

**Yang Ming Marine Transport Corporation
and Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2012 and 2011 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, 2012 and 2011, 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. We did not audit the financial statements of YES Logistics (Shanghai) Corp., YES Logistics Company Ltd., Yang Ming Line (Singapore) Pte. Ltd. and Yang Ming Line Holding Co. as of and for the years ended December 31, 2012 and 2011, and of Yes Logistics Europe GmbH and Yes Logistics (Netherlands) B.V. as of and for the year ended December 31, 2011; these subsidiaries had been audited by other auditors. The combined total assets of these subsidiaries were 3.7% (NT\$5,170,872 thousand) and 3.1% (NT\$4,021,347 thousand) of the total consolidated assets as of December 31, 2012 and 2011, respectively. The combined total operating revenues of these subsidiaries were 2.1% (NT\$2,783,491 thousand) and 1.8% (NT\$2,117,195 thousand) of the consolidated revenue in 2012 and 2011, respectively. Also, we did not audit the financial statements as of and for the years ended December 31, 2012 and 2011 of the following equity-method investees: 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; these investees had been audited by other auditors. The carrying values of these investments were NT\$1,436,032 thousand and NT\$1,358,741 thousand as of December 31, 2012 and 2011, respectively. The equity in these investees' net income was NT\$156,782 thousand and NT\$172,567 thousand in 2012 and 2011, respectively. 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, 2012 and 2011, 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, 2013

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, 2012 AND 2011

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2012		2011		LIABILITIES AND STOCKHOLDERS' EQUITY	2012		2011	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 2 and 4)	\$ 11,086,730	8	\$ 11,250,595	9	Short-term debt (Note 15)	\$ 209,907	-	\$ 3,010,704	2
Financial assets at fair value through profit or loss - current (Notes 2 and 5)	2,102,127	2	897,500	1	Commercial paper payable (Note 16)	-	-	3,246,359	2
Available-for-sale financial assets - current (Notes 2 and 6)	190,061	-	662,690	-	Financial liabilities at fair value through profit or loss - current (Notes 2 and 5)	5,112	-	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	-
Notes receivable, net (Note 2)	210,386	-	291,674	-	Notes payable	51,157	-	62,469	-
Accounts receivable, net of allowance for doubtful accounts of \$9,450 thousand and \$9,454 thousand at December 31, 2012 and 2011 (Notes 2 and 3)	3,019,661	2	1,782,101	1	Accounts payable (Note 18)	3,289,947	2	5,043,130	4
Accounts receivable from related parties (Notes 2, 3 and 28)	85,601	-	70,119	-	Payable to related parties (Note 28)	175,886	-	132,114	-
Shipping fuel, net (Notes 2 and 7)	4,170,554	3	6,481,143	5	Income tax payable (Notes 2 and 24)	187,741	-	132,736	-
Prepaid expenses (Note 14)	765,762	1	963,303	1	Accrued expenses (Note 19)	3,180,873	2	2,762,265	2
Advances to shipping agents (Note 28)	190,629	-	572,222	-	Payables on equipment	27,485	-	1,417,263	1
Deferred income tax assets - current (Notes 2 and 24)	102,225	-	36,513	-	Advances from customers	808,677	1	2,689,678	2
Restricted assets (Note 29)	2,052,366	1	-	-	Current portion of long-term interest-bearing debts (Notes 2, 10, 17 and 29)	11,756,671	8	8,834,538	7
Other current assets (Note 28)	771,646	1	776,430	1	Payable to shipping agents	3,420,211	3	2,006,838	2
					Payable to shipping agents - related parties (Note 28)	203,126	-	83,724	-
					Other current liabilities (Notes 2 and 24)	693,445	1	714,868	1
Total current assets	24,747,748	18	23,833,451	18	Total current liabilities	24,010,238	17	30,184,051	23
LONG-TERM INVESTMENTS (Notes 2, 6, 8, 9 and 28)					LONG-TERM LIABILITIES				
Available-for-sale financial assets - noncurrent	1,768,956	1	2,254,690	2	Bonds payable (Notes 2, 17, 28 and 29)	22,223,534	16	14,436,490	11
Financial assets carried at cost - noncurrent	399,500	-	425,290	-	Long-term debts (Notes 17 and 29)	42,930,448	31	40,822,261	32
Investments accounted for using equity method	1,887,410	2	1,850,367	2	Obligations under capital leases - long-term portion (Notes 2, 10 and 17)	10,287,581	8	10,919,294	8
Cash surrender value of life insurance	26,450	-	20,396	-	Other financial liabilities (Notes 2 and 17)	261,825	-	-	-
Total long-term investments	4,082,316	3	4,550,743	4	Total long-term liabilities	75,703,388	55	66,178,045	51
PROPERTIES (Notes 2, 10, 14 and 29)					RESERVE FOR LAND VALUE INCREMENT TAX (Note 20)	479,639	-	479,639	1
Cost					OTHER LIABILITIES				
Land	691,084	-	776,181	-	Accrued pension cost (Notes 2 and 22)	1,399,218	1	1,340,436	1
Buildings	1,262,960	1	1,319,650	1	Deferred income tax liabilities - noncurrent (Notes 2 and 24)	371,007	-	439,879	-
Containers and chassis	24,408,281	18	25,409,096	20	Unrealized gain on sale and leaseback (Notes 2 and 21)	436,232	1	493,712	1
Ships	82,867,006	59	66,574,080	51	Others	115,837	-	74,846	-
Leased assets	13,501,062	10	13,963,478	11	Total other liabilities	2,322,294	2	2,348,873	2
Leasehold improvements	239,263	-	244,620	-	Total liabilities	102,515,559	74	99,190,608	77
Miscellaneous equipment	3,637,128	3	3,463,162	3	YANG MING'S EQUITY				
Total cost	126,606,784	91	111,750,267	86	Capital stock - \$10 par value				
Less: Accumulated depreciation	41,531,306	30	37,502,584	29	Authorized - 3,600,000 thousand shares				
Construction in progress	85,075,478	61	74,247,683	57	Issued - 2,818,713 thousand shares in 2012 and 2011	28,187,131	20	28,187,131	22
	3,299,339	2	6,302,183	5	Capital surplus				
Net properties	88,374,817	63	80,549,866	62	Additional paid-in capital	1,333,992	1	4,710,566	3
INTANGIBLE ASSETS					Long-term investments	8,927	-	8,927	-
Computer software (Note 2)	27,948	-	32,107	-	Equity component of mandatory convertible bonds	4,413,702	3	-	-
Deferred pension cost (Notes 2 and 22)	1,440	-	2,182	-	Total capital surplus	5,756,621	4	4,719,493	3
Franchise (Notes 2, 11 and 29)	9,771,106	7	9,678,832	8	Retained earnings (accumulated loss)				
Total intangible assets	9,800,494	7	9,713,121	8	Legal reserve	-	-	1,178,785	1
OTHER ASSETS					Special reserve	-	-	82,530	-
Assets leased to others, net (Notes 2, 12 and 29)	3,713,087	3	3,661,624	3	Unappropriated earnings (accumulated deficit)	51,435	-	(4,637,889)	(4)
Nonoperating assets, net (Notes 2 and 13)	234,359	-	234,359	-	Total retained earnings (accumulated loss)	51,435	-	(3,376,574)	(3)
Refundable deposits (Notes 10, 29 and 30)	5,542,654	4	5,715,983	4	Other equity				
Deferred income tax assets - noncurrent (Notes 2 and 24)	971,456	1	561,006	-	Cumulative translation adjustments	(467,361)	-	(158,441)	-
Advances on long-term rent agreements (Note 14)	662,850	-	694,422	1	Net loss not recognized as pension cost	(127,140)	-	(67,069)	-
Restricted assets - noncurrent (Note 29)	1,044,010	1	22,365	-	Unrealized gain on financial instruments	(487,048)	(1)	42,923	-
Miscellaneous (Notes 2 and 22)	39,024	-	58,584	-	Total other equity	(1,081,549)	(1)	(182,587)	-
Total other assets	12,207,440	9	10,948,343	8	Total controlling interest	32,913,638	23	29,347,463	22
TOTAL	\$ 139,212,815	100	\$ 129,595,524	100	MINORITY INTEREST	3,783,618	3	1,057,453	1
					Total stockholders' equity	36,697,256	26	30,404,916	23
					TOTAL	\$ 139,212,815	100	\$ 129,595,524	100

