Loss carryforwards	\$ 2,154,776	\$ 381,083
Investment tax credit	733,218	-
Deferred pension cost	177,948	174,975
Impairment loss on financial assets carried at cost	13,564	11,802
Unrealized impairment loss on long-term leases for chartered-in vessels	-	35,347
Impairment loss on properties and miscellaneous equipment	-	6,236
Others	<u>2,904</u>	<u>176</u>
	3,082,410	609,619
Less: Valuation allowance	<u>(1,856,864)</u>	<u>(271,238)</u>
	<u>1,225,546</u>	<u>338,381</u>
Deferred income tax liabilities		
Investment income recognized on overseas equity-method investments	(1,057,279)	(1,196,463)
Differences in estimated service lives of properties	(47,140)	(2,291)
Unrealized gain on financial instruments	-	(39,772)
	<u>(1,104,419)</u>	<u>(1,238,526)</u>
	<u>\$ 121,127</u>	<u>\$ (900,145)</u>
		(Concluded)

YMTC's loss carryforwards as of December 31, 2011 comprised of:

Unused Amount	Expiry Year
\$ 2,752,795	2019
9,922,357	2021

As of December 31, 2011, Kao Ming Container Terminal Corp.'s investment tax credit composed of:

Unused Amount	Expiry Year
\$ 331,135	2014
416,048	2015

As of December 31, 2011, the years of the tax returns assessed by the tax authorities were as follows:

Company	Year
YMTC	2009
Kuang Ming	2009
Honming	2009
Jing Ming	2009
Yes Logistics	2009
Ching Ming	2009
Kao Ming	2009

d. Information about integrated income tax of YMTC and its subsidiaries was as follows:

	Balance of Imputation Credit Account (ICA)		Estimated Rates of 2011	Actual Rates of 2010
	December 31, 2011	December 31, 2010		
YMTC	<u>\$ 1,303,718</u>	<u>\$ 1,264,774</u>	-	11.06%
Kuang Ming	<u>\$ 30</u>	<u>\$ 882</u>	0.01%	0.30%
Honming	<u>\$ 5,952</u>	<u>\$ 7,161</u>	18.79%	20.71%
Jing Ming	<u>\$ 5,495</u>	<u>\$ 5,069</u>	20.53%	20.59%
Yes Logistics	<u>\$ 28,870</u>	<u>\$ 22,406</u>	-	-
Ching Ming	<u>\$ 9,490</u>	<u>\$ 6,252</u>	20.48%	-
Kao Ming	<u>\$ 86</u>	<u>\$ 46</u>	13.28%	-

YMTC and Yes Logistics had no unappropriated earnings as of December 31, 2011. Thus, the ICA balance will be accumulated until the date of dividend distribution in the future.

For distribution of earnings generated, the rates of credit from the imputed tax allocated to shareholders of YMTC and subsidiaries in ROC are based on the balance of the ICA as of the date of dividend distribution. The estimated rate of credit from the imputed tax on the 2011 earnings may be adjusted, depending on the ICA balance on the date of dividend distribution.

e. As of December 31, 2011 and 2010, YMTC had no unappropriated retained earnings generated before June 30, 1998.

25. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	Year Ended December 31, 2011			
	Operating Costs	Operating Expenses	Nonoperating Expenses and Losses	Total
Personnel expenses				
Salary	\$ 2,543,341	\$ 3,028,766	\$ -	\$ 5,572,107
Insurance	77,264	334,097	-	411,361
Pension	110,736	288,701	-	399,437
Others	<u>131,384</u>	<u>209,725</u>	<u>-</u>	<u>341,109</u>
	<u>\$ 2,862,725</u>	<u>\$ 3,861,289</u>	<u>\$ -</u>	<u>\$ 6,724,014</u>
Depreciation	\$ 6,548,119	\$ 149,326	\$ 26,241	\$ 6,723,686
Amortization	289,595	29,992	-	319,587
	Year Ended December 31, 2010			
	Operating Costs	Operating Expenses	Nonoperating Expenses and Losses	Total
Personnel expenses				
Salary	\$ 2,367,087	\$ 3,554,307	\$ -	\$ 5,921,394
Insurance	56,350	300,892	-	357,242

(Continued)

	Year Ended December 31, 2010			
	Operating Costs	Operating Expenses	Nonoperating Expenses and Losses	Total
Pension	\$ 117,499	\$ 268,235	\$ -	\$ 385,734
Others	<u>112,715</u>	<u>267,015</u>	<u>-</u>	<u>379,730</u>
	<u>\$ 2,653,651</u>	<u>\$ 4,390,449</u>	<u>\$ -</u>	<u>\$ 7,044,100</u>
Depreciation	\$ 6,714,315	\$ 382,932	\$ 28,199	\$ 7,125,446
Amortization	\$ 5,776	\$ 55,832	\$ 2,569	\$ 64,177

(Concluded)

26. EARNINGS (LOSS) PER SHARE

The numerators and denominators used in calculating earnings (loss) per share were as follows:

	<u>Amount (Numerator)</u>		Shares (Denominator) (In Thousand Shares)	<u>EPS (NT\$)</u>	
	Income Before Income Tax	Net Income (Loss)		Income Before Income Tax	Net Income (Loss)
<u>Year ended December 31, 2011</u>					
Basic EPS	\$ (10,206,125)	\$ (9,398,878)	2,818,713	<u>\$ (3.62)</u>	<u>\$ (3.33)</u>
Impact of dilutive potential common shares					
Bonus to employees	<u>-</u>	<u>-</u>	<u>-</u>		
Diluted EPS	<u>\$ (10,206,125)</u>	<u>\$ (9,398,878)</u>	<u>2,818,713</u>	<u>\$ (3.62)</u>	<u>\$ (3.33)</u>
<u>Year ended December 31, 2010</u>					
Basic EPS	\$ 12,812,544	\$ 11,787,853	2,818,713	<u>\$ 4.55</u>	<u>\$ 4.18</u>
Impact of dilutive potential common shares					
Bonus to employees	<u>-</u>	<u>-</u>	<u>6,333</u>		
Diluted EPS	<u>\$ 12,812,544</u>	<u>\$ 11,787,853</u>	<u>2,825,046</u>	<u>\$ 4.54</u>	<u>\$ 4.17</u>

The Corporation should presume that the entire amount of bonus to employees will be settled in shares and the resulting potential shares should be included in the weighted average number of shares outstanding used in the calculation of diluted EPS, if the shares have a dilutive effect. The number of shares is estimated by dividing the amount of bonus by the closing price of the shares on the balance sheet date. Such dilutive effect of the potential shares should be included in the calculation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees in their meeting in the following year. The Corporation did not consider the bonus to employee's potential shares in the calculation of diluted EPS for the year ended December 31, 2011 due to its anti-dilutive effect.

The number of shares had been retroactively adjusted for stock dividends; thus, basic EPS and diluted EPS for 2010 went down to \$4.18 and \$4.17 from \$4.60 and \$4.59.

27. DISCLOSURE FOR FINANCIAL INSTRUMENTS

a. The fair values of the Group's financial instruments were as follows:

	December 31			
	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Assets</u>				
Financial assets at fair value through profit or loss - current	\$ 897,500	\$ 897,500	\$ 1,403,493	\$ 1,403,493
Available-for-sale financial assets - current	662,690	662,690	9,692,954	9,692,954
Derivative financial assets for hedging - current	49,161	49,161	-	-
Available-for-sale financial assets - noncurrent	2,254,690	2,254,690	2,650,993	2,650,993
Financial assets carried at cost - noncurrent	425,290	-	472,515	-
Cash surrender value of life insurance	20,396	20,396	28,294	28,294
Refundable deposits	5,715,983	5,715,983	5,889,027	5,889,027
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss - current	47,136	47,136	-	-
Derivative financial liabilities for hedging - current	229	229	21,686	21,686
Long-term unsecured bank loans (including current portion)	10,450,000	10,450,000	1,000,000	1,000,000
Long-term secured bank loans (including current portion)	37,856,914	37,856,914	39,539,958	39,539,958
Bonds payable (including current portion)	15,396,490	15,524,167	20,025,210	20,156,178
Obligations under capital lease (including current portion)	11,309,179	11,309,179	11,405,058	11,405,058

Place of transaction:

Place of Transaction	December 31			
	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial asset</u>				
Domestic	\$ -	\$ -	\$ 590,213	\$ 590,213
Overseas (including foreign institutions in Taiwan)	116,388	116,388	-	-
<u>Financial liability</u>				
Domestic	47,365	47,365	-	-
Overseas (including foreign institutions in Taiwan)	-	-	21,686	21,686

b. The methods and assumptions applied in estimating fair values are as follows:

- 1) Cash, notes receivable, accounts receivable, accounts receivable from related parties, other receivables, advances to shipping agents, short-term debt, commercial paper payable, payable to related parties, accrued expenses, accounts payable, payables to shipping agents and payables to shipping agents - related parties which are not shown among the financial instruments in the table above, are recorded at their carrying values because of the short maturities of these instruments.
- 2) Fair values of financial instruments designated as at FVTPL and available-for-sale financial assets are based on their quoted prices in an active market. For those instruments with no quoted market prices, their fair values are determined using valuation techniques incorporating estimates and assumptions consistent with those generally used by other market participants to price financial instruments.

Fair values of derivatives are based on their quoted prices in an active market. For those derivatives with no quoted market prices, their fair values are determined using valuation techniques incorporating estimates and assumptions consistent with those generally used by other market participants to price financial instruments.

- 3) Financial assets carried at cost are investments in unlisted stocks which have no market value and will require an amount in excess of reasonable cost to determine fair value thus no reliable fair value was determined.
- 4) Fair values of long-term loans, long-term secured loans, long-term commercial papers and obligations under capital lease are measured at the present values of expected cash flows which are discounted at the interest rate of bank loans with similar maturities.
- 5) Refundable deposits use carrying amounts to estimate their fair market values; thus the amounts refundable approximate the carrying amounts.
- 6) The fair value of bonds is market value.

c. The fair values of financial assets and financial liabilities, based on quoted prices or valuation technique, were as follows:

	Quoted Price		Estimated Price	
	December 31		December 31	
	2011	2010	2011	2010
<u>Assets</u>				
Financial assets at fair value through profit or loss - current	\$ 830,273	\$ 813,280	\$ 67,227	\$ 590,213
Available-for-sale financial assets - current	662,690	9,692,954	-	-
Available-for-sale financial assets - noncurrent	2,254,690	2,650,993	-	-
Derivative financial assets for hedging - current	-	-	49,161	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss	-	-	47,136	-
Derivative financial liabilities for hedging - current	-	-	229	21,686
Bonds payable	15,524,167	20,156,178	-	-

- d. Net gain (loss) on changes in the fair value determined by using valuation technique was \$19,877 thousand and \$(5,960) thousand for the years ended December 31, 2011 and 2010, respectively.
- e. Financial assets and liabilities affected by interest rate were as follows:

	December 31			
	2011		2010	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
<u>Risk of interest rate change</u>				
Fair value risk	\$ 3,245,663	\$ 32,364,586	\$ 2,841,766	\$ 25,427,316
Cash flow risk	12,927,706	48,905,060	16,044,618	47,590,973

f. Information about financial risks

1) Market risk

Financial instruments held by the Corporation are mainly quoted stocks and mutual funds. Although these financial instruments are subject to fluctuation of market price, the Corporation's observance of proper procedures when investing in marketable securities for trading purpose helps the Corporation avoid significant risk.

For the years ended December 31, 2011 and 2010, the interest rate swap contracts held by YMTC were for nontrading purposes, i.e., to hedge overall fluctuations on interest rates. YMTC uses interest rate swap contracts with gains or losses that offset the gains or losses on floating interest-bearing liabilities. Through these contracts, YMTC hedges most of the risks in the market. In addition, YMTC evaluates the hedging effectiveness of the contracts periodically.

The contract will be settled at net or nominal amounts. Thus the change in fair value of this contract due to change in market interest rate should not cause additional risk for YMTC. As of June 30, 2011, the interest swap contracts had been settled.

To control the risk of the derivative financial instruments for trading purpose, YMTC sets the maximum loss limit on its derivative trading and periodically evaluates the market risk of the outstanding contracts to avoid losses that could significantly impact YMTC's operation.

YMTC uses stock price-linked and interest rate-linked principal guaranteed notes to earn higher investment income. YMTC chooses commodities highly correlated to stock prices and commercial paper interest rates. YMTC arranges to receive more than original investment amounts on the settlement date, thus market risk is not significant.

YMTC uses credit-linked instruments for trading purposes to earn higher interest income. YMTC chooses commodities highly correlated to interest rates. YMTC's observance of proper procedures when buying contracts for trading purposes helps control the market risk.

YMTC's purpose for trading crude oil swap and oil swap option is to reduce the cost burden from oil price increase or the price risk of other hedging instruments. The purpose of YMTC's hedge strategy is to transfer the crude oil market risk. YMTC evaluates the risk exposure and hedge position weekly periodically. The hedging instruments will be settled in cash. When oil price goes down (up), YMTC's bunker cost burden will go down (up) as well to offset the possible hedge position loss (gain). Therefore, the market risk exposure of YMTC should be limited and controllable.

YMTC's purpose for foreign currency derivative trading is to manage the exchange rate risk of foreign currency. By engaging in forward exchange or foreign exchange option, when exchange rate is lower than strike price, YMTC can sell foreign currency at a higher price or rely on premiums to offset a portion of exchange loss; when exchange rate is higher than strike price, the translation will result in exchange loss, but the loss will be offset by exchange gain derived from cash position.

The foreign exchange risk of the Corporation's monetary assets and liabilities is mainly controlled by natural hedge. With symmetrical and diversified assets and liabilities of each foreign currency, the currency evaluation effect of the aforesaid position could be broadly offset mutually.

2) Credit risk

The Corporation and subsidiaries are exposed to credit risk on counterparties' default on contracts. The maximum exposure to credit risk is equal to book value. The Corporation and subsidiaries conduct transactions only with selected financial institutions and corporations with good credit ratings. Thus, management does not anticipate any material loss resulting from default on contracts.

3) Liquidity risk

YMTC entered into interest rate swaps and crude oil swaps to hedge cash flow risks. The interest rate swap contracts are settled at net amounts; thus, the expected cash demand is not significant.

The Corporation and subsidiaries invested in marketable equity securities, mutual funds and bonds fund that have quoted prices in an active market and could be sold immediately at prices close to fair value. However, the Corporation and subsidiaries also invested in unlisted common stock, stock with no quoted market prices and equity instruments with no quoted prices in an active market; thus, these investments could expose the Corporation and subsidiaries to material liquidity risks.

4) Cash flow risk on interest rate

The Corporation and subsidiaries' demand deposits, time deposits, short-term loans, long-term loans and bonds have floating interest rates. Effective rate and future cash flow of the Corporation and subsidiaries will fluctuate as a result of changes in market interest rate.

g. Cash flow hedge

YMTC's floating-rate liabilities and costs of shipping fuel will fluctuate as a result of changes in market rate, and this will cause material risks. In order to hedge risks, YMTC signed exchange rate and crude oil swap contracts.

As of December 31, 2011, the interest rate swap contracts had been settled.

December 31, 2010

Hedged Items	Designated Hedging Instruments			Fair Value	Expected Period of Cash Flows	Expected Period for Realization of Gains or Losses
	Financial Instruments Designated	Contract Amount	Unsettled Amount			
Bonds with floating interest rate	Interest rate swap	\$(1,000,000)	\$(1,000,000)	\$ (21,686)	June 18, 2004 - June 18, 2011	June 18, 2004 - June 18, 2011

YMTC entered into crude oil swap and oil swap option contracts. The contracts were settled in amounts that ranged from US\$1,722 thousand to US\$1,845 thousand every month for the year ended December 31, 2011.

As of December 31, 2011, crude oil swap and oil swap option contracts were as follows:

December 31, 2011

Hedged Items	Designated Hedging Instruments			Fair Value	Expected Period of Cash Flows	Expected Period for Realization of Gains or Losses
	Instruments Designated	Contract Amount	Unsettled Amount			
Oil forecast transaction	Oil swap	US\$ 80,700 thousand	US\$ 64,323 thousand	\$ 48,932	February 1, 2011 - December 31, 2012	February 1, 2011 - December 31, 2012

h. Reclassifications

On July 1, 2008, YMTC and Ching Ming Investment Corp. reclassified its financial assets in accordance with the amended SFAS No. 34, "Financial Instruments: Recognition and Measurement". The fair values at the reclassification date were as follows:

	Before Reclassification	After Reclassification
Financial assets at fair value through profit or loss - current	\$ 2,377,600	\$ 1,118,330
Available-for-sale financial assets - current	<u>611,000</u>	<u>1,870,270</u>
	<u>\$ 2,988,600</u>	<u>\$ 2,988,600</u>

In view of the Corporation's intention of not selling the abovementioned financial assets held for trading within a short period of time as a result of the economic instability and deterioration of the world's financial markets that has occurred during the year of 2008, the Corporation reclassified these held for trading financial assets to available-for-sale financial assets.

The carrying amounts and fair values of the reclassified financial assets (excluding those that had been derecognized) as at December 31, 2011 and 2010 were as follows:

	December 31			
	2011		2010	
	Book Value	Fair Value	Book Value	Fair Value
Available-for-sale financial assets	\$ 264,781	\$ 264,781	\$ 413,691	\$ 413,691

The gains or losses recorded for the reclassified financial assets (excluding those that had been derecognized before December 31, 2011 and 2010) for the years ended December 31, 2011 and 2010 and the pro forma gains or losses assuming no reclassifications had been made were as follows:

	Year Ended December 31			
	2011		2010	
	Gains (Losses) Recorded	Pro Forma Gains (Losses)	Gains (Losses) Recorded	Pro Forma Gains (Losses)
Available-for-sale financial assets	\$ (147,106)	\$ (114,072)	\$ -	\$ (16,997)

28. RELATED-PARTY TRANSACTIONS

More than half of YMTC's directors in the board were appointed by the major shareholder, MOTC. Trading conditions are not specifically modified in the transactions between YMTC and those directly or indirectly owned or controlled by MOTC. Furthermore, apart from the transactions that had been disclosed, YMTC does not compile and summarize any other transactions.

a. The Group's related parties and their relationships were as follows:

<u>Related Party</u>	<u>Relationship with the Group</u>
Yang Ming (Vietnam) Corp.	Equity-method investee
Yang Ming (U.A.E) LLC.	Equity-method investee
Yang Ming Shipping (Egypt) S.A.E.	Equity-method investee
Corstor Ltd.	Equity-method investee
Formosa International Development Corp.	Equity-method investee
West Basin Container Terminal LLC	Equity-method investee
Yang Ming Cultural Foundation	YMTC's donation is equal to foundation's capital
Leader Container Transportation Co., Ltd.	The Corporation's supervisor is Jing Ming's Chairman
Marine Container Services South P. Ltd.	The Corporation is a major shareholder of Yang Ming Lind (India) Pvt. Ltd.
Marine Container Services India P. Ltd.	The Corporation is a major shareholder of Yang Ming Lind (India) Pvt. Ltd.
Bay Container Terminal PVT. Ltd.	The Corporation is a major shareholder of Yang Ming Lind (India) Pvt. Ltd.
Unicorn Enterprises	The Corporation is a major shareholder of Yang Ming Lind (India) Pvt. Ltd.
B.L.A. B.V.	The Corporation is a major shareholder of Yang Ming Lind (Belgium) Pvt. Ltd.
Taiwan Navigation Co., Ltd.	More than half of the directors are identical

b. Except as disclosed in Note 30, Schedules C and D, the following is a summary of significant related-party transactions:

	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>For the year ended</u>				
Operating revenues				
Taiwan Navigation Co., Ltd.	\$ 193,087	-	\$ 102,940	-
West Basin Container Terminal LLC	7,934	-	8,577	-
Marine Container Services India P. Ltd.	2,065	-	1,526	-
Leader Container Transportation Co., Ltd.	168	-	-	-
Marine Container Service South P. Ltd.	<u>-</u>	<u>-</u>	<u>57</u>	<u>-</u>
	<u>\$ 203,254</u>	<u>-</u>	<u>\$ 113,100</u>	<u>-</u>

	2011		2010	
	Amount	%	Amount	%
Operating costs				
West Basin Container Terminal LLC	\$ 2,704,502	2	\$ 2,411,123	2
Leader Container Transportation Co., Ltd.	496,817	1	470,445	1
Taiwan Navigation Co., Ltd.	321,380	-	183,323	-
Yang Ming (U.A.E.) LLC	56,985	-	63,224	-
Yang Ming Shipping (Egypt) S.A.E.	51,813	-	45,472	-
Yang Ming (Vietnam) Corp.	44,073	-	46,554	-
Marine Container Services India P. Ltd.	18,979	-	15,654	-
Marine Container Service South P. Ltd.	-	-	1,519	-
	<u>\$ 3,694,549</u>	<u>3</u>	<u>\$ 3,237,314</u>	<u>3</u>
Operating expenses				
Yang Ming Cultural Foundation	\$ 39,640	1	\$ 33,868	1
Unicorn Enterprises	10,964	-	4,764	-
Bay Container Terminal Pvt. Ltd.	2,317	-	1,963	-
Marine Container Service South P. Ltd.	-	-	6,405	-
	<u>\$ 52,921</u>	<u>1</u>	<u>\$ 47,000</u>	<u>1</u>
Rent income				
Yang Ming Cultural Foundation	\$ 3,429	-	\$ 2,857	-
Interest income				
Yang Ming (U.A.E) LLC	\$ -	-	\$ 27	-
Others				
Yang Ming Shipping (Egypt) S.A.E.	\$ 13,132	-	\$ -	-
Corstor Ltd.	2,852	-	-	-
Leader Container Transportation Co., Ltd.	19	-	-	-
	<u>\$ 16,003</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>

The Corporation sold 900,000 shares of Kuang Ming Shipping Corp. based on its net assets to president, manager, vice manager, director and director's spouse in April and July 2010. The disposal price is NT\$30.6 per share. The Corporation recognized gain on disposal amounting to \$4,858 thousand. The proceeds have been received.