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

(With Deloitte & Touche audit report dated March 26, 2013)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME YEARS ENDED DECEMBER 31, 2012 AND 2011

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

	2012		2011	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 28)	\$ 131,724,184	100	\$ 118,554,959	100
OPERATING COSTS (Notes 2, 7, 25 and 28)	<u>130,132,448</u>	<u>99</u>	<u>123,487,238</u>	<u>104</u>
GROSS INCOME (LOSS)	<u>1,591,736</u>	<u>1</u>	<u>(4,932,279)</u>	<u>(4)</u>
OPERATING EXPENSES (Notes 25 and 28)				
Selling expenses	4,544,196	3	4,733,174	4
General and administrative expenses	<u>864,978</u>	<u>1</u>	<u>898,891</u>	<u>1</u>
Total operating expenses	<u>5,409,174</u>	<u>4</u>	<u>5,632,065</u>	<u>5</u>
OPERATING LOSS	<u>(3,817,438)</u>	<u>(3)</u>	<u>(10,564,344)</u>	<u>(9)</u>
NONOPERATING INCOME AND GAINS				
Gain on disposal of properties (Note 2)	1,560,292	1	1,172,994	1
Gain on sale of investments, net (Note 1)	2,812,135	2	417,003	1
Exchange gain, net (Note 2)	204,267	-	150,816	-
Investment income recognized under equity method (Notes 2 and 9)	192,343	-	212,710	-
Dividend income	116,588	-	171,677	-
Rent income (Note 28)	133,457	-	109,637	-
Interest income	120,640	-	139,596	-
Valuation gain on financial liabilities, net (Notes 2 and 5)	42,024	-	-	-
Others (Note 28)	<u>469,542</u>	<u>1</u>	<u>340,804</u>	<u>-</u>
Total nonoperating income and gains	<u>5,651,288</u>	<u>4</u>	<u>2,715,237</u>	<u>2</u>
NONOPERATING EXPENSES AND LOSSES				
Interest expense (Notes 2, 10 and 28)	1,757,590	1	1,643,014	1
Valuation loss on financial assets, net (Notes 2, 6 and 8)	21,280	-	223,499	-
Valuation loss on financial liabilities, net (Notes 2 and 5)	-	-	47,136	-
Others	<u>127,802</u>	<u>-</u>	<u>91,679</u>	<u>-</u>
Total nonoperating expenses and losses	<u>1,906,672</u>	<u>1</u>	<u>2,005,328</u>	<u>1</u>
LOSS BEFORE INCOME TAX EXPENSE	(72,822)	-	(9,854,435)	(8)
INCOME TAX BENEFIT (Notes 2 and 24)	<u>(138,061)</u>	<u>-</u>	<u>(559,149)</u>	<u>-</u>
CONSOLIDATED NET INCOME (LOSS)	<u>\$ 65,239</u>	<u>-</u>	<u>\$ (9,295,286)</u>	<u>(8)</u>

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YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2012 AND 2011

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

	2012		2011	
	Amount	%	Amount	%
ATTRIBUTABLE TO:				
Controlling interest	\$ 51,435	-	\$ (9,398,878)	(8)
Minority interest	<u>13,804</u>	<u>-</u>	<u>103,592</u>	<u>-</u>
	<u>\$ 65,239</u>	<u>-</u>	<u>\$ (9,295,286)</u>	<u>(8)</u>
	2012		2011	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS (LOSS) PER SHARE (Note 26)				
Basic	<u>\$ (0.09)</u>	<u>\$ 0.02</u>	<u>\$ (3.62)</u>	<u>\$ (3.33)</u>
Diluted	<u>\$ (0.09)</u>	<u>\$ 0.02</u>	<u>\$ (3.62)</u>	<u>\$ (3.33)</u>

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

(With Deloitte & Touche audit report dated March 26, 2013)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2012 AND 2011
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)**

	Capital Stock		Capital Surplus (Notes 2, 17 and 23)			Retained Earnings (Accumulated Loss) (Notes 2 and 23)			Other Equity (Notes 2 and 23)			Minority Interest	Total Stockholders' Equity
	Shares (Thousands)	Amount	Additional Paid-in Capital	Long-term Investments	Equity Component of Mandatory Convertible Bonds	Legal Reserve	Special Reserve	Unappropriated Earnings (Deficit)	Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Unrealized Gain (Loss) on Financial Instruments		
BALANCE, JANUARY 1, 2011	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
Cash dividends received by minority interest	-	-	-	-	-	-	-	-	-	-	-	(120,743)	(120,743)
Increase in minority interest	-	-	-	-	-	-	-	-	-	-	-	315,776	315,776
BALANCE, DECEMBER 31, 2011	2,818,713	28,187,131	4,710,566	8,927	-	1,178,785	82,530	(4,637,889)	(158,441)	(67,069)	42,923	1,057,453	30,404,916
Compensation of 2011 deficit													
Legal reserve	-	-	-	-	-	(1,178,785)	-	1,178,785	-	-	-	-	-
Special reserve	-	-	-	-	-	-	(82,530)	82,530	-	-	-	-	-
Capital surplus - additional paid-in capital	-	-	(3,376,574)	-	-	-	-	3,376,574	-	-	-	-	-
Net income for the year ended December 31, 2012	-	-	-	-	-	-	-	51,435	-	-	-	13,804	65,239
Translation adjustments on long-term investments accounted for using equity method	-	-	-	-	-	-	-	-	(308,920)	-	-	(27,766)	(336,686)
Changes in stockholders' equity accounted for using equity method	-	-	-	-	-	-	-	-	-	(6)	(24,258)	-	(24,264)
Changes in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	(456,780)	-	(456,780)
Changes in unrealized loss on cash flow hedging financial instruments	-	-	-	-	-	-	-	-	-	-	(48,933)	-	(48,933)
Changes in net loss not recognized pension cost	-	-	-	-	-	-	-	-	-	(60,065)	-	-	(60,065)
Equity component of mandatory convertible bonds	-	-	-	-	4,413,702	-	-	-	-	-	-	-	4,413,702
Cash dividends received by minority interest	-	-	-	-	-	-	-	-	-	-	-	(47,116)	(47,116)
Increase in minority interest	-	-	-	-	-	-	-	-	-	-	-	2,787,243	2,787,243
BALANCE, DECEMBER 31, 2012	<u>2,818,713</u>	<u>\$ 28,187,131</u>	<u>\$ 1,333,992</u>	<u>\$ 8,927</u>	<u>\$ 4,413,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,435</u>	<u>\$ (467,361)</u>	<u>\$ (127,140)</u>	<u>\$ (487,048)</u>	<u>\$ 3,783,618</u>	<u>\$ 36,697,256</u>

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

(With Deloitte & Touche audit report dated March 26, 2013)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2012 AND 2011

(In Thousands of New Taiwan Dollars)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income (loss)	\$ 65,239	\$ (9,295,286)
Depreciation	6,941,574	6,723,686
Amortization	330,542	319,587
Reversal for doubtful accounts	(5,447)	(11,412)
Provision (repayment of) for pension cost	1,877	(908)
Provision for (reversal of) allowance for loss on shipping fuel	116,598	(48,219)
Gain on disposal of properties, net	(1,560,292)	(1,172,994)
Gain on disposal of financial instruments, net	(2,812,135)	(417,003)
Investment income recognized under equity method	(192,343)	(212,710)
Cash dividends received from equity-method investee	59,835	79,639
Valuation loss on financial instruments	21,280	223,499
Valuation loss (gain) on financial liabilities	(42,024)	47,136
Deferred income tax	(543,256)	(960,618)
Realized gain on sale and lease back	(57,480)	(57,480)
Others	6,869	(48,720)
Changes in operating assets and liabilities		
Financial instruments held for trading	(882,849)	766,102
Notes receivable	81,288	65,526
Accounts receivable	(1,232,448)	805,565
Accounts receivable from related parties	(15,482)	(10,538)
Shipping fuel	2,193,991	(1,483,042)
Prepaid expenses	309,584	197,949
Advances to shipping agents	381,593	20,187
Other current assets	8,369	(314,255)
Notes payable	(11,312)	4,079
Accounts payable	(1,753,183)	353,938
Payables to related parties	43,772	(61,722)
Income tax payable	55,005	15,579
Accrued expenses	418,608	(852,070)
Payables to shipping agents - related parties	119,402	(63,975)
Advances from customers	(1,881,001)	(319,229)
Payables to shipping agents	1,413,373	740,269
Other current liabilities	224,071	95,691
Advances on long-term rent agreements	<u>31,572</u>	<u>2,969</u>
Net cash provided by (used in) operating activities	<u>1,835,190</u>	<u>(4,868,780)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(22,004,016)	(17,881,419)
Proceeds from disposal of available-for-sale financial assets	22,532,710	27,337,854
Proceeds from capital reduction of equity-method investees	9,723	11,589
Acquisition of properties	(17,768,303)	(12,986,183)
Proceeds from disposal of properties	1,467,374	1,580,604
Acquisition of franchise	(378,595)	(391,660)

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YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2012 AND 2011 (In Thousands of New Taiwan Dollars)