	2011		2010	
	Amount	%	Amount	%
<u>December 31</u>				
Notes receivable from related parties				
Leader Container Transportation Co., Ltd.	\$ -	-	\$ 10	-
Accounts receivable from related parties				
Yang Ming (Vietnam) Corp.	\$ 46,770	67	\$ 3,890	7
Yang Ming (U.A.E) LLC	15,971	23	55,010	92
Yang Ming Shipping (Egypt) S.A.E.	7,378	10	-	-
West Basin Container Terminal LLC	-	-	661	1
Others	-	-	20	-
	<u>\$ 70,119</u>	<u>100</u>	<u>\$ 59,581</u>	<u>100</u>

	2011		2010	
	Amount	%	Amount	%
Other receivables from related parties (included in other current assets)				
Marine Container Services India P. Ltd.	\$ 32,706	6	\$ 16,136	4
Formosa International Development Corporation	9,570	2	-	-
Marine Container Service South P. Ltd.	1,613	-	1,475	-
Taiwan Navigation Co., Ltd.	130	-	341	-
Yang Ming Line (Egypt) Pvt. Ltd.	-	-	14,279	4
Yang Ming (U.A.E) LLC	-	-	1,972	-
Leader Container Transportation Co., Ltd.	-	-	3	-
	<u>\$ 44,019</u>	<u>8</u>	<u>\$ 34,206</u>	<u>8</u>
Advances to shipping agents				
Yang Ming Line (Egypt) Pvt. Ltd.	<u>\$ 232,082</u>	<u>41</u>	<u>\$ 220,738</u>	<u>37</u>
Notes payable				
Leader Container Transportation Co., Ltd.	<u>\$ 354</u>	<u>-</u>	<u>\$ 281</u>	<u>-</u>
Payable to related parties				
Leader Container Transportation Co., Ltd.	\$ 107,558	81	\$ 91,001	47
Taiwan Navigation Co., Ltd.	23,335	18	43,156	23
Marine Container Services India P. Ltd.	928	1	2,865	1
Bay Container Terminal P. Ltd.	293	-	441	-
West Basin Container Terminal LLC	-	-	54,054	28
Marine Container Services South P. Ltd.	-	-	1,161	1
Corstor Ltd.	-	-	1,158	-
	<u>\$ 132,114</u>	<u>100</u>	<u>\$ 193,836</u>	<u>100</u>
Payable to shipping agents-related parties				
Yang Ming (Vietnam) Corp.	\$ 32,930	38	\$ 38,193	26
Yang Ming (U.A.E) LLC.	26,603	33	87,179	59
Yang Ming Line (Egypt) Pvt. Ltd.	<u>24,191</u>	<u>29</u>	<u>22,327</u>	<u>15</u>
	<u>\$ 83,724</u>	<u>100</u>	<u>\$ 147,699</u>	<u>100</u>

The financing provided by the related parties were as follows:

	Maximum Balance for the Period	Ending Balance	Interest Rate	Interest Expense	Interest Payable	Pledge
<u>2010</u>						
Long-term debts						
B.L.A.B.V	<u>\$ 4,277</u>	<u>\$ -</u>	3.5%	<u>\$ -</u>	<u>\$ -</u>	None

The payment term was in accordance with “The Accounting Procedures of the Shipping Agents” or the local business practices of the related parties.

The transactions with related parties were conducted under contract terms.

YMTC's compensation of directors, supervisors and management personnel:

	<u>Year Ended December 31</u>	
	<u>2011</u>	<u>2010</u>
Salaries	\$ 27,062	\$ 20,798
Incentives	17,930	6,316
Bonus	<u>-</u>	<u>2,538</u>
	<u>\$ 44,992</u>	<u>\$ 29,652</u>

29. ASSETS PLEDGED OR MORTGAGED

The following assets had been pledged as collaterals for long-term bank loans, bonds and credit lines:

	<u>December 31</u>	
	<u>2011</u>	<u>2010</u>
Properties, net	\$ 53,133,532	\$ 46,713,830
Intangible assets - franchise	9,678,832	9,572,094
Refundable deposits	5,319,556	5,492,735
Assets leased to others, net	1,408,434	1,417,467
Pledged time deposits (included in other assets - miscellaneous)	22,000	12,750
Restricted time deposit (included in other current assets)	<u>365</u>	<u>300</u>
	<u>\$ 69,562,719</u>	<u>\$ 63,209,176</u>

30. COMMITMENTS AND CONTINGENT LIABILITY

In addition to those mentioned in Schedule D, commitments and contingent liability as of December 31, 2011 were as follows:

- a. Obligations of YMTC to provide crew to two ships of Taiwan Power Company, Ltd. under contracts expiring on various dates by November 2012. The daily compensation under the contracts is \$144 thousand for the crew. The payment was received monthly.

Kuang Ming Shipping Corp. signed a contract, "the charter party for collier in Pacific route", with Taiwan Power Company, Ltd. since June 2009. The contract provides YM Cultivation (a ship of Kuang Ming) as collier and will expire until June 2012. Kuang Ming has deposited \$10,000 thousand as guarantee fund.

- b. Leases of office premises, ships, containers and container yard of the Group under operating lease agreements that will expire on various dates until May 2030. The rentals are paid monthly or quarterly, and the Corporation has deposited \$321,486 thousand as guarantee fund. The total rental for the year ended December 31, 2011 was \$15,251,167 thousand, and future minimum rentals are as follows:

Fiscal Year	Amount
2012	\$ 12,245,428
2013	11,701,414
2014	10,542,083
2015	9,431,220
2016	9,053,147

Rentals after 2017 amount to \$20,800,482 thousand. The present value of those rentals, computed at an annual interest rate of 1.355%, is \$18,996,109 thousand.

On May 7, 2010, YM UK terminated and canceled time-charter contracts with Danaos Corporation signed in 2007. YM UK agreed to pay reimbursement of US\$12,600 thousand (included in nonoperating expenses and losses - compensation loss). The compensation has been paid off as of August 9, 2010.

- c. Leases of vessels, containers and chassis of the Group under capital lease agreements expiring on various dates until August 2028. The total rental and interests for the year ended December 31, 2011 were \$993,289 thousand (deducted from leases payable). Future minimum rentals are as follows:

Fiscal Year	Amount
2012	\$ 1,124,761
2013	1,159,629
2014	1,170,167
2015	1,162,137
2016	1,180,163

Rentals after 2017 amount to \$12,695,291 thousand. The present value of those rentals, computed at an annual interest rate of 1.355%, is \$11,118,853 thousand.

- d. The subsidiaries signed ship lease contracts under operating lease. Future rentals are as follows:

Fiscal Year	Amount
2012	\$ 1,444,763
2013	758,132
2014	515,412
2015	217,772
2016	41,575

- e. Guarantees of ship-building agreement, and loans obtained for and operating needs of subsidiaries and investee companies accounted for using equity method were as follows:

Company Name	Nature of Relationship	Guarantee Amount (Thousands)
Yang Ming (America) Corp.	Subsidiary	US\$ 5,000
All Oceans Transportation Inc.	Subsidiary	US\$ 220,455
Yang Ming (Liberia) Corp.	Subsidiary	US\$ 644,170
Kuang Ming (Liberia) Corp.	Subsidiary	US\$ 178,522
		JPY 6,912,000
Kao Ming Container Terminal Corp.	Subsidiary	NT\$ 1,500,000
United Terminal Leasing LLC	Equity-method investee	US\$ 10,673
West Basin Container Terminal LLC	Equity-method investee	US\$ 24,800
Olympic Container Terminal LLC	Subsidiary	US\$ 5,000

- f. Yang Ming Line Holding Co.'s guarantee of loan for West Basin Container Terminal LLC, an equity-method investee, amounted to US\$320 thousand.
- g. Yang Ming Line (B.V.I.) Holding Co., Ltd.'s guarantee of loan for Yang Ming (UK) Corp. amounted to GBP \$60 thousand.

- h. AOT's guarantee of loan for YMTC amounted to \$12,466,000 thousand and pledged ships as collateral.
- i. Kuang Ming Shipping Corp's guarantee of loan for Kuang Ming (Liberia) Corp. amounted to JPY4,716,000 thousand and US\$27,000 thousand.
- j. Kuang Ming (Liberia) Corp.'s guarantee of loan for Kuang Ming Shipping Corp. amounted to US\$6,000 thousand and NT\$600,000 thousand.
- k. The Corporation and AOT signed a contract with CSBC Corporation, Taiwan for construction of eleven ships that amount to US\$1,053,108 thousand. As of December 31, 2011, the Corporation paid NT\$4,457,900 thousand. For business strategy, AOT had an agreement with CSBC on March 21, 2012 to postpone the delivery date of five ships by 10 to 16 months.
- l. Kuang Ming (Liberia) Corp. bought tramp business department from AOT on September 30, 2008. Consequently, a contract regarding six tramp ships signed by AOT, Tsuneishi Corporation, Japan and Universal Shipbuilding Corporation has been transferred to Kuang Ming (Liberia) Corp. The contract value is JPY24,250,000 thousand. AOT has paid JPY5,236,000 thousand as of September 30, 2008. Kuang Ming Shipping Corp. and Kuang Ming (Liberia) Corp paid JPY12,359,457 thousand. All the three subsidiaries have paid JPY17,595,457 thousand in total as of December 31, 2011.
- m. Kao Ming Container Terminal Corp., a subsidiary of the Corporation, signed engineering and technical services contract on various dates during 2007 to 2011. As of December 31, 2011, the details of executor contact were as follows.

Project	Total Contract Amount (Tax Included)	Amount Paid (Tax Excluded)
Wharf	\$ 167,650	\$ 57,991
Computer and software	<u>7,887</u>	<u>-</u>
	<u>\$ 175,537</u>	<u>\$ 57,991</u>

31. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The Group's reportable segments under SFAS No. 41 are marine cargo transportation department, tramp business department, wharf business department and other departments. The Group decided not to restate the segment information for the year ended December 31, 2010 because of high cost of doing the restatement.

a. Segment revenues and results

The analysis of the Group's revenue and results from continuing operations by reportable segment was as follows:

	2011					
	Marine Cargo Transportation Department	Tramp Department	Wharf Department	Other Departments	Adjustment and Eliminations	Combined
Sales to customers	\$ 111,701,113	\$ 2,877,396	\$ 770,689	\$ 3,205,761	\$ -	\$ 118,554,959
Intercompany sales	<u>617,840</u>	<u>843</u>	<u>1,595,780</u>	<u>1,981,386</u>	<u>(4,195,849)</u>	<u>-</u>
Total revenue	<u>\$ 112,318,953</u>	<u>\$ 2,878,239</u>	<u>\$ 2,366,469</u>	<u>\$ 5,187,147</u>	<u>\$ (4,195,849)</u>	<u>\$ 118,554,959</u>

(Continued)

	Marine Cargo Transportation Department	Tramp Department	Wharf Department	Other Departments	Adjustment and Eliminations	Combined
Segment operating income (loss)	\$ (11,508,602)	\$ 445,943	\$ 431,335	\$ 309,434	\$ 47,803	\$ (10,274,087)
Administration cost						(290,257)
Investment income recognized under equity method						212,710
Rent income						109,637
Interest income						139,596
Gain on disposal of properties						1,172,994
Gain on sale of investments						417,003
Valuation loss on financial instruments						(270,635)
Exchange gain						150,816
Interest expenses						(1,643,014)
Others						420,802
Continuing operation loss before tax expense						\$ (9,854,435)

(Concluded)

b. Segment profit

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' compensation, investment income or loss recognized under the equity method, gain or loss on disposal of investments under equity method, rent income, interest income, gain or loss on disposal of properties, gain or loss on sale of investments, exchange gain or loss, valuation gain or loss on financial assets, interest expense and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

c. Segment assets

Because reportable segments do not regularly report measures to the chief operating decision maker, measure of segment assets is zero.

d. Geographical information

The Group operates in four principal geographical areas - Domestic, America, Europe and Asia.

The Group's continuing operation revenues and information about its non-current assets by geographical location are detailed below. Certain information on ships and construction in process is not available based on geographical locations because they are running business all over the world.

	Revenue From External Customers Year Ended December 31, 2011	Noncurrent Assets December 31, 2011
Domestic	\$ 4,127,935	\$ 17,474,036
America	49,515,675	56,561
Europe	36,813,835	37,376
Asia	28,007,286	367,576
Others	90,228	10,158
	<u>\$ 118,554,959</u>	<u>17,945,707</u>
Containers		9,180,923
Ships and construction in process		<u>67,805,164</u>
		<u>\$ 94,931,794</u>

Noncurrent assets excluded those classified as financial assets, deferred tax assets, deferred pension costs and assets arising from insurance contracts.

e. Critical customer

No single customer accounted for at least 10% of the Group's total operating revenues.

32. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

The significant financial assets and liabilities denominated in foreign currencies were as follows.

	Year Ended December 31					
	2011			2010		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>						
Monetary items						
GBP	\$ 121,875	46.6920	\$ 5,690,587	\$ 126,163	45.1553	\$ 5,696,928
USD	135,071	30.29	4,091,290	297,968	29.14	8,682,801
EUR	19,021	39.1044	743,811	12,311	38.9398	479,396
JPY	1,136,097	0.3901	443,230	1,089,117	0.3582	390,176
RMB	71,092	4.8120	342,094	90,757	4.4213	401,288
INR	202,045	0.5679	114,745	221,899	0.6500	144,246
MYR	11,939	9.5417	113,922	20,701	9.4503	195,721
THB	117,069	0.9585	112,216	277,356	0.9705	269,181
HKD	25,726	3.8989	100,304	59,959	3.7486	224,864
AUD	1,103	30.7231	33,873	8,236	29.6907	244,523
SGD	985	23.2785	22,926	2,865	22.7124	65,175
KRW	658,535	0.0261	17,208	3,706,945	0.0260	96,436
TRY	600	15.7851	9,471	8,998	18.80	169,159
Nonmonetary items						
USD	7,443	30.29	225,453	2,180	29.14	63,534
EUR	2,594	39.1044	101,424	56	38.9398	2,169
GBP	1,719	46.6920	80,249	146	45.1553	6,614
JPY	4,962	0.3901	1,935	-	-	-
Investments accounted for using equity method						
USD	38,245	30.29	1,158,449	33,730	29.14	982,895
RMB	74,568	4.8120	358,819	72,793	4.4213	321,884
AED	4,485	8.2469	36,988	3,261	7.9338	25,891
EGP	7,660	5.0226	38,472	5,009	5.0155	25,122
VND	3,702,064	0.0014	5,331	8,039,094	0.0015	12,015
GBP	151	46.6920	7,028	165	45.1553	7,469
<u>Financial liabilities</u>						
Monetary items						
USD	922,048	30.29	27,928,828	954,432	29.14	27,812,148
GBP	109,658	46.6920	5,120,151	124,303	45.1553	5,612,939
RMB	144,203	4.8120	693,904	38,448	4.4213	170,011
JPY	1,294,882	0.3901	505,177	658,895	0.3582	236,049
EUR	10,160	39.1044	397,315	5,633	38.9398	219,344
HKD	70,346	3.8989	274,269	33,896	3.7486	127,110
KRW	5,094,865	0.0261	133,135	4,646,640	0.0260	120,862
MYR	9,958	9.5417	95,019	7,530	9.4503	71,228
THB	90,483	0.9585	86,732	47,238	0.9705	45,845

(Continued)

	Year Ended December 31					
	2011			2010		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
INR	\$ 103,449	0.5679	\$ 58,751	\$ 72,401	0.6500	\$ 47,061
AED	6,023	8.0771	48,648	9,693	7.7705	75,323
SAR	3,217	8.2469	26,526	1,958	7.9338	86,938
BDT	42,065	0.3702	15,571	121,283	0.4129	50,077
TRY	237	15.7851	3,742	2,823	18.80	53,073
Nonmonetary items						
USD	8	30.29	229	-	-	-

(Concluded)

33. PRE-DISCLOSURE FOR ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

- a. Under Rule No. 0990004943 issued by the Financial Supervisory Commission (FSC) on February 2, 2010, the Group's pre-discloses the following information on the adoption of International Financial Reporting Standards (IFRSs) as follows:

On May 14, 2009, the FSC announced the "Framework for Adoption of International Financial Reporting Standards by Companies in the ROC." In this framework, starting 2013, companies with shares listed on the TSE or traded on the Taiwan GreTai Securities Market or Emerging Stock Market should prepare their financial statements in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, Interpretations and related guidance translated by the ARDF and issued by the FSC. To comply with this framework, the Group has set up a project team and made a plan to adopt the IFRSs. Leading the implementation of this plan is Director Dannis Lee. The main contents of the plan, anticipated schedule and status of execution as of December 31, 2011 were as follows:

Contents of Plan	Responsible Department	Status of Execution
1) Establish the IFRSs task force	Administration department, accounting department	Completed
2) Established IFRSs project team	Accounting department	Completed
3) Established the training plan	Accounting department, human resource department	Completed
4) Identify the difference between ROC GAAP and IFRSs	Accounting department	Completed
5) Identify the consolidated entities under IFRSs	Accounting department	Completed
6) Evaluate optional exemptions under IFRS 1	Accounting department	Completed
7) Evaluate the possible impact on information system	IT department, accounting department	Completed
8) Evaluate the possible modification of internal control systems	Administration department, accounting department	Completed

(Continued)

Contents of Plan	Responsible Department	Status of Execution
9) Select accounting policy under IFRSs	Accounting department	Completed
10) Select optional exemptions under IFRS 1	Accounting department	Completed
11) Prepare the opening balance sheet in conformity with IFRSs	Accounting department	In progress
12) Prepare comparative financial information under IFRSs for 2012	Accounting department	In progress
13) Complete modification to the relevant internal controls (including process of financial reports and information system)	Accounting department	Completed

(Concluded)

- b. As of December 31, 2011, the material differences between the existing accounting policies and the accounting policies to be adopted under IFRSs were as follows:

Accounting Issue	Description
Recognition of container revenue and costs	Cargo revenues are recognized using the completion of voyage method. Under IFRSs, cargo revenues and related costs shall be recognized by reference to the stage of completion of the transaction at the end of the reporting period. If the outcome of the transaction causes losses, the losses shall be recognized immediately.
Accumulated compensated absences	Under ROC GAAP, the Group did not recognize unused accumulated compensated absences as expense; under IFRSs, when employees render services that increase their entitlement to future compensated absences, the Group should recognize accumulated compensated absences as expenses on the reporting date.
Recognition and measurement of pension	<p>1) Under ROC GAAP, unrecognized actuarial gains or losses are amortized as expenses and not directly recognized in equity; under IFRSs, unrecognized gains or losses are directly recognized in other comprehensive income, included in retained earnings under statement of equity and cannot be reclassified into profit in the following period.</p> <p>2) Under ROC GAAP, discount rate should consider the following factors: (a) long-term average of interest rates adopted by the institution designated to have custody of and to manage the pension fund; (b) rates of return on relatively high quality fixed income investments currently available and expected to be available until maturity of the pension benefits. Under IFRSs, it should be determined by reference to market yields at the end of reporting period on high quality corporate bonds.</p>

(Continued)

Accounting Issue	Description
Gain on sale and leaseback under operating lease	Under ROC GAAP, disposal gain or loss should be recognized or deferred based on the present value of rental on the portion of leaseback compared with the asset's fair value. Under IFRSs, when the transaction is at fair value, any profit or loss should be recognized immediately.
Recognition of restoration cost under operating lease	Under IFRSs, when the Group has obligation to restore the assets to the original status at the end of lease term, the Group should recognize provision at the beginning of lease term and amortize over the lease period.
Partial disposal of interest in subsidiary	Under ROC GAAP, the difference between the selling price and carrying amount of the investment should be recognized as a disposal gain or loss. The related addition paid-in capital and other items of stockholder's equity are transferred proportionally to current profit and loss. Under IFRSs, changes in the Group's interest in a subsidiary that do not result in actual loss are accounted for as equity transactions.
Functional currency	There is no hierarchy of indicators under ROC GAAP. Under IAS 21 "The Effects of Changes in Foreign Exchange Rate", in the determination of functional currency, primary indicators should be considered in the first place and additional evidence may be provided.
Franchise	Under ROC GAAP, private companies in a build-operate-transfer contract should recognize the construction cost as cost of franchise. Cost of franchise should be amortized over the assigned operating period, from the completion of construction and the beginning of operation. Upon expiration of the contract or operating period, the cost of franchise and related accumulated amortization should be removed from the accounts. Under IFRSs, because the operator does not have the right to control the use of the assets and arrangements do not fall within the scope of IFRIC 12, franchise that was originally under intangible assets will be reclassified to advances on long-term rent agreements.
Investment property	Under IFRSs, investment property is land or buildings held to earn rentals or for capital appreciation or both. The Group should reclassify assets leased to others and nonoperating assets to investment property.
Classification of deferred tax assets and liabilities and deferred tax assets valuation allowance	1) Under ROC GAAP, classification as current and noncurrent is based on the classification of the underlying asset or liability. However, if a deferred tax asset or liability does not relate to an asset or liability in the financial statements, then it is classified as either current or noncurrent on the basis of expected length of time before it is realized or settled. Under IFRSs, classification of deferred tax assets and liabilities is always noncurrent.