	2012	2011
Acquisition of computer software	\$ (26,368)	\$ (12,540)
Acquisition of assets leased to others	(689)	(7,802)
Decrease (increase) in cash surrender value of life insurance	(6,054)	7,898
Decrease (increase) in refundable deposits	(32,519)	392,710
Decrease in other assets	7,675	12,107
Increase in restricted assets	<u>(3,074,011)</u>	<u>(9,315)</u>
Net cash used in investing activities	<u>(19,273,073)</u>	<u>(1,946,157)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term debt	(2,800,797)	1,962,641
Proceeds from commercial paper	1,599,505	3,546,359
Payment for commercial paper	(4,845,864)	(2,140,000)
Proceeds from long-term debts	33,943,080	17,955,945
Repayments of long-term debts	(30,457,688)	(9,106,540)
Proceeds from issuance of bonds	15,694,000	6,500,000
Repayment of principal of bonds	(960,000)	(11,080,000)
Payment for other financial liabilities	(64,404)	-
Payment for obligations under capital leases	(411,518)	(347,795)
Increase (decrease) in other liabilities	40,991	(9,887)
Increase in minority interest	5,249,797	416,134
Cash dividends paid by Yang Ming	-	(3,203,083)
Cash dividends received by minority interest	<u>(47,116)</u>	<u>(120,743)</u>
Net cash provided by financing activities	<u>16,939,986</u>	<u>4,373,031</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>334,032</u>	<u>(203,938)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(163,865)	(2,645,844)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>11,250,595</u>	<u>13,896,439</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 11,086,730</u>	<u>\$ 11,250,595</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ 1,686,999	\$ 2,191,091
Less: Capitalized interest	<u>62,625</u>	<u>16,797</u>
Interest paid (excluding capitalized interest)	<u>\$ 1,624,374</u>	<u>\$ 2,174,294</u>
Income tax paid	<u>\$ 271,867</u>	<u>\$ 462,460</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Reclassification of properties into assets leased to others	<u>\$ 84,626</u>	<u>\$ 11,454</u>
Reclassification of advances on long-term rent agreements into properties	<u>\$ -</u>	<u>\$ 131,452</u>
Current portion of long-term interest-bearing debts	<u>\$ 11,756,671</u>	<u>\$ 8,834,538</u>

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2012 AND 2011

(In Thousands of New Taiwan Dollars)

	2012	2011
INVESTING ACTIVITIES AFFECTING BOTH CASH AND NON-CASH ITEMS		
Acquisition of properties	\$ 16,378,525	\$ 13,219,258
Decrease (increase) in payables on equipment	<u>1,389,778</u>	<u>(233,075)</u>
Cash paid	<u>\$ 17,768,303</u>	<u>\$ 12,986,183</u>
Proceeds from disposal of properties	\$ 1,714,646	\$ 1,332,622
Increase (decrease) in advances from disposal of properties (included in other current liabilities)	<u>(247,272)</u>	<u>247,982</u>
Cash received	<u>\$ 1,467,374</u>	<u>\$ 1,580,604</u>
Proceeds from disposal of available-for-sale financial assets	\$ 22,532,710	\$ 26,783,141
Receivables from disposal of securities	<u>-</u>	<u>554,713</u>
Cash received	<u>\$ 22,532,710</u>	<u>\$ 27,337,854</u>
Proceeds from capital reduction of financial assets carried at cost	\$ 19,013	\$ 11,589
Increase in other receivable (included in other current assets)	<u>(9,290)</u>	<u>-</u>
Cash received	<u>\$ 9,723</u>	<u>\$ 11,589</u>

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

(With Deloitte & Touche audit report dated March 26, 2013)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2012 AND 2011

(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, 2012 and 2011.

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		
			2012	2011	
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	
“	Kuang Ming Shipping Corp. (Kuang Ming)	Shipping service, shipping agency and forwarding agency	86.57	86.57	Note a
“	Honming Terminal & Stevedoring Co., Ltd. (Honming)	Terminal operation and stevedoring	79.17	79.17	
“	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	60.00	100.00	Note b
Ching Ming	Honming	Terminal operation and stevedoring	20.83	20.83	
“	Yes Logistics	Warehouse operation and forwarding agency	46.36	46.36	

(Continued)

Investment Company	Subsidiaries	Main Business	Proportion of Ownership Interest (%)		Note
			December 31		
			2012	2011	
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	
"	Yang Ming (Belgium) N.V.	Shipping agency	89.92	89.92	Note c
Yangming (Netherlands) B.V.	Yang Ming (Belgium) N.V.	Shipping agency	10.08	10.08	Note c
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		
			2012	2011	
Yes-USA	Yes Logistics (Shanghai) Corp.	Forwarding agency	100.00	100.00	
"	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	-	-	Note e
"	Star Logistics (Qingdao) Corp.	Forwarding agency	-	100.00	Note f
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	70.00	Note d

(Concluded)

Note a: 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, the Corporation has disposed 13,700 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 per share, and recognized a disposal gain of \$83,501 thousand. As of December 31, 2012, 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 b: 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 Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. (formerly MOTC Harbor Bureau) 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. Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. approved Kao Ming to start its operation on January 5, 2011. Besides, YMTC's board of directors resolved on January 6, 2012 to dispose partial interests of Kao Ming Container Terminal Corp. held by the Corporation. According to the specifications of related BOT contracts, the accumulated disposal should not exceed 272,000 thousand shares (approximately equal to 40% of Kao Ming Container Terminal Corp.'s share capital). The disposal price will depend on Kao Ming Container Terminal Corp.'s operating performance and the market price at the time.

In 2012, the Corporation disposed of 272,000 thousand shares (approximately equal to 40% of Kao Ming Container Terminal Corp.'s current share capital) at an average price of 19.30 per share, and recognized an accumulated disposal gain of 2,462,554 thousand.

Note c: 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 d: 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 e: Yes Logistics (Shanghai) Corp.'s board of directors resolved to dispose Golden Logistics (Qingdao) Corp. on May 19, 2011 and had disposed and done the revision of registration on September 5, 2011. Starting from May 19, 2011, the Corporation ceased to include Golden Logistics Corp.'s revenues and expenses in consolidated financial statements.

Note f: Yes Logistics (Shanghai) Corp.'s board of directors resolved to acquire 40% interest in Start Logistics (Qingdao) Corp. first and then to liquidate the company on May 5, 2011. Yes Logistics (Shanghai) Corp. acquired 40% interest in Start Logistics (Qingdao) Corp. on October 20, 2011 and obtained permission for corporation settlement from Administration for Industry and Commerce of Qingdao on October 22, 2012.

As of December 31, 2012 and 2011, the Group had 4,858 and 4,398 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 insignificant consolidated entities as of and for the years ended December 31, 2012 (YES Logistics (UK) Limited, Yes Logistics Benelux B.V., Golden Logistics USA Corp., Golden Logistics Corp., Star Logistics Corp., Yes Logistics Europe GmbH and Yes Logistics (Netherlands) B.V.) and 2011 (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 incorporated in consolidated financial statements.

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.

Cash Equivalents

Cash equivalents, consisting of repurchase agreements collateralized by bonds, are highly liquid financial instruments with maturities of three months or less when acquired and with carrying amounts that approximate fair values.

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

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 Corporation's past experience in the collection of 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 56 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 11 years; and miscellaneous equipment, 2 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.

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.

Convertible Bonds

For convertible bonds, the Corporation first determines the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component, then determines the carrying amount of the equity component, representing the equity conversion option, by deducting the fair value of the liability component from the fair value of the convertible bonds as a whole. The liability component (excluding embedded derivatives) is measured at amortized cost using the effective interest method, while the embedded non-equity derivatives are measured at fair value. Upon conversion, the Corporation uses the aggregate carrying amount of the liability and equity components of the bonds at the time of conversion as a basis to record the common shares issued.

Transaction costs of convertible bonds, net of related income tax benefit, are allocated in proportion to the liability and equity components of the bonds.

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 Corporation applies the intra-year and inter-year allocation methods to its income tax, whereby (1) a portion of income tax expense is allocated to the cumulative effect of changes in accounting principles or charged or credited directly to shareholders' equity; and (2) deferred income tax assets and liabilities are recognized for the tax effects of temporary differences, unused loss carryforward and unused tax credits. Valuation allowances are provided to the extent, if any, that it is more likely than not that deferred income tax assets will not 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.

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, 2011 have been reclassified to be consistent with the presentation of consolidated financial statements as of and for the year ended December 31, 2012.

3. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES

Financial Instruments

On January 1, 2011, the Corporation adopted the newly revised Statement of Financial Accounting Standards (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 Corporation 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 Corporation 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 Corporation'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." SFAS No. 41 only changed the way the Corporation discloses information of the segments.

4. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
Cash		
Petty cash and cash on hand	\$ 9,348	\$ 10,055
Checking accounts and demand deposits	4,794,577	7,399,307
Time deposits: Interest - 0.03%-9.00% in 2012 and - 0.03%-8.25% in 2011	<u>5,292,705</u>	<u>3,841,233</u>
	10,096,630	11,250,595
Cash equivalents		
Repurchase agreements collateralized by bonds: Interest - 0.8%	<u>990,100</u>	<u>-</u>
	<u>\$ 11,086,730</u>	<u>\$ 11,250,595</u>

As of December 31, 2012 and 2011, time deposits with maturity of over one year amounted to \$1,885 thousand and \$4,900 thousand, respectively.

The overseas deposits of YMTC as of December 31, 2012 and 2011 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>	
	<u>2012</u>	<u>2011</u>
<u>Financial assets held for trading</u>		
Principal guaranteed notes	\$ 1,000,302	\$ -
Crude oil swap and oil swap option	34,028	15,484
Mutual fund	939,300	689,773
Quoted stocks	128,497	140,500
Forward exchange contracts	<u>-</u>	<u>51,743</u>
	<u>\$ 2,102,127</u>	<u>\$ 897,500</u>
<u>Financial liabilities held for trading</u>		
Crude oil swap and oil swap option	\$ 5,112	\$ -
Forward exchange contracts	<u>-</u>	<u>47,136</u>
	<u>\$ 5,112</u>	<u>\$ 47,136</u>

Principal guaranteed notes were held to link to TTT50 and interest was at rate range of commercial paper. Realized profit and loss arose from redemption were \$3,989 thousand and \$5,982 thousand for the years ended December 31, 2012 and 2011, respectively. The contract held as of December 31, 2012 had been settled by February 2013.

Foreign exchange forward contracts were held mainly to hedge the exchange rate risks 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, 2012 and 2011 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, 2012 had been settled.

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

	Currency	Duration	Contract Amount (In Thousands)	Fair Value (In Thousands)
<u>December 31, 2011</u>				
Buy	USD/NTD	February 2012	USD32,500/NTD936,000	\$ 51,743
Sell	USD/NTD	February 2012	USD32,500/NTD936,000	(47,136)

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\$10,022 thousand to US\$21,320 thousand and from US\$2,495 thousand to US\$12,628 thousand every month for the years ended December 31, 2012 and 2011, respectively. The terms of the derivatives mentioned above did not qualify as effective hedging instruments, thus hedge accounting was not applied.

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, 2012 were as follows:

	Due Date	Notional Amount	Unsettled Amount	
			Contract Amount	Fair Value
<u>December 31, 2012</u>				
Crude oil swap and oil swap option	2012.12.31	US\$272,018 thousand	US\$70,662 thousand	\$ 28,916

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

Net gains from financial assets held for trading were \$321,998 thousand and \$226,418 thousand for the years ended December 31, 2012 and 2011, respectively.

Net gains (losses) from financial liabilities held for trading were \$42,024 thousand and \$(47,136) thousand for the years ended December 31, 2012 and 2011, respectively.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2012	2011
Domestic quoted stocks	\$ 1,840,711	\$ 2,521,433
Mutual funds	118,306	335,367
Corporate bonds	-	60,580
	1,959,017	2,917,380
Less: Current portion	(190,061)	(662,690)
	<u>\$ 1,768,956</u>	<u>\$ 2,254,690</u>

The Corporation recognized valuation loss on financial assets of \$2,770 thousand and \$147,106 thousand for the years ended December 31, 2012 and 2011, respectively.

7. SHIPPING FUEL

	<u>December 31</u>	
	2012	2011
Shipping fuel	<u>\$ 4,170,554</u>	<u>\$ 6,481,143</u>

As of December 31, 2012, the allowance for inventory devaluation was \$116,598 thousand.