(Continued)

Accounting Issue	Description
	<p>2) Under ROC GAAP, valuation allowance is provided to the extent that it is more likely than not that referred income tax assets will not be realized. Under IFRSs, deferred tax assets are recognized only if realization of tax benefit is “probable”. Also, valuation allowance is not used in IAS 12.</p> <p style="text-align: right;">(Concluded)</p>

Some items presented in the above table may not cause material effects because of IFRS 1 optional exemptions.

- c. The Group has prepared the above assessments in accordance with (a) the 2010 version of the IFRSs translated by the ARDF and issued by the FSC and (b) the Guidelines Governing the Preparation of Financial Reports by Securities Issuers amended and issued by the FSC on December 22, 2011. These assessments may be changed as the FSC may issue new rules governing the adoption of IFRSs, and as other laws and regulations may be amended to comply with the adoption of IFRSs. Actual results may differ from these assessments.

34. ADDITIONAL DISCLOSURES

Following are the additional disclosures required by the Securities and Futures Bureau for the Corporation and its investees.

- a. Financing provided: Please see Schedule C attached;
- b. Endorsement/guarantee provided: Please see Schedule D attached;
- c. Marketable securities held: Please see Schedule E attached;
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$100 million or 20% of the paid-in capital: Please see Schedule F attached;
- e. Acquisition of individual real estate properties at costs of at least NT\$100 million or 20% of the paid-in capital: None;
- f. Disposal of individual real estate properties at prices of at least NT\$100 million or 20% of the paid-in capital: None;
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None;
- h. Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please see Schedule G attached;
- i. Names, locations, and related information of investees on which the Corporation exercises significant influence: Please see Schedule H attached;
- j. Information about derivatives of investees over which the Corporation has a controlling interest: None;

k. Information on investment in Mainland China

- 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, equity in the net gain or net loss, ending balance, amount received as dividends from the investee, and the limitation on investment: Please see Schedule I attached.
 - 2) Significant direct or indirect transactions with the investees, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports: None.
- l. Significant transactions between YMTC and its subsidiaries for the years ended December 31, 2011 and 2010: Please see Schedule J and K.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES**OVERSEAS DEPOSITS
DECEMBER 31, 2011**

Country	Currency	Foreign-currency Amount (Thousands)	New Taiwan Dollar Exchange Rate	New Taiwan Dollar Amount (Thousands)
Japan	USD	\$ 2	30.29	\$ 55
	JPY	729,741	0.3901	284,694
Hong Kong	USD	1,586	30.29	48,053
	HKD	21,297	3.8989	83,036
	RMB	19,374	4.8120	93,229
United States	USD	12,594	30.29	381,477
Belgium	EUR	120	39.1044	4,690
Indonesia	USD	2	30.29	58
Malaysia	USD	5	30.29	159
	MYR	2,904	9.5417	27,704
Britain	USD	80	30.29	2,437
	GBP	458	46.692	21,366
Germany	USD	1	30.29	38
	EUR	1,773	39.1044	69,323
Philippines	USD	32	30.29	984
	PHP	5,025	0.6909	3,472
Singapore	USD	20	30.29	618
	SGD	538	23.2785	12,513
India	INR	72,322	0.5679	41,073
Thailand	THB	112,182	0.9585	107,530
Korea	USD	1,630	30.29	49,368
	KRW	426,164	0.0261	11,136
Canada	USD	105	30.29	3,177
	CAD	16	29.6670	479
Australia	USD	10	30.29	289
	AUD	840	30.7231	25,804
Dubai	AED	3,969	8.2469	32,729

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES**OVERSEAS DEPOSITS
DECEMBER 31, 2010**

Country	Currency	Foreign-currency Amount (Thousands)	New Taiwan Dollar Exchange Rate	New Taiwan Dollar Amount (Thousands)
Japan	USD	\$ 6	29.14	\$ 166
	JPY	258,347	0.3582	92,553
Hong Kong	USD	2,321	29.14	67,630
	HKD	4,071	3.7486	15,260
	RMB	10,003	4.4213	44,226
United States	USD	8,880	29.14	258,765
Belgium	EUR	370	38.9398	14,419
Indonesia	USD	25	29.14	729
Malaysia	USD	162	29.14	4,716
	MYR	12,280	9.4503	116,050
Britain	USD	232	29.14	6,761
	GBP	800	45.1553	36,122
Germany	USD	52	29.14	1,506
	EUR	894	38.9398	34,820
Philippines	USD	33	29.14	947
	PHP	5,842	0.6667	3,895
Singapore	USD	17	29.14	501
	SGD	1,514	22.7124	34,381
India	INR	108,510	0.6501	70,541
Thailand	THB	93,675	0.9705	90,913
Korea	USD	1,355	29.14	39,490
	KRW	1,237,167	0.0260	32,176
Canada	USD	23	29.14	673
	CAD	389	29.1546	11,333
Australia	USD	32	29.14	919
	AUD	930	29.6907	27,623

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED

DECEMBER 31, 2011

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financier	Borrower	Financial Statement Account	Maximum Balance for the Year (Note C)	Ending Balance (Note C)	Interest Rate	Nature of Financing (Note A)	In the Last Five Years Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Maximum Amount of Financing to Individual Counter-party	Maximum Amount of Financing that Can Be Provided by the Financier
											Item	Value		
0	Yang Ming Marine Transport Corporation	Yang Ming (Liberia) Corp.	Other receivables	\$ 7,000,000	\$ 7,000,000	1.9550%	1	\$ 9,675,457	Repayment of loans	\$ -	-	\$ -	\$ 8,804,239	\$ 14,673,732
		All Oceans Transportation, Inc.	Other receivables	10,300,000	7,673,732	1.9550%	1	14,035,714	Obtain working capital	-	-	-	8,804,239	14,673,732
1	Yang Ming Line (Singapore) Pte. Ltd.	Yang Ming (U.A.E.) LLC.	Other receivables	2,023	-	-	2	-	Obtain working capital	-	-	-	189,591	379,182
		Antwerp International Terminal NV	Other receivables	12,771	-	-	2	-	Obtain working capital	-	-	-	189,591	379,182
		Yang Ming Transportation Corp.	Other receivables	99,957	99,957	1.3150%	2	-	Obtain working capital	-	-	-	189,591	379,182
				(US\$ 67)	(US\$ 3,300)			(Note O)				(Note F)	(Note E)	
				(EUR 327)								(Note F)	(Note E)	
2	Yang Ming (America) Corp.	Olympic Container Terminal LLC	Other receivables	460,408	460,408	2.00%	2	-	Obtain working capital	-	-	-	490,698	545,220
				(US\$ 15,200)	(US\$ 15,200)			(Note P)				(Note H)	(Note G)	
3	Yang Ming Shipping (B.V.I.) Inc.	Karlman Properties Limited	Other receivables	46,591	20,664	0.50%	2	-	Repayment of loans	-	-	-	46,238	92,476
				(HK\$ 11,950)	(HK\$ 5,300)			(Note Q)				(Note I)	(Note E)	
4	Yang Ming Line B.V.	Antwerp International Terminal NV	Other receivables	12,771	12,771	2.496%	2	-	Obtain working capital	-	-	-	13,309	17,745
				(EUR 327)	(EUR 327)			(Note R)				(Note K)	(Note J)	
5	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming Transportation Corp.	Other receivables	88,715	88,715	1.0980%	2	-	Obtain working capital	-	-	-	1,107,221	2,214,442
				(GBP 1,900)	(GBP 1,900)			(Note S)				(Note F)	(Note E)	

Notes:

A. Nature of Financing:

1. Yang Ming Marine Transport Corporation (the "Corporation") has transactions with the borrower.
2. The borrower needs short-term financing.

B. The maximum financing amount is 60% of the net assets of the Corporation. For borrowers with transactions with the Corporation, maximum financing is 50% of the net assets of the Corporation. For borrowers with short-term financing need, the maximum is 10% of the net assets of the Corporation.

C. For borrowers with transactions with the Corporation, maximum financing is the lower of 15% of the net assets of the Corporation or the total amount of transactions between the Corporation and the borrower in the last two years. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the Corporation.

D. For borrower that is a subsidiary of the Corporation, maximum financing is the lower of 30% of the latest net assets audited or reviewed by CPA of the Corporation or the total amount of transactions between the Corporation in the last five years.

E. The maximum financing amount is 50% of the total assets of the lender. For borrowers with transactions with the lender, maximum financing is 30% of the total assets of the lender. For borrowers with short-term financing need, the maximum is 20% of the total assets of the lender.

F. For borrowers with transactions with the lender, maximum financing is the lower of 15% of the total assets of the lender or the total amount of transactions between the lender and the borrower in the last five years. For the borrower needing short-term financing, maximum financing is 10% of the total assets of the lender.

(Continued)

- G. Represents US\$18,000,000.
- H. Represents 90% of US\$18,000,000.
- I. For borrowers with transactions with the lender, maximum financing is the lower of 15% of the total assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For the borrower needing short-term financing, maximum financing is 10% of the total assets of the lender.
- J. The maximum financing amount is 80% of the paid in capital of the lender. For borrowers with transactions with the lender, maximum financing is 40% of the paid in capital of the lender. For borrowers with short-term financing need, the maximum is 40% of the paid in capital of the lender.
- K. For borrowers with transactions with the lender, maximum financing is the lower of 30% of the paid in capital of the lender or the total amount of transactions between the lender and the borrower in the last two years. For the borrower needing short-term financing, maximum financing is 30% of the paid in capital of the lender.
- L. United States dollars, Hong Kong dollars and European dollars translated into New Taiwan dollars at the exchange rate of US\$1=\$30.29, GBP1=46.6920, EUR1=39.1044 and HK\$1=3.8988 as of December 31, 2011.
- M. The balance of actual financing provided as of December 31, 2011 was \$4,600,654 thousand.
- N. The balance of actual financing provided as of December 31, 2011 was \$3,774,590 thousand.
- O. The balance of actual financing provided as of December 31, 2011 was \$99,957 thousand (US\$3,300 thousand).
- P. The balance of actual financing provided as of December 31, 2011 was \$384,683 thousand (US\$12,700 thousand).
- Q. The balance of actual financing provided as of December 31, 2011 was \$18,286 thousand (HK\$4,690 thousand).
- R. The balance of actual financing provided as of December 31, 2011 was \$12,771 thousand (EUR327 thousand).
- S. The balance of actual financing provided as of December 31, 2011 was \$88,715 thousand (GBP1,900 thousand).

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED

DECEMBER 31, 2011

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Guarantor	Guaranteed Party		Maximum Amount of Guarantee to Individual Guaranteed Parties	Maximum Balance for the Year (Note O)	Ending Balance (Note O)	Value of Collaterals Property, Plant, or Equipment	Ratio of Accumulated Amount of Collateral to Net Equity Shown in the Latest Financial Statements	Maximum Amount of Guarantee that Can Be Provided by the Guarantor
		Name	Nature of Relationship						
0	Yang Ming Marine Transport Corporation	All Oceans Transportation, Inc.	Subsidiary	\$ 46,955,941 (Note B)	\$ 6,677,594 (US\$ 220,455)	\$ 6,677,594 (US\$ 220,455)	\$ -	22.75%	\$ 58,694,926 (Note A)
		Kuang Ming (Liberia) Corp.	Subsidiary	46,955,941 (Note B)	8,413,370 (US\$ 188,742 and JPY 6,912,000)	8,103,806 (US\$ 178,522 and JPY 6,912,000)	-	27.61%	58,694,926 (Note A)
		Yang Ming (Liberia) Corp.	Subsidiary	46,955,941 (Note B)	19,511,909 (US\$ 644,170)	19,511,909 (US\$ 644,170)	-	66.49%	58,694,926 (Note A)
		Yang Ming (America) Corp.	Subsidiary	46,955,941 (Note B)	302,900 (US\$ 10,000)	151,450 (US\$ 5,000)	-	0.52%	58,694,926 (Note A)
		Kao Ming Container Terminal Corp.	Subsidiary	46,955,941 (Note B)	2,000,000	1,500,000	-	5.11%	58,694,926 (Note A)
		United Terminal Leasing LLC	Equity-method investee of subsidiary	46,955,941 (Note B)	441,174 (US\$ 14,565)	323,288 (US\$ 10,673)	-	1.10%	58,694,926 (Note A)
		West Basin Container Terminal LLC	Equity-method investee of subsidiary	46,955,941 (Note B)	751,192 (US\$ 24,800)	751,192 (US\$ 24,800)	-	2.56%	58,694,926 (Note A)
		Olympic Container Terminal LLC	Subsidiary	46,955,941 (Note B)	151,454 (US\$ 5,000)	151,454 (US\$ 5,000)	-	0.52%	58,694,926 (Note A)
1	Yang Ming Line Holding Co.	West Basin Container Terminal LLC	Equity-method investee of subsidiary	290,359 (Note D)	13,626 (US\$ 450)	9,706 (US\$ 320)	-	0.03%	362,949 (Note C)
2	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming (UK) Ltd.	Subsidiary	4,428,883 (Note F)	9,459 (GBP 203)	2,782 (GBP 60)	-	0.01%	5,536,104 (Note E)
3	All Oceans Transportation, Inc.	Yang Ming Marine Transport Corporation	Parent	24,656,387 (Note H)	12,466,000	12,466,000	12,466,000 (Note N)	42.48%	30,820,484 (Note G)
4	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Subsidiary	7,523,761 (Note J)	2,657,542 (JPY4,716,000 and US\$ 27,000)	2,657,542 (JPY4,716,000 and US\$ 27,000)	-	9.06%	9,404,702 (Note I)
5	Kuang Ming (Liberia) Corp.	Kuang Ming Shipping Corp.	Parent	5,796,832 (Note L)	781,740 (US\$ 6,000 and NT\$ 600,000)	781,740 (US\$ 6,000 and NT\$ 600,000)	-	2.66%	7,246,040 (Note K)

(Continued)

Notes:

- A. Represents 200% of the paid-in capital of Yang Ming Marine Transport Corporation (the "Corporation").
- B. Represents 80% of the amount mentioned in Note A.
- C. Represents 50% of assets of Yang Ming Line Holding Co.
- D. Represents 80% of the amount mentioned in Note C.
- E. Represents 50% of assets of Yang Ming Line (B.V.I.) Holding Co., Ltd.
- F. Represents 80% of the amount mentioned in Note E.
- G. Represents 100% of asset of All Oceans Transportation, Inc.
- H. Represents 80% of the amount mentioned in Note G.
- I. Represents 200% of its latest audited or reviewed net asset value.
- J. Represents 80% of the amount mentioned in Note I.
- K. Represents 200% of its latest audited or reviewed net asset value of Kuang Ming (Liberia) Corp.
- L. Represents 80% of the amount mentioned in Note K.
- M. United States dollars, Great Britain Pounds, Japanese yen and Hong Kong dollars translated into New Taiwan dollars at the exchange rate of US\$1=\$30.29, GBP1=\$46.6920, JPY1=\$0.3901 and HK\$1=\$3.8988 on December 31, 2011.
- N. Represents 14 ships used as guarantees, with carrying value of \$12,051,421 thousand as of December 31, 2011.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2011