The cost of shipping fuel recognized as operating cost for the years ended December 31, 2012 and 2011, was \$33,579,823 thousand and \$35,088,373 thousand, respectively. The cost of shipping fuel recognized as operating cost for the year ended December 31, 2012 included \$116,598 thousand, which were due to write down of shipping fuel. The cost of shipping fuel recognized as operating cost for the year ended December 31, 2011 included \$48,219 thousand reversal of write-downs of fuel price. Previous write-down had been reversed as a result of increased cost of shipping fuel in the market.

8. FINANCIAL ASSET CARRIED AT COST - NONCURRENT

	<u>December 31</u>			
	2012		2011	
	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship
Domestic unquoted common stocks				
Taipei Port Container Terminal Co., Ltd.	\$ 372,188	9.76	\$ 381,369	9.76
China Technology Venture Capital Corp.	-	-	6,120	8.96
Ascentek Venture Capital Corp.	7,896	2.14	7,896	2.14
Kingmax Technology Corp.	6,421	1.38	6,421	1.38
United Venture Capital Corp.	-	9.04	7,152	9.04
United Stevedoring Corporation	5,000	10.00	5,000	10.00
SF Technology Venture Capital Corp.	-	7.24	3,337	7.24
United Raw Material Solutions Inc.	<u>2,953</u>	2.76	<u>2,953</u>	2.76
	<u>394,458</u>		<u>420,248</u>	
Overseas unquoted common stocks				
B2B.Com Holdings Ltd.	5,042	9.88	5,042	9.88
Antwerp International Terminal	-	14.02	-	14.02
	<u>5,042</u>		<u>5,042</u>	
	<u>\$ 399,500</u>		<u>\$ 425,290</u>	

Because of deterioration in operations of investee companies, the Group recognized a valuation loss of \$11,318 thousand and \$35,636 thousand for the years end December 31, 2012 and 2011, respectively.

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			
	2012		2011	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
West Basin Container Terminal LLC	\$ 818,414	40.00	\$ 759,079	40.00
Chang Ming Logistics Company Limited	341,015	49.00	358,819	49.00
Formosa International Development Corporation	234,283	30.00	241,039	30.00
Yunn Wang Investment Co., Ltd.	141,818	49.75	172,322	49.75
United Terminal Leasing LLC	181,964	40.00	153,024	40.00
Transyang Shipping Pte. Ltd.	75,277	49.00	78,265	49.00
Yang Ming Shipping (Egypt) S.A.E.	34,039	49.00	38,472	49.00
Yang Ming (U.A.E.) LLC	52,478	49.00	36,988	49.00
Corstor Ltd.	7,089	50.00	7,028	50.00
Yang Ming (Vietnam) Corp.	1,033	49.00	5,331	49.00
	<u>\$ 1,887,410</u>		<u>\$ 1,850,367</u>	

Investment income (loss) recognized under the equity method was as follows:

Investee	Year Ended December 31	
	2012	2011
West Basin Container Terminal LLC	\$ 89,486	\$ 86,927
United Terminal Leasing LLC	35,275	34,127
Yang Ming (U.A.E.) LLC	25,979	17,877
Transyang Shipping Pte. Ltd.	15,459	16,790
Formosa International Development Corporation	13,052	12,632
Yang Ming Shipping (Egypt) S.A.E.	15,326	21,060
Yunn Wang Investment Co., Ltd.	7,050	10,721
Others	(9,284)	12,576
	<u>\$ 192,343</u>	<u>\$ 212,710</u>

10. PROPERTIES

	December 31	
	2012	2011
Accumulated depreciation		
Buildings	\$ 333,882	\$ 358,942
Containers and chassis	16,265,053	16,228,173
Ships	16,722,334	13,419,945
Leased assets	5,491,962	4,973,721
Leasehold improvements	195,445	188,207
Miscellaneous equipment	2,522,630	2,333,596
	<u>\$ 41,531,306</u>	<u>\$ 37,502,584</u>

Information about capitalized interest on properties was as follows:

	<u>Year Ended December 31</u>	
	2012	2011
Capitalized interest	\$ 62,625	\$ 16,797
Capitalization rate	0.85%-1.9888%	0.73%-1.6182%

YMTC leases containers 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. 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. 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, 2012 and 2011 were as follows:

	<u>December 31</u>			
	<u>2012</u>		<u>2011</u>	
	<u>U.S. Dollars (Thousands)</u>	<u>New Taiwan Dollars (Thousands)</u>	<u>U.S. Dollars (Thousands)</u>	<u>New Taiwan Dollars (Thousands)</u>
Total capital lease obligations (undiscounted)	\$ 584,089	\$ 17,020,361	\$ 611,897	\$ 18,534,366
Less: Unamortized interest expense	<u>216,927</u>	<u>6,321,240</u>	<u>238,533</u>	<u>7,225,187</u>
	<u>\$ 367,162</u>	<u>\$ 10,699,121</u>	<u>\$ 373,364</u>	<u>\$ 11,309,179</u>

11. FRANCHISE

Kao Ming, a subsidiary of the Corporation, signed contracts for terminal construction and operation on various dates during 2007 to 2010. Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. 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.

	2012	2011
<u>Cost</u>		
Balance, beginning of year	\$ 9,963,754	\$ 9,572,094
Addition	<u>378,595</u>	<u>391,660</u>
Balance, end of year	<u>10,342,349</u>	<u>9,963,754</u>
<u>Accumulated amortization</u>		
Balance, beginning of year	284,922	-
Amortization	<u>286,321</u>	<u>284,922</u>
Balance, end of year	<u>571,243</u>	<u>284,922</u>
	<u>\$ 9,771,106</u>	<u>\$ 9,678,832</u>

12. ASSETS LEASED TO OTHERS, NET

	<u>December 31</u>	
	2012	2011
Cost		
Land	\$ 2,813,865	\$ 2,729,239
Buildings	<u>1,129,940</u>	<u>1,132,907</u>
	3,943,805	3,862,146
Less: Accumulated impairment - land	10,507	10,507
Accumulated impairment - buildings	2,832	2,832
Accumulated depreciation - buildings	<u>217,379</u>	<u>187,183</u>
	<u>\$ 3,713,087</u>	<u>\$ 3,661,624</u>

As of December 31, 2012, future rental payments receivable were summarized as follows:

Fiscal Year	Amount
2013	\$ 105,324
2014	62,621
2015	45,943
2016	23,546
2017	5,176

Rentals after 2018 amount to \$88 thousand. The present value of those rentals, computed at an annual interest rate of 1.355%, is \$81 thousand.