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2011				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
Yang Ming Marine Transport Corporation	Common stock							
	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Subsidiary	Investments accounted for by the equity method	10,351	\$ 3,517,151	100.00	\$ 3,517,151	
	Kuang Ming Shipping Corp.	Subsidiary	Investments accounted for by the equity method	177,920,000	4,070,974	86.57	4,070,974	
	All Oceans Transportation, Inc.	Subsidiary	Investments accounted for by the equity method	1,000	3,420,972	100.00	3,420,972	
	Kao Ming Container Terminal Corp.	Subsidiary	Investments accounted for by the equity method	410,000,000	4,218,853	100.00	4,218,853	
	Yang Ming Line (Singapore) Pte. Ltd.	Subsidiary	Investments accounted for by the equity method	60,130,000	1,887,746	100.00	1,887,746	
	Ching Ming Investment Corp.	Subsidiary	Investments accounted for by the equity method	160,650,000	1,464,818	100.00	1,464,818	
	Yes Logistics Corp.	Subsidiary	Investments accounted for by the equity method	60,000,000	583,656	50.00	584,327	
	Yang Ming Line Holding Co.	Subsidiary	Investments accounted for by the equity method	13,500	549,015	100.00	549,015	
	Yunn Wang Investment Co., Ltd.	Equity-method investee	Investments accounted for by the equity method	5,211,474	172,322	49.75	172,322	
	Honming Terminal & Stevedoring Co., Ltd.	Subsidiary	Investments accounted for by the equity method	7,916,908	115,640	79.17	115,640	
	Jing Ming Transportation Co., Ltd.	Subsidiary	Investments accounted for by the equity method	8,615,923	115,916	50.98	115,916	
	Transyang Shipping Pte. Ltd.	Equity-method investee	Investments accounted for by the equity method	1,345	78,265	49.00	78,265	
	Yang Ming (Liberia) Corp.	Subsidiary	Investments accounted for by the equity method	1	(1,252,252)	100.00	(1,252,252)	Note B
	Taipei Port Container Terminal Co., Ltd.	-	Financial asset carried at cost - noncurrent	41,000,000	381,369	9.76	-	
	United Stevedoring Corp.	-	Financial asset carried at cost - noncurrent	500,000	5,000	10.00	-	
	Antwerp International Terminal N.V.	-	Financial asset carried at cost - noncurrent	1,486,030	-	14.02	-	
	Taiwan Navigation Co., Ltd.	Governed by the MOTC	Available-for-sale financial asset - noncurrent	70,758,243	2,225,347	16.96	2,225,347	Note S
	Taiwan Fertilizer Co., Ltd.	-	Financial assets at fair value through profit or loss - current	18,000	1,269	-	1,269	
	China Steel Corp.	-	Available-for-sale financial assets - current	841,229	24,227	0.01	24,227	
	Greatek Electronics Inc.	-	Available-for-sale financial assets - current	482,698	11,585	0.09	11,585	
	Cathay Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	1,841,380	60,213	0.02	60,213	
	Aten International Co., Ltd.	-	Available-for-sale financial assets - current	25,614	1,299	0.02	1,299	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2011			Market Value or Net Asset Value (Note A)	Note
				Shares/Units	Carrying Value	% of Ownership		
	<u>Mutual fund</u> BlackRock ICS Euro Liquidity Funds (formerly BGI Liquidity First Funds (EUR))	-	Financial assets at fair value through profit or loss - current	2,593,680	\$ 101,424	-	\$ 101,424	
	BlackRock ICS GBP Liquidity Funds (formerly BGI Liquidity First Funds (GBP))	-	Financial assets at fair value through profit or loss - current	1,718,698	80,249	-	80,249	
	<u>Corporate bonds</u> Deutsche Bank AG	-	Available-for-sale financial assets - current	2,000,000	60,580	-	60,580	
Yang Ming Line (B.V.I) Holding Co., Ltd.	<u>Common stock</u> Yang Ming Line N.V.	Subsidiary	Investments accounted for by the equity method	1,500,000	(2,383,887)	100.00	(2,383,887)	Note B
Yang Ming Line N.V.	<u>Common stock</u> Yang Ming Line B.V.	Subsidiary	Investments accounted for by the equity method	2,500	(2,389,353)	100.00	(2,389,353)	Note B
Yang Ming Line B.V.	<u>Common stock</u> Yang Ming (Belgium) N.V.	Subsidiary	Investments accounted for by the equity method	553	23,255	89.92	23,255	
	Yang Ming (Netherlands) B.V.	Subsidiary	Investments accounted for by the equity method	(Note C)	15,463	100.00	15,463	
	Yang Ming (Italy) S.p.A.	Subsidiary	Investments accounted for by the equity method	125,000	22,940	50.00	22,940	
	Yang Ming (UK) Ltd.	Subsidiary	Investments accounted for by the equity method	900,000	(2,645,277)	100.00	(2,645,277)	Note B
	Yang Ming Shipping Europe Gmbh	Subsidiary	Investments accounted for by the equity method	(Note D)	116,669	100.00	116,669	
	Yang Ming Shipping (Egypt) S.A.E.	Equity-method investee	Investments accounted for by the equity method	24,500	38,472	49.00	38,472	
Yang Ming (Netherlands) B.V.	<u>Common stock</u> Yang Ming (Belgium) N.V.	Subsidiary	Investments accounted for by the equity method	62	2,607	10.08	2,607	
Yang Ming (Italy) S.p.A.	<u>Common stock</u> Yang Ming (Naples) S.r.l.	Subsidiary	Investments accounted for by the equity method	(Note E)	1,790	60.00	1,790	
Yang Ming (UK) Ltd.	<u>Common stock</u> Corstor Ltd.	Equity-method investee	Investments accounted for by the equity method	(Note F)	7,028	50.00	7,028	
	Yes Logistic (UK) Limited	Subsidiary	Investments accounted for by the equity method	200	(3,646)	100.00	(3,646)	Note B
Kuang Ming Shipping Corp.	<u>Common stock</u> Kuang Ming (Liberia) Corp.	Subsidiary	Investments accounted for by the equity method	2	3,623,020	100.00	3,623,020	
	<u>Mutual fund</u> Fuh Hwa Money Market	-	Available-for-sale financial assets - current	4,787,199	66,792	-	66,792	
	Schroder New Era Money Market	-	Available-for-sale financial assets - current	5,769,623	65,309	-	65,309	
Kao Ming Container Terminal Corp.	<u>Mutual fund</u> Mega Diamond Money Market	-	Available-for-sale financial assets - current	8,385,744	101,175	-	101,175	
	PCA Well Pool Fund	-	Available-for-sale financial assets - current	929,839	12,188	-	12,188	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2011				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
Yang Ming Line (Singapore) Pte. Ltd.	<u>Common stock</u> Yang Ming Shipping (B.V.I.) Inc.	Subsidiary	Investments accounted for by the equity method	510	\$ 215,131	51.00	\$ 215,131	Note R
	Yang Ming Line (Hong Kong) Ltd.	Subsidiary	Investments accounted for by the equity method	510,000	(57,556)	51.00	(57,556)	
	Yang Ming Line (India) Pvt. Ltd.	Subsidiary	Investments accounted for by the equity method	300,000	16,140	60.00	16,140	
	Yang Ming (Korea) Co., Ltd.	Subsidiary	Investments accounted for by the equity method	60,000	28,143	60.00	28,143	
	Young-Carrier Company Ltd.	Subsidiary	Investments accounted for by the equity method	910,000	291,096	91.00	291,096	
	Yangming (Japan) Co., Ltd.	Subsidiary	Investments accounted for by the equity method	3,000	28,082	100.00	28,082	
	Yangming (Singapore) Pte Ltd.	Subsidiary	Investments accounted for by the equity method	1,000,000	52,459	100.00	52,459	
	Yang Ming Line (M) Sdn. Bhd.	Subsidiary	Investments accounted for by the equity method	1,000,000	33,746	100.00	33,746	
	Sunbright Insurance Pte. Ltd.	Subsidiary	Investments accounted for by the equity method	2,000,000	122,058	100.00	122,058	
	Yang Ming (Vietnam) Company Limited	Equity-method investee	Investments accounted for by the equity method	(Note G)	5,331	49.00	5,331	
	Formosa International Development Corporation	Equity-method investee	Investments accounted for by the equity method	(Note H)	241,039	30.00	168,081	
	Yang Ming Anatolia Shipping Agency S.A.	Subsidiary	Investments accounted for by the equity method	50,000	36,837	50.00	36,837	
	Yang Ming (U.A.E.) LLC	Equity-method investee	Investments accounted for by the equity method	(Note I)	36,988	49.00	36,988	
	Yang Ming Shipping (B.V.I.) Inc.	<u>Common stock</u> Karlman Properties Limited	Subsidiary	Investments accounted for by the equity method	24,000,000	84,938	100.00	
Yangming (Japan) Co., Ltd.	<u>Common stock</u> Manwa & Co., Ltd.	Subsidiary	Investments accounted for by the equity method	200	3,547	100.00	3,547	
	<u>Other</u> Cash surrender Value in Insurance	-	Financial asset carried at cost - noncurrent	-	20,395	-	-	
Ching Ming Investment Corp.	<u>Common stock</u> Homing Terminal & Stevedoring Co., Ltd.	Subsidiary	Investments accounted for by the equity method	2,083,092	30,102	20.83	30,102	
	Yes Logistics Corp	Subsidiary	Investments accounted for by the equity method	55,630,977	541,003	46.36	541,003	
	SF Technology Venture Capital Investment Corp.	-	Financial asset carried at cost - noncurrent	1,121,629	3,337	7.24	-	
	United Venture Capital Corp.	-	Financial asset carried at cost - noncurrent	2,880,000	7,152	9.04	-	
	Ascentek Venture Capital Corp.	-	Financial asset carried at cost - noncurrent	784,000	7,896	2.14	-	
	China Technology Venture Capital Corp.	-	Financial asset carried at cost - noncurrent	1,458,600	6,120	8.96	-	
	Kingmax Technology Corp.	-	Financial asset carried at cost - noncurrent	822,115	6,421	1.38	-	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	100,000	8,080	-	8,080	
	Apex Biotechnology Corp.	-	Financial assets at fair value through profit or loss - current	80,000	4,832	-	4,832	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2011				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
	China Steel Structure Co., Ltd.	-	Financial assets at fair value through profit or loss - current	255,000	\$ 6,821	0.13	\$ 6,821	
	Formosa Chemicals & Fibre Corp.	-	Financial assets at fair value through profit or loss - current	90,000	7,191	-	7,191	
	Yungtay Engineering Co., Ltd.	-	Financial assets at fair value through profit or loss - current	143,000	6,521	0.03	6,521	
	Ta Yih Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss - current	31,000	1,752	0.04	1,752	
	Oriental Union Chemical Corp.	-	Financial assets at fair value through profit or loss - current	100,000	3,800	0.01	3,800	
	Taiwan Fertilizer Co., Ltd.	-	Financial assets at fair value through profit or loss - current	101,000	7,121	0.01	7,121	
	HTC Corporation	-	Financial assets at fair value through profit or loss - current	452	225	-	225	
	Formosa International Hotels Corp.	-	Financial assets at fair value through profit or loss - current	9,000	3,528	0.01	3,528	
	Chang Hwa Commercial Bank Ltd.	-	Financial assets at fair value through profit or loss - current	160,000	2,632	-	2,632	
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	754,000	24,166	0.01	24,166	
	First Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	450,000	7,987	0.01	7,987	
	Largan Precision Co., Ltd.	-	Financial assets at fair value through profit or loss - current	10,000	5,660	0.01	5,660	
	Dynapack International Technology Corp.	-	Financial assets at fair value through profit or loss - current	29,000	3,350	0.02	3,350	
	Wistron Corp.	-	Financial assets at fair value through profit or loss - current	170,000	6,520	0.01	6,520	
	Powertech Technology Inc.	-	Financial assets at fair value through profit or loss - current	143,000	9,166	0.02	9,166	
	Phison Electronics Corp.	-	Financial assets at fair value through profit or loss - current	94,000	17,155	0.05	17,155	
	Apple Inc.	-	Financial assets at fair value through profit or loss - current	100	1,226	-	1,226	
	Nippon Shokubai	-	Financial assets at fair value through profit or loss - current	6,000	1,935	-	1,935	
	Polaris Taiwan Top 50 Tracker	-	Financial assets at fair value through profit or loss - current	192,000	9,563	-	9,563	
	Cathay Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	3,874,966	126,711	0.04	126,711	
	China Steel Corporation	-	Available-for-sale financial assets - current	454,639	13,094	-	13,094	
	Delta Electronics, Inc.	-	Available-for-sale financial assets - current	25,821	1,859	-	1,859	
	Hon Hai Precision Ind. Co., Ltd.	-	Available-for-sale financial assets - current	316	26	-	26	
	AU Optronics Corp.	-	Available-for-sale financial assets - current	720,778	9,370	0.01	9,370	
	MediaTek Inc.	-	Available-for-sale financial assets - current	56,020	15,546	-	15,546	
	Taiwan Navigation Co., Ltd.	Governed by the MOTC	Available-for-sale financial assets - noncurrent	933,000	29,343	0.22	29,343	
	Coretronic Corporation	-	Available-for-sale financial assets - current	10,000	205	-	205	
	Radiant Opto-Electronics Corp	-	Available-for-sale financial assets - current	171	15	-	15	
	Taiwan Surface Mounting Technology Corp.	-	Available-for-sale financial assets - current	33,695	2,012	0.01	2,012	
	Formosa Petrochemical Corp	-	Available-for-sale financial assets - current	6,200	581	-	581	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2011			Market Value or Net Asset Value (Note A)	Note
				Shares/Units	Carrying Value	% of Ownership		
	<u>Mutual fund</u>							
	JF (TW) Japan Brilliance	-	Available-for-sale financial assets - current	1,000,000	\$ 6,760	-	\$ 6,760	
	PineBridge Global Medallion FoFs	-	Available-for-sale financial assets - current	1,330,274	14,460	-	14,460	
	Frankling Templeton Developing Markets Trust	-	Available-for-sale financial assets - current	2,524	1,446	-	1,446	
	Fidelity Emerging Markets Fund	-	Available-for-sale financial assets - current	2,477	1,361	-	1,361	
	Fidelity European Growth Fund	-	Available-for-sale financial assets - current	8,990	7,656	-	7,656	
	Fidelity European Aggressive Fund	-	Available-for-sale financial assets - current	4,514	1,891	-	1,891	
	Hua Nan Global Infrastructure A Acc	-	Available-for-sale financial assets - current	200,000	1,148	-	1,148	
	Capital Strategin Growth	-	Available-for-sale financial assets - current	1,000,000	11,140	-	11,140	
	Allianz GIS RCM Little Dragons Fund	-	Available-for-sale financial assets - current	15,235	38,276	-	38,276	
	Value Partners Concord TW Home Run Eg	-	Available-for-sale financial assets - current	500,000	5,765	-	5,765	
	PCA Well Pool Money Market	-	Financial assets at fair value through profit or loss - current	5,016,749	65,760	-	65,760	
	Capital Money Market	-	Financial assets at fair value through profit or loss - current	321,500	5,000	-	5,000	
	Sino Pac	-	Financial assets at fair value through profit or loss - current	616,513	14,784	-	14,784	
	UPAMC Quality Growth	-	Financial assets at fair value through profit or loss - current	1,165,639	19,641	-	19,641	
	IBT 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,457,789	71,121	-	71,121	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	1,409,318	20,096	-	20,096	
	Prudential Financial Return Fund	-	Financial assets at fair value through profit or loss - current	425,762	6,369	-	6,369	
	PCA Umbrella Fund - Global Bond Fund of Fund	-	Financial assets at fair value through profit or loss - current	860,536	10,042	-	10,042	
	Yuanta India	-	Financial assets at fair value through profit or loss - current	223,585	1,610	-	1,610	
	FSITC China Century	-	Financial assets at fair value through profit or loss - current	632,645	4,549	-	4,549	
	Capital Chinese Golden Age Equity	-	Financial assets at fair value through profit or loss - current	243,013	2,039	-	2,039	
	PineBridge Global Multi-Strat Hi Yld	-	Financial assets at fair value through profit or loss - current	1,008,380	10,601	-	10,601	
	Prudential Financial Global Biohealth	-	Financial assets at fair value through profit or loss - current	11,621	201	-	201	
	PineBridge Gbl Emerging Mkt Hi Yld Bd A	-	Financial assets at fair value through profit or loss - current	1,000,000	10,509	-	10,509	
	Allianz Gbl Inv Rising Asia Fd	-	Financial assets at fair value through profit or loss - current	239,102	2,336	-	2,336	
	Fuh Hwa Emerging Market Active Allc FoF	-	Financial assets at fair value through profit or loss - current	1,000,000	9,380	-	9,380	
	PCA Global High Yield Bond A	-	Financial assets at fair value through profit or loss - current	1,000,143	10,198	-	10,198	
	UPAMC James Great China	-	Financial assets at fair value through profit or loss - current	558,353	6,778	-	6,778	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2011			Market Value or Net Asset Value (Note A)	Note
				Shares/Units	Carrying Value	% of Ownership		
	PineBridge BRIIC Infrastructure Equity	-	Financial assets at fair value through profit or loss - current	623,609	\$ 4,796	-	\$ 4,796	
	Yuanta Greater China Small & Medium Cap	-	Financial assets at fair value through profit or loss - current	628,332	4,511	-	4,511	
	FSITC Innovation	-	Financial assets at fair value through profit or loss - current	200,200	1,754	-	1,754	
	Jih Sun MIT Mainstream	-	Financial assets at fair value through profit or loss - current	500,000	4,130	-	4,130	
	SinoPac Global Investment Grade Bond	-	Financial assets at fair value through profit or loss - current	1,000,000	9,998	-	9,998	
	Allianz Global Investors Asian Smlr Cos	-	Financial assets at fair value through profit or loss - current	247,323	1,961	-	1,961	
	Capital Chinese Golden Age Equity	-	Financial assets at fair value through profit or loss - current	87,705	813	-	813	
	Taishin Latin America	-	Financial assets at fair value through profit or loss - current	500,000	4,230	-	4,230	
	HSBC Taiwan Success	-	Financial assets at fair value through profit or loss - current	398,873	10,391	-	10,391	
	Taishin Hi Div Yield Balanced	-	Financial assets at fair value through profit or loss - current	390,565	5,052	-	5,052	
	Taishin India	-	Financial assets at fair value through profit or loss - current	500,000	4,055	-	4,055	
	SinoPac Balance	-	Financial assets at fair value through profit or loss - current	328,737	7,436	-	7,436	
	Jih Sun Small Cap	-	Financial assets at fair value through profit or loss - current	139,491	1,519	-	1,519	
	PCA Export	-	Financial assets at fair value through profit or loss - current	351,795	8,028	-	8,028	
	FSITC Global High Yield Bond A	-	Financial assets at fair value through profit or loss - current	2,013,077	25,000	-	25,000	
	Fuh Hwa You Li Money Market	-	Financial assets at fair value through profit or loss - current	160,724	2,091	-	2,091	
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	149,887	2,091	-	2,092	
Yes Logisticss Corp.	<u>Common stock</u>							
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Subsidiary	Investments accounted for by the equity method	5,025,188	36,962	100.00	36,962	
	Yes Logistics Corp.	Subsidiary	Investments accounted for by the equity method	5,460,000	120,234	100.00	120,234	
	Chang Ming Logistics Company Limited	Equity-method investee	Investments accounted for by the equity method	(Note J)	358,819	49.00	358,819	
	B2B.Com Holdings Ltd.	-	Financial asset carried at cost - noncurrent	800,000	5,042	9.88	-	
	United Raw Material Solutions Inc./URMS	-	Financial asset carried at cost - noncurrent	295,325	2,953	2.76	-	
	<u>Mutual fund</u>							
	IBT 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,470,948	19,168	-	19,168	
	Hua Nan Phoenix Money Market	-	Financial assets at fair value through profit or loss - current	595,151	9,356	-	9,356	
	The RSIT Enhanced Money Market	-	Financial assets at fair value through profit or loss - current	351,206	4,053	-	4,053	
	The RSIT Forever Money Market	-	Financial assets at fair value through profit or loss - current	138	2	-	2	
	Hua Nan Kirin Money Market	-	Financial assets at fair value through profit or loss - current	434,511	5,031	-	5,031	
	Schroder New Era Money Market	-	Financial assets at fair value through profit or loss - current	445,097	5,038	-	5,038	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2011				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
	Allianz Gbl Inv All Seasons Ret of Bd	-	Financial assets at fair value through profit or loss - current	3,939,024	\$ 49,321	-	\$ 49,321	
	Sinopac Dragon Fixed Income (USD)	-	Financial assets at fair value through profit or loss - current	151,840	47,260	-	47,260	
YES Yangming Logistics (Singapore) Pte. Ltd.	<u>Common stock</u> Yes Logistics Benelux B.V.	Subsidiary	Investments accounted for by the equity method	12,600	4,319	70.00	4,319	
	Yes Logistics (Netherlands) B.V.	Subsidiary	Investments accounted for by the equity method	(Note K)	3,042	100.00	3,042	
	Yes Logistics Company Ltd.	Subsidiary	Investments accounted for by the equity method	29,000,000	29,544	100.00	29,544	
Yes Logistics Corp.	<u>Common stock</u> Yes Logistics Europe GmbH	Subsidiary	Investments accounted for by the equity method	(Note L)	7,256	100.00	7,256	
	Golden Logistics USA Corporation	Subsidiary	Investments accounted for by the equity method	100	154	100.00	154	
	Yes Logistics (Shanghai) Corp.	Subsidiary	Investments accounted for by the equity method	(Note M)	75,812	100.00	75,812	
Yes Logistics (Shanghai) Corp.	<u>Common stock</u> Star Logistics (Qingdao) Corp.	Subsidiary	Investments accounted for by the equity method	(Note N)	17,860	100.00	17,860	
Yang Ming Line Holding Co.	<u>Common stock</u> Yang Ming (America) Corp.	Subsidiary	Investments accounted for by the equity method	5,000	69,241	100.00	69,241	
	Olympic Container Terminal LLC	Subsidiary	Investments accounted for by the equity method	(Note O)	(283,196)	100.00	(283,196)	Note B
	Triumph Logistics, Inc.	Subsidiary	Investments accounted for by the equity method	200	(11,980)	100.00	(11,980)	Note B
	Topline Transportation, Inc.	Subsidiary	Investments accounted for by the equity method	100	(3,769)	100.00	(3,769)	Note B
	Coastal Tarheel Express, Inc.	Subsidiary	Investments accounted for by the equity method	100	6,312	100.00	6,312	
	Transcont Intermodal Logistics, Inc.	Subsidiary	Investments accounted for by the equity method	200	11,549	100.00	11,549	
	West Basin Container Terminal LLC	Equity-method investee	Investments accounted for by the equity method	(Note P)	759,079	40.00	759,079	
	United Terminal Leasing LLC	Equity-method investee	Investments accounted for by the equity method	(Note Q)	153,024	40.00	153,024	
	Yang Ming Shipping (Canada) Ltd.	Subsidiary	Investments accounted for by the equity method	1,000	25,453	100.00	25,453	

Notes:

- A. Market values were based on closing prices at December 31, 2011 or the net asset value of the fund on December 31, 2011, or, if market prices were unavailable, on the investees' net assets.
- B. Investees had negative net assets. Thus, the negative carrying values of the investments were presented as a deduction in long-term other receivables - related parties liability.
- C. This is equivalent to EUR18,000, and no shares were issued.
- D. This is equivalent to EUR818,000, and no shares were issued.
- E. This is equivalent to EUR6,000, and no shares were issued.
- F. This is equivalent to GBP500, and no shares were issued.

(Continued)

- G. This is equivalent to US\$94,000, and no shares were issued.
- H. This is equivalent to US\$7,800,000, and no shares were issued.
- I. This is equivalent to AED245,000, and no shares were issued.
- J. This is equivalent to US\$9,301,000, and no shares were issued.
- K. This is equivalent to EUR30,000, and no shares were issued.
- L. This is equivalent to EUR25,000, and no shares were issued.
- M. This is equivalent to US\$5,000,000, and no shares were issued.
- N. This is equivalent to RMB4,618,000, and no shares were issued.
- O. This is equivalent to US\$1,000,000, and no shares were issued.
- P. This is equivalent to US\$3,800,000, and no shares were issued.
- Q. This is equivalent to US\$1,000,000, and no shares were issued.
- R. The loss of subsidiary was recognized in proportion to the Corporation's equity. Because the minority interest commits to share in the investees' losses, the cumulative equity of the Corporation in the investee's net loss in excess of the related investments in not charged against the Corporation.
- S. More than half of the directors are identical.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 YEAR ENDED DECEMBER 31, 2011
 (In Thousands of New Taiwan Dollars, Except Shares/Units)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Change of Investment Accounted for Using the Equity Method	Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain (Loss) on Disposal		Shares	Amount
Yang Ming Marine Transport Corp.	<u>Common stock</u> Kuang Ming Shipping Corp.	Investments accounted for using equity method	-	Subsidiary	191,620,000	\$ 4,547,582	-	\$ -	13,700,000	\$ 436,834	\$ 336,476 (Note B)	\$ 83,501	\$ (140,132) (Note A)	177,920,000	\$ 4,070,974
	<u>Mutual fund</u> BlackRock ICS Euro Liquidity Funds	Financial assets at fair value through profit or loss - current	-	-	55,696	2,169	69,161,664	2,842,416	66,623,680	2,743,161	2,743,161	-	-	2,593,680	101,424
	BlackRock ICS GBP Liquidity Funds	Financial assets at fair value through profit or loss - current	-	-	146,479	6,614	23,656,917	1,118,303	22,084,698	1,044,667	1,044,667	-	-	1,718,698	80,250
	Capital Money Market	Available-for-sale financial assets - current	-	-	18,107,858	280,000	38,642,216	600,000	56,750,074	880,229	880,000	229	-	-	-
	Taishin 1699 Money Market	Available-for-sale financial assets - current	-	-	33,227,726	430,000	234,371,058	3,050,000	267,598,784	3,481,097	3,480,000	1,097	-	-	-
	Taishin Ta-Chong Money Market	Available-for-sale financial assets - current	-	-	44,144,068	600,017	58,476,049	800,000	102,620,117	1,401,372	1,400,017	1,355	-	-	-
	Taishin Lucky Money Market	Available-for-sale financial assets - current	-	-	32,821,806	350,021	46,580,957	500,000	79,402,763	850,697	850,021	676	-	-	-
	Fuh Hwa Money Market	Available-for-sale financial assets - current	-	-	20,197,211	280,000	192,200,670	2,669,569	212,397,881	2,950,572	2,949,569	1,003	-	-	-
	Fuh Hwa Global Short-term Income	Available-for-sale financial assets - current	-	-	238,711,576	2,500,000	9,314,977	100,000	248,026,553	2,645,473	2,600,000	45,473	-	-	-
	Fuh Hwa You Li Money Market	Available-for-sale financial assets - current	-	-	11,626,093	150,059	-	-	11,626,093	150,557	150,059	498	-	-	-
	Mega Diamond Money Market	Available-for-sale financial assets - current	-	-	67,584,604	807,783	430,442,244	5,180,000	498,026,848	5,993,505	5,987,783	5,722	-	-	-
	Union Money Market	Available-for-sale financial assets - current	-	-	66,106,497	835,851	39,258,178	500,000	105,364,675	1,337,711	1,335,851	1,860	-	-	-
	Jih Sun Money Market	Available-for-sale financial assets - current	-	-	-	-	152,004,465	2,160,000	152,004,465	2,160,988	2,160,000	988	-	-	-
	Hua Nan Kirin Money Market	Available-for-sale financial assets - current	-	-	66,953,391	770,000	-	-	66,953,391	771,424	770,000	1,424	-	-	-
	PCA Well Pool Money Market	Available-for-sale financial assets - current	-	-	17,658,214	230,000	6,905,176	90,000	24,563,390	320,279	320,000	279	-	-	-
	Allianz Gbl Inv All Seasons Ret Of Bd	Available-for-sale financial assets - current	-	-	-	-	32,272,222	400,000	32,272,222	404,494	400,000	4,494	-	-	-
	Allianz Gbl Investors Taiwan Money Mkt	Available-for-sale financial assets - current	-	-	-	-	16,653,961	200,382	16,653,961	200,414	200,382	32	-	-	-
	ING Taiwan Money Market	Available-for-sale financial assets - current	-	-	2,240,300	35,028	57,280,615	900,000	59,520,915	935,182	935,028	154	-	-	-
	FSITC Taiwan Money Market	Available-for-sale financial assets - current	-	-	32,093,182	470,001	-	-	32,093,182	470,337	470,001	336	-	-	-
	FSITC Money Market	Available-for-sale financial assets - current	-	-	-	-	2,922,404	500,000	2,922,404	500,260	500,000	260	-	-	-
	Fubon Chi-Hsiang Money Market	Available-for-sale financial assets - current	-	-	33,219,281	500,000	3,318,863	50,000	36,538,144	550,378	550,000	378	-	-	-
Kao Ming Container Terminal Co., Ltd.	<u>Mutual fund</u> Eastspring Inv Well Pool Money Market	Available-for-sale financial assets - current	-	-	16,294,834	212,053	-	-	15,364,995	200,905	200,001	904	-	929,839	12,052 (Note C)
	ING bond funds	Available-for-sale financial assets - current	-	-	10,236,625	160,021	-	-	10,236,625	160,603	160,021	582	-	-	-
	SinoPac TWD Money Market	Available-for-sale financial assets - current	-	-	22,734,003	303,807	-	-	22,734,003	305,096	303,807	1,289	-	-	-
Ching Ming Investment Corp.	<u>Common stock</u> HTC Corporation	Financial assets at fair value through profit or loss - current	-	-	147,288	48,942	4,164 (Note D)	- (Note D)	151,000	115,211	48,799	66,412	-	452	143 (Note C)
	<u>Mutual fund</u> PCA Well Pool Money Market	Financial assets at fair value through profit or loss - current	-	-	1,540,340	20,061	15,462,569	202,208	11,986,160	156,676	156,566	110	-	5,016,749	65,703 (Note C)
	Capital Money Market	Financial assets at fair value through profit or loss - current	-	-	646,818	10,000	6,976,339	108,128	7,301,657	113,191	113,128	63	-	321,500	5,000 (Note C)
	Taishin 1699 Money Market	Financial assets at fair value through profit or loss - current	-	-	1,545,464	20,000	9,798,515	127,345	5,886,190	76,389	76,321	68	-	5,457,789	71,024 (Note C)
	Jih Sun Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	7,942,021	113,000	6,532,703	93,050	92,927	123	-	1,409,318	20,073 (Note C)

Notes:

- A. Represent the investment income recognized under equity method \$242,189 thousand, cumulative translation adjustment increased \$70,792 thousand, unrealized gain on financial instruments increased \$583 thousand and cash dividends \$453,696 thousand.
- B. Cost of disposed equity does not include changes in stockholders' equity accounted for using equity method \$16,857 thousand.
- C. Carrying value is the original acquisition amount.
- D. Dividend 4,164 shares.

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2011

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yang Ming Marine Transport Corporation	All Oceans Transportation, Inc.	A	\$ 20,353,666 (Note D)	-	\$ -	-	\$ -	\$ -
	Yang Ming (Liberia) Corp.	A	3,348,402 (Note E)	-	-	-	-	-
	Yangming (UK) Ltd.	A	699,626 (Note F)	-	-	-	40,199	-
	Young-Carrier Company Limited	A	314,219	-	-	-	304,482	-
All Oceans Transportation, Inc.	Yang Ming (Liberia) Corp.	B	6,438,485 (Note G)	-	-	-	-	-
Young-Carrier Company Limited	Yang Ming Marine Transport Corporation	C	522,600	-	-	-	452,779	-
Yang Ming Line (Hong Kong) Ltd.	Yang Ming Marine Transport Corporation	C	310,568	-	-	-	372,918	-
Kuang Ming Shipping Corp.	Yang Ming Marine Transport Corporation	C	305,585	-	-	-	-	-
Yang Ming Shipping Europe GmbH	Yang Ming Marine Transport Corporation	C	122,384	-	-	-	50,314	-
Yang Ming (America) Corp.	Olympic Container Terminal LLC	B	384,363 (Note H)	-	-	-	12,116	-
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yangming (UK) Ltd.	A	2,484,301 (Note I)	-	-	-	-	-

Notes:

- A. Subsidiary of the Corporation.
- B. The same parent company.
- C. Parent company.
- D. Interest receivable, dividends receivable financing providing and proceeds from sale of ships.
- E. Proceeds from sale of ships and financing providing, net of the credit balance of the Corporation's long-term payments in Yang Ming (Liberia) Corp.
- F. Freight receivable and shipping line expense receivable.
- G. Interest receivable and proceeds from sale of ships.
- H. Accounts receivable and financing providing.
- I. Rent receivable.
- J. Collections between related parties have been made according to "Agency Accounting Procedure" by the Corporation and local business conventions.

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
 YEAR ENDED DECEMBER 31, 2011
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount (Note A)		Balance as of December 31, 2011			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2011	December 31, 2010	Shares	Percentage of Ownership	Carrying Value			
Yang Ming Marine Transport Corporation	Yang Ming Line (B.V.I.) Holding Co., Ltd.	British Virgin Islands	Investment, shipping agency, forwarding agency and shipping managers	\$ 3,272,005	\$ 3,272,005	10,351	100.00	\$ 3,517,151	\$ (1,137,995)	\$ (1,137,995)	Subsidiary
	Yang Ming Line (Singapore) Pte. Ltd.	Singapore	Investment, shipping service; chartering, sale and purchase of ships; and forwarding agency	1,113,356	1,113,356	60,130,000	100.00	1,887,746	163,030	163,030	Subsidiary
	Ching Ming Investment Corp.	Taipei, Taiwan	Investment	1,500,013	1,500,013	160,650,000	100.00	1,464,818	(157,671)	(157,671)	Subsidiary
	All Oceans Transportation, Inc.	Monrovia, Republic of Liberia	Shipping agency, forwarding agency and shipping managers	3,235	3,235	1,000	100.00	3,420,972	(943,053)	(943,053)	Subsidiary
	Yes Logistics Corp.	Taipei, Taiwan	Warehouse operation and forwarding agency	593,404	593,404	60,000,000	50.00	583,656	53,047	26,523	Subsidiary
	Kuang Ming Shipping Corp.	Taipei, Taiwan	Shipping service, shipping agency and forwarding agency	3,587,496	3,863,737	177,920,000	86.57	4,070,974	264,919	242,189	Subsidiary
	Honming Terminal & Stevedoring Co., Ltd.	Kaohsiung, Taiwan	Terminal operation and stevedoring	79,273	79,273	7,916,908	79.17	115,640	11,083	8,775	Subsidiary
	Jing Ming Transportation Co., Ltd.	Kaohsiung, Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	115,916	10,706	5,458	Subsidiary
	Yang Ming Line Holding Co.	Wilmington, USA	Investment, shipping agency, forwarding agency and shipping managers	143,860	143,860	13,500	100.00	549,015	245,229	245,229	Subsidiary
	Transyang Shipping Pte. Ltd.	Singapore	Shipping services, chartering, sale and purchase of ships; forwarding agency and shipping agency	57,802	57,802	1,345	49.00	78,265	34,265	16,790	Equity-method investee
Ching Ming Investment Corp.	Yang Ming (Liberia) Corp.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	3,378	3,378	1	100.00	(1,252,252) (Note M)	483,894	483,894	Subsidiary
	Yuan Wang Investment Co., Ltd.	Taipei, Taiwan	Investment	179,810	179,810	5,211,474	49.75	172,322	21,550	10,721	Equity-method investee
	Kao Ming Container Terminal Corp.	Kaohsiung, Taiwan	Terminal operation and stevedoring	4,100,000	4,100,000	410,000,000	100.00	4,218,853	195,817	195,817	Subsidiary
	Honming Terminal & Stevedoring Co., Ltd.	Kaohsiung, Taiwan	Terminal operation and stevedoring	24,988	24,988	2,083,092	20.83	30,102	11,083	-	Subsidiary
	Yes Logistics Corp.	Taipei, Taiwan	Warehouse operation and forwarding agency	548,286	548,286	55,630,977	46.36	541,003	53,047	-	Subsidiary
	Yang Ming (America) Corp.	New Jersey, U.S.A.	Shipping agency, forwarding agency and shipping managers	17,305	17,305	5,000	100.00	69,241	98,631	-	Subsidiary
	Olympic Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	31,530	31,530	(Note Q)	100.00	(283,196) (Note E)	118,169	-	Subsidiary
	Triumph Logistics, Inc.	U.S.A.	Container transportation	1,699	1,699	200	100.00	(11,980) (Note E)	(1,229)	-	Subsidiary
	Topline Transportation Inc.	U.S.A.	Container transportation	4,860	4,860	100	100.00	(3,769) (Note E)	(2,796)	-	Subsidiary
	Coastal Tarheel Express Inc.	U.S.A.	Container transportation	2,430	2,430	100	100.00	6,312	275	-	Subsidiary
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	2,444	2,444	200	100.00	11,549	36	-	Subsidiary
	West Basin Container Terminal LLC	Los Angeles, USA	Terminal operation and stevedoring	132,050	132,050	(Note F)	40.00	759,079	217,287	-	Equity-method investee
	United Terminal Leasing LLC	Los Angeles, USA	Terminal operation and machine lease	34,750	34,750	(Note G)	40.00	153,024	85,318	-	Equity-method investee
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	1,000	100.00	25,453	10,132	-	Subsidiary
	Yang Ming Line N.V.	Netherlands Antilles	Investment, shipping agency, forwarding agency and shipping managers	41,235	41,235	1,500,000	100.00	(2,383,887) (Note E)	(1,421,759)	-	Subsidiary
	Yang Ming Line B.V.	Amsterdam, The Netherlands	Investment, shipping agency, forwarding agency and shipping managers	41,235	41,235	2,500	100.00	(2,389,353) (Note E)	(1,421,612)	-	Subsidiary
	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	8,614	1,651	553	89.92	23,255	7,235	-	Subsidiary
	Yang Ming (Netherlands) B.V.	Amsterdam, The Netherlands	Shipping agency	820	820	(Note I)	100.00	15,463	15,392	-	Subsidiary
	Yang Ming (Italy) S.p.A.	Genova, Italy	Shipping agency	4,319	4,319	125,000	50.00	22,940	2,075	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount (Note A)		Balance as of December 31, 2011			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2011	December 31, 2010	Shares	Percentage of Ownership	Carrying Value			
	Yang Ming Shipping Europe GmbH	Hamburg, Germany	Shipping agency, forwarding agency and shipping managers	\$ 29,697	\$ 29,697	(Note B)	100.00	\$ 116,669	\$ 10,443	\$ -	Subsidiary
	Yang Ming (UK) Ltd.	London, U.K.	Shipping agency, forwarding agency and shipping managers	42,408	42,408	900,000	100.00	(2,645,277)	(1,481,551)	-	Subsidiary
	Yang Ming Shipping (Egypt) S.A.E.	Egypt	Shipping agency, forwarding agency and shipping managers	14,149	14,149	24,500	49.00	38,472	47,617	-	Equity-method investee
Yang Ming (Netherlands) B.V.	Yang Ming (Belgium) N.V.	Belgium	Forwarding agency	1,900	-	62	10.08	2,607	7,235	-	Subsidiary
Yang Ming (UK) Ltd.	Corstor Ltd.	U.K.	Forwarding agency and shipping managers	25	25	(Note C)	50.00	7,028	4,289	-	Equity-method investee
	Yes Logistic UK Limited	U.K.	Forwarding agency	-	-	200	100.00	(3,646)	-	-	Subsidiary
								(Note E)			
Yang Ming (Italy) S.p.A.	Yang Ming (Naples) S.r.l.	Naples, Italy	Forwarding agency	238	238	(Note K)	60.00	1,790	(306)	-	Subsidiary
Yang Ming Line (Singapore) Pte Ltd.	Yang Ming Shipping (B.V.I) Inc.	British Virgin Islands	Forwarding agency and shipping agency	16	16	510	51.00	215,131	8,220	-	Subsidiary
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	2,138	2,138	510,000	51.00	(57,556)	41,003	-	Subsidiary
								(Note P)			
	Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency and shipping managers	2,228	2,228	300,000	60.00	16,140	32,726	-	Subsidiary
	Yang Ming (Korea) Co., Ltd.	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	28,143	9,264	-	Subsidiary
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	3,229	3,229	910,000	91.00	291,096	3,461	-	Subsidiary
	Yangming (Japan) Co., Ltd.	Tokyo, Japan	Shipping services; chartering, sale and purchase of ships; and forwarding agency	36,235	36,235	3,000	100.00	28,082	(29,629)	-	Subsidiary
	Yangming Shipping (Singapore) Pte Ltd.	Singapore	Shipping agency, forwarding agency and shipping managers	18,851	18,851	1,000,000	100.00	52,459	15,639	-	Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	33,746	6,788	-	Subsidiary
	Sunbright Insurance Pte. Ltd.	Singapore	Insurance	32,440	32,440	2,000,000	100.00	122,058	35,133	-	Subsidiary
	Yang Ming (Vietnam) Company Limited	Vietnam	Forwarding agency and shipping managers	3,197	3,197	(Note J)	49.00	5,331	4,594	-	Equity-method investee
	Formosa International Development Corporation	Vietnam	Invest industry district and real estate	254,358	254,358	(Note O)	30.00	241,039	80,099	-	Equity-method investee
	Yang Ming Anatolia Shipping Agency	Turkey	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	36,837	64,984	-	Subsidiary
	Yang Ming (U.A.E.) LLC.	U.A.E.	Shipping agency, forwarding agency and shipping managers	2,140	2,140	(Note S)	49.00	36,988	42,111	-	Equity-method investee
Yangming (Japan) Co., Ltd.	Manwa & Co., Ltd.	Tokyo, Japan	Forwarding agency and shipping agency	2,666	2,666	200	100.00	3,547	85	-	Subsidiary
Yang Ming Shipping (B.V.I) Inc.	Karlman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	84,938	463	-	Subsidiary
Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Monrovia, Republic of Liberia	Forwarding agency	1,960,904	1,060,904	2	100.00	3,623,020	365,009	-	Subsidiary
Yes Logistics Corp.	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	128,571	128,571	5,025,188	100.00	36,962	(6,593)	-	Subsidiary
	Yes Logistics Corp. (USA)	Auckland, USA	Shipping agency, forwarding agency and shipping managers	179,750	179,750	5,460,000	100.00	120,234	7,808	-	Subsidiary
	Chang Ming Logistics Company Limited	Chongqing, China	Terminal operation and stevedoring	304,326	304,326	(Note D)	49.00	358,819	16,694	-	Equity-method investee
Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Benelux B.V.	Netherlands	Forwarding agency	10,179	7,587	12,600	70.00	4,319	(2,594)	-	Subsidiary
	Yes Logistics (Netherlands) B.V.	Netherlands	Forwarding agency	1,224	1,224	(Note N)	100.00	3,042	2	-	Subsidiary
	Yes Logistics Company Ltd.	Hong Kong	Forwarding agency	114,417	114,417	29,000,000	100.00	29,544	(5,175)	-	Subsidiary
Yes Logistics Corp. (USA)	Golden Logistics Corp.	Shanghai, China	Forwarding agency	164,329	164,329	(Note L)	100.00	75,812	(2,347)	-	Subsidiary
	Golden Logistics USA Corporation	USA	Container transportation	328	328	100	100.00	154	2,099	-	Subsidiary
	YES Logistics Europe GmbH	Hamburg, Germany	Forwarding agency	1,158	1,158	(Note H)	100.00	7,256	(586)	-	Subsidiary
Golden Logistics Corp.	Star Logistics (Qingdao) Corp.	Qingdao, China	Forwarding agency	21,387	10,850	(Note Q)	100.00	17,860	(153)	-	Subsidiary

(Continued)

Notes:

- A. This is translated into New Taiwan dollars at the exchange rate prevailing at the time of investment acquisition.
- B. This is equivalent to EUR818,000, and no shares were issued.
- C. This is equivalent to GBP500, and no shares were issued.
- D. This is equivalent to US\$9,301,000, and no shares were issued.
- E. Investees had negative net assets. Thus, the negative carrying values of the investments were presented as liability.
- F. This is equivalent to US\$3,800,000, and no shares were issued.
- G. This is equivalent to US\$1,000,000, and no shares were issued.
- H. Paid-in capital was equivalent to EUR25,000, and no shares were issued.
- I. Paid-in capital was equivalent to EUR18,000, and no shares were issued.
- J. This is equivalent to US\$94,000, and no shares were issued.
- K. This is equivalent to EUR6,000, and no shares were issued.
- L. This is equivalent to US\$5,000,000, and no shares were issued.
- M. Recognized as deducted from long-term receivables - related parties.
- N. This is equivalent to EUR30,000, and no shares were issued.
- O. This is equivalent to US\$7,800,000, and no shares were issued.
- P. The loss of subsidiary was recognized in proportion to the parent's equity. Because the minority interest commits to share in the investees' losses, the cumulative equity of the Corporation in the investee's net loss in excess of the related investment is not charged against the Corporation.
- Q. This is equivalent to US\$1,000,000, and no shares were issued.
- R. This is equivalent to RMB4,618, and no shares were issued.
- S. This is equivalent to AED245,000, and no shares were issued.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2011

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2011	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2011	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Value as of December 31, 2011 (Note E)	Accumulated Inward Remittance of Earnings as of December 31, 2011
						Outflow	Inflow					
Yang Ming Marine Transportation Corporation	Yangtze River Express Airlines Company Limited (Note A)	Shipping agency	RMB 500,000	Indirect investment through Singapore-based subsidiary's direct investment in Mainland China.	\$ 564,060 (US\$ 18,622)	\$ -	\$ -	\$ 564,060 (US\$ 18,622)	12.00%	\$ -	(Note F)	\$ -
Yes Logistics Corp.	Golden Logistics Corp. (Note B)	Shipping agency	US\$ 5,000	Indirect investment through U.S.-based subsidiary's direct investment in Mainland China.	151,450 (US\$ 5,000)	-	-	151,450 (US\$ 5,000)	96.36%	(2,261)	\$ 73,108	-
	Chang Ming Logistics Company Limited (Note C)	Terminal operation and stevedoring	RMB 144,800	Investee's direct investment in Mainland China.	281,727 (US\$ 9,301)	-	-	281,727 (US\$ 9,301)	47.22%	7,883	345,784	-

Company Name	Accumulated Investment in Mainland China as of December 31, 2011	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Yang Ming Marine Transportation Corporation	\$ 564,060 (US\$ 18,622)	\$ 564,060 (US\$ 18,622)	\$ 17,608,478
Yes Logistics Corp.	433,177 (US\$ 14,301)	433,177 (US\$ 14,301)	701,193 (Note E)

Notes:

- A. The Corporation was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on November 29, 2005 and June 5, 2007.
- B. Yes Logistics Corp. (the subsidiary of the Corporation) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on June 3, 2004, July 4, 2006 and December 26, 2006.
- C. Yes Logistics Corp. (the subsidiary of the Corporation) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on April 11, 2005, August 22, 2006, November 29, 2006 and December 2, 2008.
- D. Calculated by the % ownership of direct or indirect investment.
- E. It represents 60% (\$1,168,655 thousand) of the net assets of Yes Logistics Corp. as of December 31, 2011.
- F. Impairment loss was recognized in 2007.
- G. United States dollars translated into New Taiwan dollars at the exchange rate of US\$1=NT\$30.29.