13. NONOPERATING ASSETS, NET

	<u>December 31</u>	
	2012	2011
Cost		
Land	\$ 234,359	\$ 234,359
Buildings	<u>1,585</u>	<u>1,585</u>
	235,944	235,944
Less: Accumulated depreciation - buildings	<u>1,585</u>	<u>1,585</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 Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. 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, 2012</u>			
Advances on long-term rent agreement	<u>\$ 31,572</u>	<u>\$ 662,850</u>	<u>\$ 694,422</u>
<u>December 31, 2011</u>			
Advances on long-term rent agreement	<u>\$ 31,572</u>	<u>\$ 694,422</u>	<u>\$ 725,994</u>

15. SHORT-TERM DEBT

	<u>December 31</u>	
	2012	2011
Unsecured bank loans - interest of 2.41% in 2012 and 1.20%-2.2561% in 2011	<u>\$ 209,907</u>	<u>\$ 3,010,704</u>

16. COMMERCIAL PAPER PAYABLE

	<u>December 31, 2012</u>	
	Interest Rate	Amount
Commercial paper payable	0.988%-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, 2012</u>			
Long-term unsecured bank loans	\$ -	\$ 11,840,000	\$ 11,840,000
Long-term secured bank loans	8,171,237	31,090,448	39,261,685
Domestic privately placed unsecured bonds	-	9,885,989	9,885,989
Domestic privately placed secured mandatory convertible bonds	128,420	910,466	1,038,886
Domestic unsecured bonds	3,000,000	-	3,000,000
Domestic secured bonds	-	11,427,079	11,427,079
Capital leases	411,540	10,287,581	10,699,121
Other financial liabilities	<u>45,474</u>	<u>261,825</u>	<u>307,299</u>
	<u>\$ 11,756,671</u>	<u>\$ 75,703,388</u>	<u>\$ 87,460,059</u>
<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>

Long-term Unsecured Bank Loans

The unsecured bank loan will be repaid in New Taiwan dollars in one-lump sum payment at maturity. The balance of December 2012 will be repaid before May 2015. Interest rates were 1.170% to 1.815% and 1.10% to 1.544% on December 31, 2012 and 2011, 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 December 2022. Interest rates were 1.2548% - 2.315% and 1.2674% - 2.315% on December 31, 2012 and 2011, 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 April 19, 2020. The interest rates were 0.8088%-1.6208% and 1.0475%-2.01% as of December 31, 2012 and 2011, 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 0.7500%-1.3125% and 0.5232%-1.56315% as of December 31, 2012 and 2011, 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, it will be repayable from August 2012 and will be repaid in installments every six months. The loan is expected to be fully repaid on March 31, 2018. The interest rate was both 1.65% as of December 31, 2012 and 2011. 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 August 31, 2019, and the interest rates were 0.8786%-1.3125% and 0.8875%-1.4125% as of December 31, 2012 and 2011, 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 be repayable from December 2014 and every six months thereafter. The loan will mature in June 2029. As of December 31, 2012, the amount of the loan was \$5,940,000 thousand and the interest rates were 2.24%-2.32% and 2.02%-2.32% as of December 31, 2012 and 2011, respectively. Also, franchise included in intangible assets had been pledged as collaterals for syndicated bank loan as of December 31, 2012 and 2011.

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, 2012 and 2011, Kao Ming had complied with such financial covenants.

Domestic Privately Placed Unsecured Bonds

YMTC issued the first privately placed unsecured bonds with an aggregate face value of \$5,544,000 thousand on March 6, 2012 (the "March 6 2012 Bonds"), and issued the second privately placed unsecured bonds with an aggregate face value of \$4,350,000 thousand on March 30, 2012 (the "March 30 2012 Bonds").

The bond features and terms are as follows:

March 6 2012 bonds: Type A - aggregate face value of \$1,759,000 thousand and maturity on March 6, 2016. The principal will be repaid in a lump sum payment at maturity; 2.08% annual interest is repayable semiannually.

Type B - aggregate face value of \$3,785,000 thousand and maturity on March 6, 2017. The principal will be repaid in a lump sum on March 6, 2017; 2.18% annual interest is repayable semiannually.

March 30 2012 bonds: Type A - aggregate face value of \$1,550,000 thousand and maturity on March 30, 2016. The principal will be repaid in a lump sum on March 30, 2016; 2.08% annual interest is repayable semiannually.

Type B - aggregate face value of \$2,800,000 thousand and maturity on March 30, 2017. The principal will be repaid in a lump sum on March 30, 2017; 2.18% annual interest is repayable semiannually.

Domestic Privately Placed Secured Mandatory Convertible Bonds

YMTC issued seven-year domestic privately placed secured mandatory convertible bonds with an aggregate face value of \$5,800,000 thousand; 3% annual interest is repayable annually. Bondholders could request to convert the bonds into YMTC's common shares between September 28, 2012 and June 17, 2019. The bonds shall only be converted into YMTC's common shares at the prevailing conversion price at the last day of the seven-year tenor. The initial conversion price is \$12.68 as of the date of issuance. According to SFAS No. 36, YMTC divided the bonds into liability component and equity component to recognize capital surplus-equity component of mandatory convertible bonds of \$4,413,702 thousand. As of December 31, 2012, no bondholder requested to convert the bonds into YMTC's common shares.