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
		Yangming-Japan	1	Accounts receivable from related parties	\$ 62,961	Conducted on agreed terms	-
				Operating costs	270,594	Conducted on agreed terms	-
		Young-Carrier Company Ltd.	1	Accounts receivable from related parties	311,215	Conducted on agreed terms	-
				Payables to shipping agents	522,600	Conducted on agreed terms	-
				Operating costs	582,769	Conducted on agreed terms	-
		YML-HK	1	Accounts receivable from related parties	11,452	Conducted on agreed terms	-
				Payables to shipping agents	210,101	Conducted on agreed terms	-
				Operating costs	154,452	Conducted on agreed terms	-
		YMS-Singapore	1	Payables to shipping agents	3,154	Conducted on agreed terms	-
				Operating costs	81,439	Conducted on agreed terms	-
		YML-M	1	Payables to shipping agents	33,319	Conducted on agreed terms	-
				Operating costs	43,806	Conducted on agreed terms	-
		YML-India	1	Accounts receivable from related parties	62,304	Conducted on agreed terms	-
				Payables to shipping agents	47,178	Conducted on agreed terms	-
		Yang Ming-Korea	1	Accounts receivable from related parties	21,812	Conducted on agreed terms	-
				Payables to related parties	26,797	Conducted on agreed terms	-
				Operating costs	121,241	Conducted on agreed terms	-
		YMS-BVI	1	Payables to shipping agents	10,295	Conducted on agreed terms	-
				Operating costs	179,108	Conducted on agreed terms	-
		Yang Ming-Liberia	1	Long-term other receivable from related parties	4,600,654	Conducted on agreed terms	4%
				Operating costs	2,321,951	Conducted on agreed terms	2%
				Interest revenues	77,717	Conducted on agreed terms	-
		YML-BVI	1	Short-term debt	88,715	Conducted on agreed terms	-
		Ching Ming	1	Rent income	859	Conducted on agreed terms	-
		Yang Ming-Italy	1	Accounts receivable from related parties	89,871	Conducted on agreed terms	-
				Payables to shipping agents	33,161	Conducted on agreed terms	-
				Operating costs	100,636	Conducted on agreed terms	-
		Yang Ming-Belgium	1	Accounts receivable from related parties	39,280	Conducted on agreed terms	-
				Other receivable from related parties	164	Conducted on agreed terms	-
				Payables to shipping agents	18,899	Conducted on agreed terms	-
				Operating costs	58,058	Conducted on agreed terms	-
		Yang Ming (Netherlands) B.V.	1	Accounts receivable from related parties	75,501	Conducted on agreed terms	-
				Payables to shipping agents	27,180	Conducted on agreed terms	-
				Operating costs	102,033	Conducted on agreed terms	-
				Other revenues	894	Conducted on agreed terms	-
		Kuang Ming (Liberia) Corp.	1	Operating revenues	2,868	Conducted on agreed terms	-
				Other revenues	252	Conducted on agreed terms	-
		Yang Ming Anatolia Shipping Agency S.A.	1	Notes receivable from related parties	188	Conducted on agreed terms	-
				Accounts receivable from related parties	121,703	Conducted on agreed terms	-
				Other receivable from related parties	3,830	Conducted on agreed terms	-
				Payables to shipping agents	147,322	Conducted on agreed terms	-
				Payables to related parties	2,206	Conducted on agreed terms	-
				Operating revenues	1,273	Conducted on agreed terms	-
				Operating costs	202,644	Conducted on agreed terms	-
		Yang Ming Line B.V.	1	Other receivable from related parties	14,488	Conducted on agreed terms	-
				Operating revenues	3,619	Conducted on agreed terms	-
				Operating costs	177	Conducted on agreed terms	-
		Sunbright Insurance Pte. Ltd.	1	Payables to related parties	7,206	Conducted on agreed terms	-
				Operating revenues	6,726	Conducted on agreed terms	-
				Operating costs	79,031	Conducted on agreed terms	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
		Kao Ming Container Terminal Corp.	1	Accounts receivable from related parties	\$ 34,785	Conducted on agreed terms	-
				Receivables from related parties	390	Conducted on agreed terms	-
				Payables to related parties	343,867	Conducted on agreed terms	-
				Operating revenues	1,744	Conducted on agreed terms	-
				Operating costs	899,105	Conducted on agreed terms	1%
				Other revenues	1,581	Conducted on agreed terms	-
		Yang Ming Line (Singapore) Pte. Ltd.	1	Short-term debt	99,957	Conducted on agreed terms	-
		Yes Logistics Europe GmbH	1	Accounts receivable from related parties	26,930	Conducted on agreed terms	-
				Payables to related parties	1,141	Conducted on agreed terms	-
				Operating revenues	130,781	Conducted on agreed terms	-
				Operating costs	3,922	Conducted on agreed terms	-
		Yes Logistics (Shanghai) Pte. Ltd.	1	Payables to related parties	24	Conducted on agreed terms	-
				Operating revenues	2,129	Conducted on agreed terms	-
		Triumph Logistics, Inc.	1	Payables to related parties	6,784	Conducted on agreed terms	-
				Operating revenues	1,094	Conducted on agreed terms	-
				Operating costs	76,096	Conducted on agreed terms	-
		Topline Transportation, Inc.	1	Payables to related parties	1,330	Conducted on agreed terms	-
				Operating revenues	314	Conducted on agreed terms	-
				Operating costs	19,224	Conducted on agreed terms	-
		Coastal Tarheel Express, Inc.	1	Payables to related parties	2,743	Conducted on agreed terms	-
				Operating costs	86,870	Conducted on agreed terms	-
		Transcont Intermodal Logistics, Inc.	1	Payables to related parties	9,982	Conducted on agreed terms	-
				Operating costs	67,945	Conducted on agreed terms	-
		Yang Ming Shipping (Canada) Ltd.	1	Payables to shipping agents	6,064	Conducted on agreed terms	-
1	Kuang Ming	YMTC	2	Refundable deposits from related parties	702	Conducted on agreed terms	-
				Payables to related parties	6,495	Conducted on agreed terms	-
				Operating revenues	840	Conducted on agreed terms	-
				Operating costs	25,832	Conducted on agreed terms	-
				Operating expenses	4,129	Conducted on agreed terms	-
		AOT	3	Operating costs	2,475	Conducted on agreed terms	-
		Yang Ming Line (Hong Kong) Ltd.	3	Other expenses	12	Conducted on agreed terms	-
		Yangming-Japan	3	Operating costs	490	Conducted on agreed terms	-
		Sunbright Insurance Pte. Ltd.	3	Prepaid expenses	907	Conducted on agreed terms	-
				Payables to related parties	613	Conducted on agreed terms	-
				Operating costs	3,415	Conducted on agreed terms	-
		Kuang Ming (Liberia) Corp.	3	Operating revenues	6,167	Conducted on agreed terms	-
				Interest revenues	23,705	Conducted on agreed terms	-
2	AOT	YMTC	2	Operating revenues		Conducted on agreed terms	-
		YMTC	2	Payables to related parties	20,353,666	Conducted on agreed terms	16%
				Operating revenues	1,655,021	Conducted on agreed terms	1%
				Interest expenses	437,663	Conducted on agreed terms	-
		Yang Ming (Liberia) Corp.	3	Long-term other receivable from related parties	6,438,485	Conducted on agreed terms	5%
				Interest revenues	142,572	Conducted on agreed terms	-
		Sunbright Insurance Pte. Ltd.	3	Payables to related parties	8,029	Conducted on agreed terms	-
				Operating costs	25,227	Conducted on agreed terms	-
		Yangming-UK	3	Operating revenues	24,186	Conducted on agreed terms	-
		Kuang Ming Shipping Corp.	3	Operating revenues	2,475	Conducted on agreed terms	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
3	Honming	YMTC	2	Accounts receivable from related parties	\$ 27,563	Conducted on agreed terms	-
				Operating revenues	130,000	Conducted on agreed terms	-
		Kao Ming Shipping Corp.	3	Accounts receivable from related parties	1,518	Conducted on agreed terms	-
				Operating revenues	8,475	Conducted on agreed terms	-
4	Jing Ming	YMTC	2	Accounts receivable from related parties	110,201	Conducted on agreed terms	-
				Payables to related parties	85	Conducted on agreed terms	-
				Operating revenues	801,144	Conducted on agreed terms	1%
				Operating costs	378	Conducted on agreed terms	-
				Operating expenses	1,063	Conducted on agreed terms	-
				Other expenses	415	Conducted on agreed terms	-
		Kao Ming Shipping Corp.	3	Accounts receivable from related parties	34,688	Conducted on agreed terms	-
				Operating revenues	192,256	Conducted on agreed terms	-
				Operating costs	31	Conducted on agreed terms	-
		Yes Logistics	3	Notes receivable from related parties	8	Conducted on agreed terms	-
				Accounts receivable from related parties	732	Conducted on agreed terms	-
				Operating revenues	4,847	Conducted on agreed terms	-
5	Yang Ming-America	YMTC	2	Accounts receivable from related parties	179,169	Conducted on agreed terms	-
				Payables to shipping agents	418,321	Conducted on agreed terms	-
				Operating revenues	1,352,973	Conducted on agreed terms	1%
		Sunbright Insurance Pte. Ltd.	3	Operating costs	2,007	Conducted on agreed terms	-
		Yang Ming Line Holding Co.	3	Accounts receivable from related parties	14,499	Conducted on agreed terms	-
		Olympic Container Terminal LLC	3	Long-term other receivable from related parties	384,683	Conducted on agreed terms	-
				Interest revenues	7,991	Conducted on agreed terms	-
		Triumph Logistics, Inc.	3	Accounts receivable from related parties	16,357	Conducted on agreed terms	-
		Topline Transportation, Inc.	3	Accounts receivable from related parties	3,328	Conducted on agreed terms	-
		Coastal Tarheel Express, Inc.	3	Accounts receivable from related parties	10,299	Conducted on agreed terms	-
				Operating expenses	291	Conducted on agreed terms	-
		Transcont Intermodal Logistics, Inc.	3	Accounts receivable from related parties	6,209	Conducted on agreed terms	-
				Operating revenues	240	Conducted on agreed terms	-
Yang Ming Shipping (Canada) Ltd.	3	Operating expenses	787	Conducted on agreed terms	-		
		Accounts receivable from related parties	4,846	Conducted on agreed terms	-		
Yes Logistics Corp. (U.S.A.)	3	Operating costs	65,892	Conducted on agreed terms	-		
		Accounts receivable from related parties	421	Conducted on agreed terms	-		
Golden Logistics USA Corp.	3	Other receivable from related parties	14,236	Conducted on agreed terms	-		
		Payables to related parties	19,957	Conducted on agreed terms	-		
6	Olympic Container Terminal LLC	YMTC	2	Other receivable from related parties	150,023	Conducted on agreed terms	-
				Operating revenues	566,617	Conducted on agreed terms	-
		Yang Ming-America	3	Payables to related parties	384,683	Conducted on agreed terms	-
				Interest expenses	7,991	Conducted on agreed terms	-
7	Yangming-Japan	YMTC	2	Payables to related parties	62,961	Conducted on agreed terms	-
				Operating revenues	270,594	Conducted on agreed terms	-
		Manwa & Co., Ltd.	3	Other receivable from related parties	158	Conducted on agreed terms	-
				Operating revenues	1,578	Conducted on agreed terms	-
		Kuang Ming Shipping Corp.	3	Rent income	235	Conducted on agreed terms	-
				Operating revenues	490	Conducted on agreed terms	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details					
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue		
8	Young-Carrier Company Ltd.	YMTC	2	Accounts receivable from related parties	\$ 522,600	Conducted on agreed terms	-		
				Payables to related parties	311,215	Conducted on agreed terms	-		
		Yang Ming Line (Singapore) Pte. Ltd.	3	Operating revenues	582,769	Conducted on agreed terms	-		
				Other receivable from related parties	494	Conducted on agreed terms	-		
				Refundable deposits from related parties	6,688	Conducted on agreed terms	-		
				Operating expenses	26,736	Conducted on agreed terms	-		
9	Yangming-UK	YMTC	2	Payables to related parties	699,626	Conducted on agreed terms	1%		
				Operating revenues	7,674,107	Conducted on agreed terms	6%		
				Operating costs	1,377,419	Conducted on agreed terms	1%		
				Operating expenses	59,026	Conducted on agreed terms	-		
				Accounts receivable from related parties	5,070	Conducted on agreed terms	-		
		AOT	3	Payables to shipping agents	78,825	Conducted on agreed terms	-		
				Operating costs	24,186	Conducted on agreed terms	-		
				Operating costs	403,196	Conducted on agreed terms	-		
				Operating costs	19,254	Conducted on agreed terms	-		
				Operating costs	12,323	Conducted on agreed terms	-		
				Receivables from related parties	3,577	Conducted on agreed terms	-		
				YML-BVI	3	Payables to related parties	2,484,301	Conducted on agreed terms	2%
						Operating costs	497,185	Conducted on agreed terms	-
		Yes Logistics	3	Accounts receivable from related parties	777	Conducted on agreed terms	-		
				Operating revenues	1,167	Conducted on agreed terms	-		
10	YML-HK	YMTC	2	Accounts receivable from related parties	210,101	Conducted on agreed terms	-		
				Payables to related parties	11,452	Conducted on agreed terms	-		
		YML-BVI	3	Operating revenues	154,452	Conducted on agreed terms	-		
				Payables to related parties	277,347	Conducted on agreed terms	-		
				Operating revenues	23,345	Conducted on agreed terms	-		
		Karlman Properties Limited	3	Accounts receivable from related parties	780	Conducted on agreed terms	-		
				Operating expenses	9,338	Conducted on agreed terms	-		
		Kuang Ming Shipping Corp.	3	Other revenues	12	Conducted on agreed terms	-		
				Yes Logistics Company Ltd.	3	Payables to related parties	94	Conducted on agreed terms	-
						Operating revenues	3,170	Conducted on agreed terms	-
11	YMS-Singapore	YMTC	2	Accounts receivable from related parties	3,154	Conducted on agreed terms	-		
				Operating revenues	81,439	Conducted on agreed terms	-		
		Kuang Ming (Liberia) Corp.	3	Operating revenues	116	Conducted on agreed terms	-		
12	YML-M	YMTC	2	Accounts receivable from related parties	33,319	Conducted on agreed terms	-		
				Operating revenues	43,806	Conducted on agreed terms	-		
13	Yes Logistics	YMTC	2	Accounts receivable from related parties	6,676	Conducted on agreed terms	-		
				Notes payable to related parties	5,169	Conducted on agreed terms	-		
				Payables to related parties	8,383	Conducted on agreed terms	-		
				Operating revenues	65,235	Conducted on agreed terms	-		
				Operating costs	423,370	Conducted on agreed terms	-		

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
		Jing Ming	3	Operating expenses	\$ 5,393	Conducted on agreed terms	-
				Other expenses	294	Conducted on agreed terms	-
				Notes payable to related parties	8	Conducted on agreed terms	-
				Payables to related parties	732	Conducted on agreed terms	-
		Kao Ming Shipping Corp.	3	Operating costs	4,847	Conducted on agreed terms	-
				Other receivable from related parties	133	Conducted on agreed terms	-
				Payables to related parties	12	Conducted on agreed terms	-
				Operating revenues	1,451	Conducted on agreed terms	-
		YML-India	3	Operating costs	26	Conducted on agreed terms	-
				Payables to related parties	686	Conducted on agreed terms	-
				Operating revenues	536	Conducted on agreed terms	-
		Manwa & Co., Ltd.	3	Operating costs	2,246	Conducted on agreed terms	-
				Accounts receivable from related parties	8,025	Conducted on agreed terms	-
				Payables to related parties	200	Conducted on agreed terms	-
		Yangming-UK	3	Payables to related parties	777	Conducted on agreed terms	-
				Operating costs	1,167	Conducted on agreed terms	-
		Yes Yangming Logistics (Singapore) Pte. Ltd.	3	Other receivable from related parties	489	Conducted on agreed terms	-
		Yes Logistics Benelux B.V.	3	Accounts receivable from related parties	1,595	Conducted on agreed terms	-
				Payables to related parties	7,844	Conducted on agreed terms	-
				Operating revenues	581	Conducted on agreed terms	-
				Operating costs	19,120	Conducted on agreed terms	-
		Yes Logistics (Netherlands) B.V.	3	Accounts receivable from related parties	994	Conducted on agreed terms	-
		Yes Logistics Company Ltd.	3	Accounts receivable from related parties	17,507	Conducted on agreed terms	-
				Payables to related parties	17,221	Conducted on agreed terms	-
				Operating revenues	10,466	Conducted on agreed terms	-
				Operating costs	24,358	Conducted on agreed terms	-
		Yes Logistics Corp. (U.S.A.)	3	Accounts receivable from related parties	2,288	Conducted on agreed terms	-
				Payables to related parties	32,687	Conducted on agreed terms	-
				Operating revenues	12,482	Conducted on agreed terms	-
				Operating costs	146,464	Conducted on agreed terms	-
		YES Logistics Europe GmbH	3	Accounts receivable from related parties	11,432	Conducted on agreed terms	-
				Other receivable from related parties	1,904	Conducted on agreed terms	-
				Payables to related parties	16,823	Conducted on agreed terms	-
				Operating revenues	4,428	Conducted on agreed terms	-
				Operating costs	97,258	Conducted on agreed terms	-
		YES Logistics (Shanghai) Corp.	3	Accounts receivable from related parties	7,256	Conducted on agreed terms	-
				Payables to related parties	22,633	Conducted on agreed terms	-
				Operating revenues	155,956	Conducted on agreed terms	-
				Operating costs	271,372	Conducted on agreed terms	-
14	YML-BVI	YMTC	2	Other receivable from related parties	88,715	Conducted on agreed terms	-
		Yang Ming Line N.V.	3	Other receivable from related parties	2,428	Conducted on agreed terms	-
		Yang Ming Line B.V.	3	Other receivable from related parties	8,583	Conducted on agreed terms	-
				Payables to related parties	6,024	Conducted on agreed terms	-
		Yangming-UK	3	Accounts receivable from related parties	2,484,301	Conducted on agreed terms	2%
				Operating revenues	497,185	Conducted on agreed terms	-
15	Ching Ming	YMTC	2	Operating expenses	859	Conducted on agreed terms	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
16	YML-India	YMTC	2	Accounts receivable from related parties	\$ 47,178	Conducted on agreed terms	-
				Payables to related parties	62,304	Conducted on agreed terms	-
		Yangming-UK Yes Logistics	3	Operating revenues	19,254	Conducted on agreed terms	-
				Other receivable from related parties	686	Conducted on agreed terms	-
		YES Logistics (Shanghai) Corp.	3	Operating revenues	2,246	Conducted on agreed terms	-
				Operating costs	536	Conducted on agreed terms	-
				Payables to related parties	950	Conducted on agreed terms	-
				Operating revenues	460	Conducted on agreed terms	-
				Operating costs	275	Conducted on agreed terms	-
17	Yang Ming Shipping Europe GmbH	YMTC	2	Receivables from shipping agents	93,990	Conducted as agreed term	-
				Accounts receivable from related parties	20,946	Conducted as agreed term	-
				Payables to related parties	46,351	Conducted as agreed term	-
				Operating revenues	341,282	Conducted as agreed term	-
18	Yang Ming (Liberia) Corp.	YMTC	2	Payables to related parties	4,600,654	Conducted as agreed term	4%
				Operating revenues	2,321,951	Conducted as agreed term	2%
				Interest expenses	77,717	Conducted as agreed term	-
		AOT	3	Payables to related parties	6,438,485	Conducted as agreed term	5%
				Interest expenses	142,572	Conducted as agreed term	-
		Sunbright Insurance Pte. Ltd.	3	Payables to related parties	8,765	Conducted as agreed term	-
				Operating costs	32,191	Conducted as agreed term	-
		YMUK	3	Operating revenue	403,196	Conducted as agreed term	-
19	Yang Ming (Korea) Corp.	YMTC	2	Accounts receivable from related parties	26,797	Conducted as agreed term	-
				Payables to related parties	21,812	Conducted as agreed term	-
				Operating revenues	121,241	Conducted as agreed term	-
20	Yang Ming Shipping (B.V.I) Inc.	YMTC	2	Accounts receivable from related parties	10,295	Conducted as agreed term	-
				Operating revenues	179,108	Conducted as agreed term	-
		Karlman Properties Limited	3	Other receivable from related parties	18,286	Conducted as agreed term	-
				Interest revenues	112	Conducted as agreed term	-
		Yang Ming (Hong Kong) Ltd.	3	Accounts receivable from related parties	277,347	Conducted as agreed term	-
				Operating expenses	23,345	Conducted as agreed term	-
21	Yang Ming (Italy) S.P.A	YMTC	2	Accounts receivable from related parties	33,161	Conducted as agreed term	-
				Payables to related parties	89,871	Conducted as agreed term	-
				Operating revenues	100,636	Conducted as agreed term	-
		Yang Ming (Naples) S.r.l.	3	Accounts receivable from related parties	9,666	Conducted as agreed term	-
				Notes payable to related parties	796	Conducted as agreed term	-
				Payables to related parties	1,066	Conducted as agreed term	-
				Operating revenues	1	Conducted as agreed term	-
				Operating costs	3,491	Conducted as agreed term	-
22	Yang Ming (Belgium) S.P.A	YMTC	2	Accounts receivable from related parties	18,899	Conducted as agreed term	-
				Payables to related parties	39,444	Conducted as agreed term	-
				Operating revenues	58,058	Conducted as agreed term	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details							
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue				
23	Yang Ming (Netherlands) B.V.	YMTC	2	Accounts receivable from related parties	\$ 27,180	Conducted as agreed term	-				
				Payables to related parties	75,501	Conducted as agreed term	-				
				Operating revenues	102,033	Conducted as agreed term	-				
				Other expenses	894	Conducted as agreed term	-				
				Operating revenues	7,188	Conducted as agreed term	-				
				Other revenues	25	Conducted as agreed term	-				
24	Yang Ming Anatolia Shipping Agency S.A.	YMTC	2	Accounts receivable from related parties	147,322	Conducted as agreed term	-				
				Other receivables from related parties	2,206	Conducted as agreed term	-				
				Notes payable to related parties	188	Conducted as agreed term	-				
				Payables to related parties	125,533	Conducted as agreed term	-				
				Operating revenues	202,644	Conducted as agreed term	-				
				Operating costs	1,273	Conducted as agreed term	-				
25	Kuang Ming (Liberia) Corp.	YMTC	2	Operating costs	2,868	Conducted as agreed term	-				
				Other expenses	252	Conducted as agreed term	-				
				Operating costs	116	Conducted as agreed term	-				
				Payables to related parties	2,533	Conducted as agreed term	-				
				Operating costs	11,779	Conducted as agreed term	-				
				Operating expenses	6,167	Conducted as agreed term	-				
26	Yang Ming (Singapore) Pte. Ltd.	YMTC	2	Other receivables from related parties	99,957	Conducted as agreed term	-				
				Young-Carrier Company Ltd.	3	Payables to related parties	494	Conducted as agreed term	-		
						Deposits received from related parties	6,688	Conducted as agreed term	-		
						Rent income	26,736	Conducted as agreed term	-		
				27	Yang Ming Shipping (Canada) Ltd.	YMTC	2	Accounts receivable from related parties	6,064	Conducted as agreed term	-
								Yang Ming (America) Corp.	3	Payables to related parties	4,846
Operating revenues	65,892	Conducted as agreed term	-								
28	Yang Ming Line B.V.	YMTC	2	Payables to related parties	14,488	Conducted as agreed term	-				
				Sunbright Insurance Pte. Ltd.	3	Operating revenues	177	Conducted as agreed term	-		
						Operating expenses	3,619	Conducted as agreed term	-		
						Operating costs	19,977	Conducted as agreed term	-		
				Yang Ming Holding Co., Ltd.	3	Other receivables from related parties	6,024	Conducted as agreed term	-		
						Payables to related parties	8,583	Conducted as agreed term	-		
Yang Ming Line N.V.	3	Payables to related parties	4,687	Conducted as agreed term	-						
29	Sunbright Insurance Pte. Ltd.	Yang Ming Line B.V.	2	Other receivables from related parties	7,206	Conducted as agreed term	-				
				Operating revenues	79,031	Conducted as agreed term	-				
				Operating costs	6,726	Conducted as agreed term	-				
		AOT	3	Other receivables from related parties	8,029	Conducted as agreed term	-				
				Operating revenues	25,227	Conducted as agreed term	-				
		Yang Ming (Liberia) Corp.	3	Other receivables from related parties	8,765	Conducted as agreed term	-				
Kao Ming Container Terminal Corp.	3	Operating revenues	32,191	Conducted as agreed term	-						
		Operating revenues	1,474	Conducted as agreed term	-						

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
		Yang Ming (America) Corp.	3	Operating revenues	\$ 2,007	Conducted as agreed term	-
		Yang Ming line B.V.	3	Operating revenues	19,977	Conducted as agreed term	-
		Yang Ming (UK) Ltd.	3	Operating revenues	12,323	Conducted as agreed term	-
		YMTC	3	Payables to related parties	3,577	Conducted as agreed term	-
			3	Other receivables from related parties	613	Conducted as agreed term	-
				Unearned revenues	907	Conducted as agreed term	-
				Operating revenues	3,415	Conducted as agreed term	-
		Kuang Ming (Liberia) Corp.	3	Other receivables from related parties	2,533	Conducted as agreed term	-
				Operating revenues	11,779	Conducted as agreed term	-
30	Kao Ming Container Terminal Corp.	YMTC	2	Accounts receivable from related parties	343,867	Conducted as agreed term	-
				Payables to related parties	35,175	Conducted as agreed term	-
				Operating revenues	899,105	Conducted as agreed term	1%
				Operating costs	163	Conducted as agreed term	-
				Operating expenses	1,581	Conducted as agreed term	-
				Other expenses	1,581	Conducted as agreed term	-
		Honming Terminal	3	Payables to related parties	1,518	Conducted as agreed term	-
				Operating costs	8,475	Conducted as agreed term	-
		Jing Ming Transportation Co., Ltd.	3	Payables to related parties	34,688	Conducted as agreed term	-
				Operating revenues	31	Conducted as agreed term	-
				Operating costs	192,256	Conducted as agreed term	-
		Sunbright Insurance Pte. Ltd.	3	Operating costs	1,474	Conducted as agreed term	-
		Yes Logistics Corp.	3	Accounts receivable from related parties	12	Conducted as agreed term	-
				Payables to related parties	133	Conducted as agreed term	-
				Operating revenues	26	Conducted as agreed term	-
				Operating costs	1,451	Conducted as agreed term	-
31	Karlman Properties Limited	Yang Ming shipping (B.V.I.) Inc.	3	Short-term debt	18,286	Conducted as agreed term	-
				Interest expenses	112	Conducted as agreed term	-
		Yang Ming (Japan) Ltd.	3	Payables to related parties	780	Conducted as agreed term	-
				Rent income	9,338	Conducted as agreed term	-
32	Manwa & Co., Ltd.	Yang Ming (Japan) Co., Ltd.	3	Payables to related parties	158	Conducted as agreed term	-
				Operating costs	1,813	Conducted as agreed term	-
		Yes Logistics Corp.	3	Other receivables from related parties	200	Conducted as agreed term	-
				Payables to related parties	8,025	Conducted as agreed term	-
33	Yang Ming Line Holding Corp.	Yang Ming (America) Corp.	3	Payables to related parties	14,499	Conducted as agreed term	-
34	Topline Transportation, Inc.	YMTC	2	Other receivables from related parties	1,330	Conducted as agreed term	-
				Operating revenues	19,224	Conducted as agreed term	-
				Operating costs	314	Conducted as agreed term	-
		Yang Ming (America) Corp.	3	Payables to related parties	3,328	Conducted as agreed term	-
		Coastal Tarheel Express, Inc.	3	Payables to related parties	5,000	Conducted as agreed term	-
35	Yes Logistics Corp.	Yang Ming (America) Corp.	3	Payables to related parties	421	Conducted as agreed term	-
		Yes Logistics Corp.	3	Accounts receivable from related parties	32,687	Conducted as agreed term	-
				Payables to related parties	2,288	Conducted as agreed term	-
				Operating revenues	146,464	Conducted as agreed term	-
				Operating costs	12,482	Conducted as agreed term	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
		Yes Logistics Company Ltd. Golden Logistics USA Corporation Yes Logistics (Shanghai) Corp.	3 3 3	Operating costs Operating costs Accounts receivable from related parties Payables to related parties Operating revenues Operating costs	\$ 40 9 1,961 245 2,580 2,842	Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term	- - - - - -
36	Triumph Logistics, Inc.	YMTC Yang Ming (America) Corp. Coastal Tarheel Express, Inc.	2 3 3	Other receivables from related parties Operating revenues Operating costs Payables to related parties Payables to related parties	6,784 76,096 1,094 16,357 4,818	Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term	- - - - -
37	Coastal Tarheel Express, Inc.	YMTC Yang Ming (America) Corp. Triumph Logistics, Inc. Topline Transportation, Inc.	2 3 3 3	Other receivables from related parties Operating revenues Payables to related parties Operating revenues Accounts receivable from related parties Accounts receivable from related parties	2,743 86,870 10,299 291 4,818 5,000	Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term	- - - - - -
38	Transcont Intermodal Logistics, Inc.	YMTC Yang Ming (America) Corp.	2 3	Accounts receivable from related parties Operating revenues Payables to related parties Operating revenues Operating expenses	9,982 67,945 6,209 787 240	Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term	- - - - -
39	Yang Ming Line N.V.	Yang Ming Line (B.V.I.) Holding Co., Ltd. Yang Ming Line B.V.	3 3	Payables to related parties Other receivables from related parties	2,428 4,687	Conducted as agreed term Conducted as agreed term	- -
40	Yang Ming (Naples) S.r.l.	Yang Ming (Italy) S.P.A.	3	Notes receivable from related parties Accounts receivable from related parties Payables to related parties Operating revenues Operating costs	796 1,066 9,666 3,491 1	Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term	- - - - -
41	Yes Logistics Europe GmbH	YMTC Yes Logistics Corp. Yes Logistics Benelux B.V. Yes Logistics (Shanghai) Corp.	2 3 3 3	Accounts receivable from related parties Payables to related parties Operating revenues Operating costs Accounts receivable from related parties Short-term debt Payables to related parties Operating revenues Operating costs Payables to related parties Operating revenues Operating costs Accounts receivable from related parties Payables to related parties	1,141 26,930 3,922 130,781 16,823 3,519 9,816 97,258 4,428 139 15 1,003 832 1,499	Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term	- - - - - - - - - - - - - -

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
				Operating revenues	\$ 1,684	Conducted as agreed term	-
				Operating costs	3,100	Conducted as agreed term	-
42	Yes Logistics (Shanghai) Corp.	YMTC	2	Accounts receivable from related parties	24	Conducted as agreed term	-
				Operating costs	2,129	Conducted as agreed term	-
		Yang Ming Line (India) Pvt. Ltd.	3	Accounts receivable from related parties	950	Conducted as agreed term	-
				Operating revenues	275	Conducted as agreed term	-
				Operating costs	460	Conducted as agreed term	-
		Yes Logistics Corp.	3	Accounts receivable from related parties	20,083	Conducted as agreed term	-
				Other receivables from related parties	2,550	Conducted as agreed term	-
				Payables to related parties	7,256	Conducted as agreed term	-
				Operating revenues	271,372	Conducted as agreed term	-
				Operating costs	155,956	Conducted as agreed term	-
		Yes Logistics Benelux B.V.	3	Accounts receivable from related parties	81	Conducted as agreed term	-
				Payables to related parties	2,245	Conducted as agreed term	-
				Operating costs	1,926	Conducted as agreed term	-
		Yes Logistics Company Ltd.	3	Accounts receivable from related parties	17,224	Conducted as agreed term	-
				Other receivables from related parties	2,958	Conducted as agreed term	-
				Payables to related parties	18,378	Conducted as agreed term	-
				Unearned revenues	12	Conducted as agreed term	-
				Operating revenues	75	Conducted as agreed term	-
				Operating costs	2,628	Conducted as agreed term	-
		Yes Logistics Corp.	3	Other receivables from related parties	245	Conducted as agreed term	-
				Payables to related parties	1,961	Conducted as agreed term	-
				Operating revenues	2,842	Conducted as agreed term	-
				Operating costs	2,580	Conducted as agreed term	-
		Yes Logistics Europe GmbH	3	Accounts receivable from related parties	1,499	Conducted as agreed term	-
				Payables to related parties	832	Conducted as agreed term	-
				Operating revenues	3,100	Conducted as agreed term	-
				Operating costs	1,684	Conducted as agreed term	-
43	Yes Yang Ming Logistics (Singapore) Ptd. Ltd.	Yes Logistics Corp.	3	Payables to related parties	489	Conducted as agreed term	-
44	Yes Logistics Benelux B.V. (原 Burger Yes B.V.)	Yang Ming (Netherlands) B.V.	3	Operating revenues	7,188	Conducted as agreed term	-
		Yes Logistics Corp.	3	Accounts receivable from related parties	7,844	Conducted as agreed term	-
				Payables to related parties	1,595	Conducted as agreed term	-
				Operating revenues	19,120	Conducted as agreed term	-
				Operating costs	581	Conducted as agreed term	-
		Yes Logistics Europe GmbH	3	Accounts receivable from related parties	139	Conducted as agreed term	-
				Operating revenues	1,003	Conducted as agreed term	-
				Operating costs	15	Conducted as agreed term	-
		Yes Logistics (Shanghai) Corp.	3	Accounts receivable from related parties	2,245	Conducted as agreed term	-
				Payables to related parties	81	Conducted as agreed term	-
				Operating revenues	1,926	Conducted as agreed term	-
45	Yes Logistics (Netherlands) B.V.	Yang Ming (Netherlands) B.V.	3	Other expenses	25	Conducted as agreed term	-
		Yes Logistics Corp.	3	Payables to related parties	994	Conducted as agreed term	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
46	Yes Logistics Company Ltd.	Yang Ming Line (Hong Kong) Ltd.	3	Others receivables from related parties	\$ 94	Conducted as agreed term	-
				Operating costs	3,170	Conducted as agreed term	-
		Yes Logistics Corp.	3	Accounts receivable from related parties	17,221	Conducted as agreed term	-
				Payables to related parties	17,507	Conducted as agreed term	-
				Operating revenues	24,358	Conducted as agreed term	-
				Operating costs	10,466	Conducted as agreed term	-
		Yes Logistics Corp.	3	Operating revenues	40	Conducted as agreed term	-
		Yes Logistics (Shanghai) Corp.	3	Accounts receivable from related parties	18,378	Conducted as agreed term	-
				Prepaid expenses	12	Conducted as agreed term	-
				Payables to related parties	20,182	Conducted as agreed term	-
				Operating revenues	2,628	Conducted as agreed term	-
				Operating costs	75	Conducted as agreed term	-
		47	Golden Logistics USA Corporation	Yang Ming (America) Corp.	3	Accounts receivable from related parties	19,957
				Payables to related parties	14,236	Conducted as agreed term	-
Yes Logistics Corp.	3			Operating revenues	9	Conducted as agreed term	-

Note A: Transactions between YMTC and its subsidiaries should be remarked, as well as numbered in the first column. Rules are as follows:

1. YMTC - 0
2. Its subsidiaries are numbered in Arabic figures.

Note B: Related party transactions are divided into three categories as follows:

1. YMTC to its subsidiaries.
2. Subsidiaries to its parent company YMTC.
3. Among YMTC's subsidiaries.

Note C: Information on the Schedule is equivalent to the eliminated material intercompany transactions.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

YEAR ENDED DECEMBER 31, 2010

(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship (Note A)	Transaction Details			% to Consolidated Asset/Revenue		
				Financial Statement Accounts	Amount (Note B)	Payment Terms			
0	YMTC	Yangming-ERO	1	Payables to related parties	\$ 56,435	Conducted on agreed terms	-		
				Accounts receivable from related parties	43,459	Conducted on agreed terms	-		
				Operating costs	373,328	Conducted on agreed terms	-		
		Yangming-UK	1	Accounts receivable from related parties	14,650	Conducted on agreed terms	-		
				Payables to related parties	-	Conducted on agreed terms	-		
				Other receivable from related parties	6,161	Conducted on agreed terms	-		
				Advances to shipping agents	86,678	Conducted on agreed terms	-		
				Operating revenues	1,320,715	Conducted on agreed terms	1%		
				Operating costs	7,584,771	Conducted on agreed terms	6%		
				Yes Logistics	1	Operating revenues	792,121	Conducted on agreed terms	-
		Rent income	4,378			Conducted on agreed terms	-		
		Other revenues	309			Conducted on agreed terms	-		
		Operating costs	59,158			Conducted on agreed terms	-		
		Other receivable from related parties	2,649			Conducted on agreed terms	-		
		Payables to related parties	2,575			Conducted on agreed terms	-		
		Kuang Ming	1			Operating revenues	59,002	Conducted on agreed terms	-
				Rent income	3,658	Conducted on agreed terms	-		
				Operating expenses	1,080	Conducted on agreed terms	-		
				Other receivable from related parties	23,757	Conducted on agreed terms	-		
				AOT	1	Operating costs	1,346,292	Conducted on agreed terms	1%
		Interest revenues	420,391			Conducted on agreed terms	-		
		Long-term other receivable from related parties	20,522,826			Conducted on agreed terms	15%		
		Honming	1	Operating costs	176,500	Conducted on agreed terms	-		
				Jing Ming	1	Operating revenues	354	Conducted on agreed terms	-
		Operating costs	881,239			Conducted on agreed terms	-		
		Other revenues	425			Conducted on agreed terms	-		
		Other receivable from related parties	121			Conducted on agreed terms	-		
		Payables to related parties	59,728			Conducted on agreed terms	-		
		Yang Ming-America	1			Operating costs	1,261,710	Conducted on agreed terms	1%
						Accounts receivable from related parties	6,889	Conducted on agreed terms	-
Advances to shipping agents	683,618			Conducted on agreed terms	-				
Olympic Container Terminal LLC	1	Operating costs	562,553	Conducted on agreed terms	-				
Yangming-Japan	1	Operating costs	262,810	Conducted on agreed terms	-				
		Accounts receivable from related parties	582	Conducted on agreed terms	-				
		Payables to related parties	14,274	Conducted on agreed terms	-				
Young-Carrier Company Ltd.	1	Operating costs	586,614	Conducted on agreed terms	-				
		Accounts receivable from related parties	709,149	Conducted on agreed terms	-				
		Payables to related parties	438,110	Conducted on agreed terms	-				

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note A)	Transaction Details			
				Financial Statement Accounts	Amount (Note B)	Payment Terms	% to Consolidated Asset/Revenue
		YML-HK	1	Operating costs	\$ 122,908	Conducted on agreed terms	-
				Accounts receivable from related parties	71,022	Conducted on agreed terms	-
				Payables to related parties	137,523	Conducted on agreed terms	-
		YMS-Singapore	1	Operating costs	84,344	Conducted on agreed terms	-
				Payables to related parties	12,836	Conducted on agreed terms	-
		YML-M	1	Operating costs	36,575	Conducted on agreed terms	-
				Accounts receivable from related parties	22,861	Conducted on agreed terms	-
				Payables to related parties	5,812	Conducted on agreed terms	-
		YML-India	1	Operating costs	9,038	Conducted on agreed terms	-
				Accounts receivable from related parties	22,064	Conducted on agreed terms	-
				Payables to related parties	15,957	Conducted on agreed terms	-
		Yang Ming-Korea	1	Operating costs	117,876	Conducted on agreed terms	-
				Accounts receivable from related parties	46,209	Conducted on agreed terms	-
				Payables to related parties	56,572	Conducted on agreed terms	-
		YMS-BVI	1	Operating costs	152,141	Conducted on agreed terms	-
		Yang Ming-Liberia	1	Operating costs	1,811,703	Conducted on agreed terms	1.4%
				Interest revenues	38,748	Conducted on agreed terms	-
				Long-term other receivable from related parties	800,330	Conducted on agreed terms	-
		YML-BVI	1	Long-term other receivable from related parties	172,823	Conducted on agreed terms	-
		Ching Ming	1	Rent income	862	Conducted on agreed terms	-
		Yang Ming-Italy	1	Operating costs	133,993	Conducted on agreed terms	-
				Accounts receivable from related parties	148,496	Conducted on agreed terms	-
				Payable to shipping agents	46,270	Conducted on agreed terms	-
		Yang Ming-Belgium	1	Operating costs	67,773	Conducted on agreed terms	-
				Accounts receivable from related parties	20,453	Conducted on agreed terms	-
				Payables to related parties	22,965	Conducted on agreed terms	-
		Yang Ming (Netherlands) B.V.	1	Operating costs	143,505	Conducted on agreed terms	-
				Other revenues	10,080	Conducted on agreed terms	-
				Accounts receivable from related parties	18,668	Conducted on agreed terms	-
				Payables to related parties	27,608	Conducted on agreed terms	-
		Kuang Ming (Liberia) Corp.	1	Operating revenues	165,184	Conducted on agreed terms	-
				Other receivable from related parties	15,139	Conducted on agreed terms	-
		Yang Ming Anatolia Shipping Agency S.A.	1	Accounts receivable from related parties	49,713	Conducted on agreed terms	-
				Payables to related parties	30,186	Conducted on agreed terms	-
				Operating costs	82,912	Conducted on agreed terms	-
		Yang Ming Shipping (Canada) Ltd.	1	Accounts receivable from related parties	36,114	Conducted on agreed terms	-
				Payable to shipping agents	136	Conducted on agreed terms	-
				Operating costs	50,747	Conducted on agreed terms	-
		Yang Ming Line B.V.	1	Other receivable from related parties	25,606	Conducted on agreed terms	-
				Payables to related parties	3,999	Conducted on agreed terms	-
				Operating revenues	3,624	Conducted on agreed terms	-
		Yang Ming (Naples) S.r.l.	1	Operating costs	44,508	Conducted on agreed terms	-
				Prepaid expenses	6,899	Conducted on agreed terms	-
		Kao Ming Container Terminal Corp.	1	Operating revenues	143	Conducted on agreed terms	-
				Other revenues	4,829	Conducted on agreed terms	-
1	Kuang Ming	YMTC	2	Operating costs	58,222	Conducted on agreed terms	-
				Operating revenues	1,080	Conducted on agreed terms	-
				Administration expenses	3,685	Conducted on agreed terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note A)	Transaction Details			
				Financial Statement Accounts	Amount (Note B)	Payment Terms	% to Consolidated Asset/Revenue
		Kuang Ming (Liberia) Corp.	3	Payables to related parties	\$ 23,757	Conducted on agreed terms	-
				Accounts receivable from related parties	1,449,807	Conducted on agreed terms	1%
				Payables to related parties	22,164	Conducted on agreed terms	-
				Operating costs	47,748	Conducted on agreed terms	-
				Interest revenues	53,115	Conducted on agreed terms	-
				Other revenues	7,003	Conducted on agreed terms	-
		Yang Ming (Naples) S.r.l.	3	Accounts receivable from related parties	312	Conducted on agreed terms	-
				Operating costs	1,014	Conducted on agreed terms	-
		Yangming-Japan	3	Payables to related parties	2,785	Conducted on agreed terms	-
				Other revenues	35	Conducted on agreed terms	-
2	AOT	YMTC	2	Operating revenues	1,346,292	Conducted on agreed terms	1%
				Interest expenses	420,391	Conducted on agreed terms	-
				Payables to related parties	20,522,826	Conducted on agreed terms	15%
		Yangming-UK	3	Operating revenues	33,729	Conducted on agreed terms	-
		Kuang Ming (Liberia) Corp.	3	Operating revenues	170,965	Conducted on agreed terms	-
				Accounts receivable from related parties	392	Conducted on agreed terms	-
		Yang Ming-Liberia	3	Interest revenues	152,611	Conducted on agreed terms	-
				Long-term receivables from related parties	7,823,240	Conducted on agreed terms	5.8%
		Yang Ming (Naples) S.r.l.	3	Receivables from related parties	1,620	Conducted on agreed terms	-
				Operating costs	20,970	Conducted on agreed terms	-
3	Honming	YMTC	2	Operating revenues	176,500	Conducted on agreed terms	-
4	Jing Ming	YMTC	2	Operating costs	354	Conducted on agreed terms	-
				Operating revenues	881,239	Conducted on agreed terms	-
				Administration expenses	425	Conducted on agreed terms	-
				Accounts receivable from related parties	59,728	Conducted on agreed terms	-
				Payables to related parties	121	Conducted on agreed terms	-
		Yes Logistics	3	Accounts receivable from related parties	1,893	Conducted on agreed terms	-
				Operating revenues	7,444	Conducted on agreed terms	-
		Kao Ming Container Terminal Corp.	3	Operating revenues	358	Conducted on agreed terms	-
5	Yang Ming-America	YMTC	2	Operating revenues	1,261,710	Conducted on agreed terms	1%
				Payables to related parties	690,507	Conducted on agreed terms	-
		Yangming-UK	3	Operating revenues	287,047	Conducted on agreed terms	-
				Accounts receivable from related parties	322,264	Conducted on agreed terms	-
		Yang Ming Line Holding Co.		Payables to related parties	21,292	Conducted on agreed terms	-
		Yes Logistics Corp. (U.S.A.)	3	Accounts receivable from related parties	251	Conducted on agreed terms	-
				Other revenues	9,979	Conducted on agreed terms	-
		Yes Logistics	3	Accounts receivable from related parties	134	Conducted on agreed terms	-
		Olympic Container Terminal LLC	3	Accounts receivable from related parties	399,422	Conducted on agreed terms	-
				Interest revenues	8,636	Conducted on agreed terms	-
		Triumph Logistics, Inc.	3	Accounts receivable from related parties	16,139	Conducted on agreed terms	-
		Topline Transportation, Inc.	3	Accounts receivable from related parties	3,263	Conducted on agreed terms	-
		Coastal Tarheel Express, Inc.	3	Accounts receivable from related parties	10,193	Conducted on agreed terms	-
		Transcont Intermodal Logistics, Inc.	3	Accounts receivable from related parties	5,974	Conducted on agreed terms	-
				Operating revenues	1,195	Conducted on agreed terms	-
				Operating costs	615	Conducted on agreed terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note A)	Transaction Details			
				Financial Statement Accounts	Amount (Note B)	Payment Terms	% to Consolidated Asset/Revenue
		Yang Ming Shipping (Canada) Ltd.	3	Accounts receivable from related parties	\$ 4,662	Conducted on agreed terms	-
				Operating costs	50,747	Conducted on agreed terms	-
		Yangming-ERO	3	Payables to related parties	4,720	Conducted on agreed terms	-
				Other revenues	7,480	Conducted on agreed terms	-
6	Olympic Container Terminal LLC	YMTC	2	Operating revenues	562,553	Conducted on agreed terms	-
		Yang Ming-America	3	Payables to related parties	399,422	Conducted on agreed terms	-
				Administration expenses	8,636	Conducted on agreed terms	-
7	Yangming-Japan	YMTC	2	Operating revenues	262,810	Conducted on agreed terms	-
				Payables to related parties	582	Conducted on agreed terms	-
				Accounts receivable from related parties	14,274	Conducted on agreed terms	-
		Yangming-UK	3	Operating revenues	3,559	Conducted on agreed terms	-
				Payables to related parties	1,999	Conducted on agreed terms	-
				Accounts receivable from related parties	1,485	Conducted on agreed terms	-
		Manwa & Co., Ltd.	3	Receivables from related parties	118	Conducted on agreed terms	-
				Operating revenues	472	Conducted on agreed terms	-
		Kuang Ming	3	Accounts receivable from related parties	2,785	Conducted on agreed terms	-
				Operating costs	35	Conducted on agreed terms	-
		Kuang Ming (Liberia) Corp.	3	Accounts receivable from related parties	578	Conducted on agreed terms	-
				Operating costs	49	Conducted on agreed terms	-
8	Young-Carrier Company Ltd.	YMTC	2	Operating revenues	586,614	Conducted on agreed terms	-
				Payables to related parties	709,149	Conducted on agreed terms	-
				Accounts receivable from related parties	438,110	Conducted on agreed terms	-
		Yangming-UK	3	Operating revenues	81,348	Conducted on agreed terms	-
				Payables to related parties	94,872	Conducted on agreed terms	-
				Accounts receivable from related parties	150,729	Conducted on agreed terms	-
		Yang Ming Line (Singapore) Pte. Ltd.	3	Accounts receivable from related parties	6,737	Conducted on agreed terms	-
				Administration expenses	28,885	Conducted on agreed terms	-
9	Yangming-UK	YMTC	2	Payables to related parties	20,811	Conducted on agreed terms	-
				Advances from shipping agents	86,678	Conducted on agreed terms	-
				Operating costs	1,319,715	Conducted on agreed terms	1%
				Operating revenues	7,584,771	Conducted on agreed terms	5.8%
		Yang Ming-America	3	Operating costs	287,047	Conducted on agreed terms	-
				Payables to related parties	322,264	Conducted on agreed terms	-
				Accounts receivable from related parties	21,292	Conducted on agreed terms	-
		Yes Logistics	3	Accounts receivable from related parties	385	Conducted on agreed terms	-
				Operating revenues	2,600	Conducted on agreed terms	-
		Golden Logistics Corp.	3	Accounts receivable from related parties	11	Conducted on agreed terms	-
				Operating revenues	5	Conducted on agreed terms	-
		YML-BVI		Payables to related parties	1,930,837	Conducted on agreed terms	1.4%
				Operating costs	476,582	Conducted on agreed terms	-
		Yangming-Japan	3	Operating costs	3,559	Conducted on agreed terms	-
				Accounts receivable from related parties	1,999	Conducted on agreed terms	-
				Payables to related parties	1,485	Conducted on agreed terms	-
		Young-Carrier Company Ltd.	3	Payables to related parties	150,729	Conducted on agreed terms	-
				Accounts receivable from related parties	94,872	Conducted on agreed terms	-
				Operating costs	81,348	Conducted on agreed terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note A)	Transaction Details			
				Financial Statement Accounts	Amount (Note B)	Payment Terms	% to Consolidated Asset/Revenue
		YML-HK	3	Operating costs	\$ 9,046	Conducted on agreed terms	-
				Accounts receivable from related parties	5,331	Conducted on agreed terms	-
				Payables to related parties	15,055	Conducted on agreed terms	-
		YMS-Singapore	3	Operating costs	11,047	Conducted on agreed terms	-
				Accounts receivable from related parties	398	Conducted on agreed terms	-
				Payables to related parties	2,487	Conducted on agreed terms	-
		YML-M	3	Operating costs	15,720	Conducted on agreed terms	-
				Accounts receivable from related parties	4,746	Conducted on agreed terms	-
				Payables to related parties	8,736	Conducted on agreed terms	-
		YML-India	3	Operating costs	27,942	Conducted on agreed terms	-
				Accounts receivable from related parties	21,260	Conducted on agreed terms	-
				Payables to related parties	73,315	Conducted on agreed terms	-
		Yangming-ERO	3	Payables to related parties	467	Conducted on agreed terms	-
				Accounts receivable from related parties	31	Conducted on agreed terms	-
				Operating costs	921	Conducted on agreed terms	-
		Yang Ming-Korea	3	Operating costs	37,326	Conducted on agreed terms	-
				Accounts receivable from related parties	12,975	Conducted on agreed terms	-
				Payables to related parties	28,154	Conducted on agreed terms	-
		Yang Ming-Italy	3	Operating costs	742	Conducted on agreed terms	-
				Accounts receivable from related parties	11,649	Conducted on agreed terms	-
				Payables to related parties	1,878	Conducted on agreed terms	-
		Yang Ming (Naples) S.r.l.	3	Accounts receivable from related parties	4,122	Conducted on agreed terms	-
				Operating costs	9,788	Conducted on agreed terms	-
		Yang Ming-Belgium	3	Operating costs	8	Conducted on agreed terms	-
				Payables to related parties	4	Conducted on agreed terms	-
		Yang Ming (Netherlands) B.V.	3	Payables to related parties	63	Conducted on agreed terms	-
				Accounts receivable from related parties	5	Conducted on agreed terms	-
				Operating costs	21	Conducted on agreed terms	-
		Yang Ming Anatolia Shipping Agency S.A.	3	Operating costs	200	Conducted on agreed terms	-
				Accounts receivable from related parties	293	Conducted on agreed terms	-
		AOT	3	Operating costs	33,729	Conducted on agreed terms	-
		Yang Ming-Liberia	3	Operating costs	366,893	Conducted on agreed terms	-
10	YML-HK	YMTC	2	Operating revenues	122,908	Conducted on agreed terms	-
				Payables to related parties	71,022	Conducted on agreed terms	-
				Accounts receivable from related parties	137,523	Conducted on agreed terms	-
		Yangming-UK	3	Operating revenues	9,046	Conducted on agreed terms	-
				Payables to related parties	5,331	Conducted on agreed terms	-
				Accounts receivable from related parties	15,055	Conducted on agreed terms	-
		YMS-BVI	3	Payables to related parties	162,009	Conducted on agreed terms	-
				Other revenues	54,679	Conducted on agreed terms	-
		Karlman Properties Limited	3	Accounts receivable from related parties	750	Conducted on agreed terms	-
				Administration expenses	9,736	Conducted on agreed terms	-
		Yes Logistics Company, Ltd.		Accounts receivable from related parties	801	Conducted on agreed terms	-
				Other revenues	1,966	Conducted on agreed terms	-
11	YMS-Singapore	YMTC	2	Operating revenues	84,344	Conducted on agreed terms	-
				Accounts receivable from related parties	12,836	Conducted on agreed terms	-
		Yangming-UK	3	Operating revenues	11,047	Conducted on agreed terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note A)	Transaction Details			
				Financial Statement Accounts	Amount (Note B)	Payment Terms	% to Consolidated Asset/Revenue
				Payables to related parties	\$ 398	Conducted on agreed terms	-
				Accounts receivable from related parties	2,487	Conducted on agreed terms	-
12	YML-M	YMTC	2	Operating revenues	36,575	Conducted on agreed terms	-
				Payables to related parties	22,861	Conducted on agreed terms	-
				Accounts receivable from related parties	5,812	Conducted on agreed terms	-
		Yangming-UK	3	Operating revenues	15,720	Conducted on agreed terms	-
				Payables to related parties	4,746	Conducted on agreed terms	-
				Accounts receivable from related parties	8,736	Conducted on agreed terms	-
13	Yes Logistics	YMTC	2	Operating costs	792,121	Conducted on agreed terms	-
				Administration expenses	4,687	Conducted on agreed terms	-
				Operating revenues	59,158	Conducted on agreed terms	-
				Payables to related parties	2,649	Conducted on agreed terms	-
				Receivables from related parties	2,575	Conducted on agreed terms	-
		Jing Ming	3	Payables to related parties	1,893	Conducted on agreed terms	-
				Operating costs	7,444	Conducted on agreed terms	-
		Golden Logistics (Qingdao) Corp.	3	Accounts receivable from related parties	1	Conducted on agreed terms	-
				Payables to related parties	1,008	Conducted on agreed terms	-
				Operating costs	441	Conducted on agreed terms	-
				Operating revenues	8	Conducted on agreed terms	-
		Star Logistics (Qingdao) Corp.	3	Operating revenues	1	Conducted on agreed terms	-
		Yangming-UK	3	Payables to related parties	385	Conducted on agreed terms	-
				Operating costs	2,600	Conducted on agreed terms	-
		Yang Ming-America	3	Payables to related parties	134	Conducted on agreed terms	-
		YML-India	3	Payables to related parties	383	Conducted on agreed terms	-
				Operating costs	29,232	Conducted on agreed terms	-
		Manwa & Co., Ltd.	3	Receivables from related parties	2	Conducted on agreed terms	-
		Golden Logistics Corp.	3	Payables to related parties	64,964	Conducted on agreed terms	-
				Operating costs	386,975	Conducted on agreed terms	-
				Operating revenues	115,449	Conducted on agreed terms	-
		YES Logistics Europe GmbH	3	Accounts receivable from related parties	5,084	Conducted on agreed terms	-
				Payables to related parties	18,176	Conducted on agreed terms	-
				Operating costs	97,257	Conducted on agreed terms	-
				Operating revenues	2,199	Conducted on agreed terms	-
		Yes Logistics (Netherlands) B.V.		Accounts receivable from related parties	351	Conducted on agreed terms	-
				Payables to related parties	375	Conducted on agreed terms	-
		Yes Yangming Logistics (Singapore) Pte. Ltd.	3	Accounts receivable from related parties	1,287	Conducted on agreed terms	-
		Yes Logistics Corp. (U.S.A.)	3	Accounts receivable from related parties	6,717	Conducted on agreed terms	-
				Payables to related parties	22,380	Conducted on agreed terms	-
				Operating costs	155,231	Conducted on agreed terms	-
				Operating revenues	3,864	Conducted on agreed terms	-
		Burger Yes B.V.	3	Payables to related parties	7,406	Conducted on agreed terms	-
				Operating costs	35,647	Conducted on agreed terms	-
				Operating revenues	3,749	Conducted on agreed terms	-
		Yes Logistics Company, Ltd.	3	Accounts receivable from related parties	98,319	Conducted on agreed terms	-
				Payables to related parties	7,455	Conducted on agreed terms	-
				Operating costs	31,075	Conducted on agreed terms	-
				Operating revenues	20,744	Conducted on agreed terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note A)	Transaction Details			
				Financial Statement Accounts	Amount (Note B)	Payment Terms	% to Consolidated Asset/Revenue
14	YML-BVI	YMTC Yang Ming Line N.V. Yang Ming Line B.V.	2	Long-term payables to related parties	\$ 172,823	Conducted on agreed terms	-
			3	Accounts receivable from related parties	2,142	Conducted on agreed terms	-
			3	Accounts receivable from related parties	8,547	Conducted on agreed terms	-
		Yangming-UK	3	Payables to related parties	6,907	Conducted on agreed terms	-
			3	Accounts receivable from related parties	1,930,837	Conducted on agreed terms	1.4%
				Operating revenues	476,582	Conducted on agreed terms	-
15	Ching Ming	YMTC	2	Administration expenses	862	Conducted on agreed terms	-
16	YML-India	YMTC	2	Operating revenues	9,038	Conducted on agreed terms	-
				Accounts receivable from related parties	15,957	Conducted on agreed terms	-
				Payables to related parties	22,064	Conducted on agreed terms	-
		Yangming-UK	3	Operating revenues	27,942	Conducted on agreed terms	-
				Payables to related parties	21,260	Conducted on agreed terms	-
				Accounts receivable from related parties	73,315	Conducted on agreed terms	-
		Golden Logistics Corp.	3	Other revenues	498	Conducted on agreed terms	-

Note A: Related party transactions are divided into three categories as follows:

1. YMTC to its subsidiaries.
2. Subsidiaries to its parent company YMTC.
3. Among YMTC's subsidiaries.

Note B: Information on the Schedule is equivalent to the eliminated material intercompany transactions.

(Concluded)