Guarantees:

Taiwan Bank and Taiwan Cooperative Commercial Bank guarantee were both \$1,650,000 thousand. The Land Bank of Taiwan guarantees for \$1,050,000 thousand. First Commercial Bank guarantees for \$550,000 thousand. Hua Nan Commercial Bank and Shanghai Commercial & Savings Bank guarantee were both \$450,000 thousand. According to performance guarantee agreements, YMTC has to pay the bank guarantee on the date of issuance and each quarter thereafter. The guarantee payments are recognized as costs attributed to the issue of the bonds and are amortized over the issuance period. As of

December 31, 2012, unamortized cost of issuance \$307,299 thousand was recognized as other financial liabilities.

According to performance guarantee agreements, the required financial ratios calculated on the basis of annual consolidated financial statements of YMTC are as follows:

- a. Current ratio should not be less than 90%.
- b. Debt ratio should not be: Over 350% before the end of 2013; over 300% from 2014 to 2016; over 230% after 2017.
- c. Interest coverage ratio should not be less than 5 times.
- d. The net tangible assets value should be over \$30,000,000 thousand.

As of December 31, 2012, YMTC had received waiver of the above b. to d. financial ratios. Meanwhile, YMTC met the current ratio requirement based on the 2012 consolidated financial statements.

Domestic Unsecured Bonds

On various dates, YMTC issued domestic unsecured bonds; the dates and the aggregate face values were as follows: \$2,400,000 thousand on November 20, 2000 (the "November 2000 Bonds"); \$6,000,000 thousand on October 23, 2006 (the "October 2006 Bonds").

Other bond features and terms were as follows:

November 2000 Bonds: Repayments: 20% - November 20, 2010, 40% - November 20, 2011, and 40% - November 20, 2012; 6.02% annual interest. As of November 29, 2012, the bonds had 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 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, YMTC 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, YMTC 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, 2012 and 2011 unamortized cost of issuance amounted to \$13,836 thousand and \$14,790 thousand, respectively.

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, YMTC has to pay annual advanced guarantee on the date of issuance and every year thereafter. The guarantee payments are recognized as costs of YMTC bond issuance and are amortized over the issuance period. As of December 31, 2012 and 2011, unamortized cost of issuance amounted to \$59,085 thousand and \$48,720 thousand, respectively.

Domestic Unsecured Convertible Bonds

In order to repay long-term debts, on March 26, 2013, the board resolved to issue five-year, zero-coupon unsecured convertible bonds with an aggregate amount of no more than \$5,025,000 thousand.

Obligations under Capital Leases

Obligations under capital leases are summarized in Note 10.

18. ACCOUNTS PAYABLE

	<u>December 31</u>	
	2012	2011
Fuel	\$ 2,818,668	\$ 4,038,683
Space hire	<u>471,279</u>	<u>1,004,447</u>
	<u>\$ 3,289,947</u>	<u>\$ 5,043,130</u>

19. ACCRUED EXPENSES

	<u>December 31</u>	
	2012	2011
Container lease	\$ 516,197	\$ 543,377
Freight Expenses	368,812	247,244
Salary and bonus	308,330	233,589
Stevedoring Expenses	206,684	229,580
Interest	171,932	101,341
Vessel charter hire	78,845	152,401
Others	<u>1,530,073</u>	<u>1,254,733</u>
	<u>\$ 3,180,873</u>	<u>\$ 2,762,265</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>2012</u>	<u>2011</u>
YM Uberty	\$ 353,712	\$ 399,847
YM Utopia	51,385	58,738
YM Enhancer	<u>31,135</u>	<u>35,127</u>
	<u>\$ 436,232</u>	<u>\$ 493,712</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 \$22,286 thousand and \$5,372 thousand for the years ended December 31, 2012 and 2011, 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, 2012 and 2011, the balance of the accrued expense was \$115,718 thousand and \$135,235 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 \$201,689 thousand and \$264,882 thousand for the years ended December 31, 2012 and 2011, 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

	Year Ended December 31	
	2012	2011
Service cost	\$ 74,028	\$ 72,654
Interest cost	48,336	50,586
Projected return on plan assets	(15,654)	(14,747)
Amortization of net transition asset or obligation	3,059	2,974
Amortization of prior service cost	(2,171)	(2,171)
Amortization of unrecognized pension cost	<u>26,466</u>	<u>19,887</u>
Net pension cost	<u>\$ 134,064</u>	<u>\$ 129,183</u>

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

	December 31	
	2012	2011
Benefit obligation		
Vested benefit obligation (VBO)	\$ 1,248,995	\$ 1,114,516
Non-vested benefit obligation	<u>757,268</u>	<u>750,870</u>
Accumulated benefit obligation (ABO)	2,006,263	1,865,386
Additional benefits based on future salaries	<u>593,253</u>	<u>571,117</u>
Projected benefit obligation	2,599,516	2,436,503
Fair value of plan assets	<u>(806,357)</u>	<u>(775,505)</u>
Plan funded status	1,793,159	1,660,998
Unrecognized net transition obligation amortization	(15,386)	(18,002)
Unrecognized prior service cost	37,419	39,629
Unrecognized pension cost	(669,166)	(553,151)
Additional minimum pension liability	<u>128,580</u>	<u>69,251</u>
Accrued pension cost	<u>\$ 1,274,606</u>	<u>\$ 1,198,725</u>
Accrued pension cost is recognized under:		
Accrued pension cost	<u>\$ 1,283,500</u>	<u>\$ 1,205,201</u>
Prepaid pension cost (included in other assets - other)	<u>\$ 8,894</u>	<u>\$ 6,476</u>

	December 31	
	2012	2011
3) Vested benefits	<u>\$ 1,568,146</u>	<u>\$ 1,518,840</u>
4) Actuarial assumptions		
Discount rate	1.75%	2.00%-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

2012

2011

5) Contribution and benefits paid

Contributions to the fund	<u>\$ 30,878</u>	<u>\$ 80,753</u>
Payments from the fund	<u>\$ 8,888</u>	<u>\$ 6,539</u>

23. STOCKHOLDERS' EQUITY

a. Global depositary receipts

On November 14, 1996, YMTC issued 10 million units of global depositary 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 depositary bank to sell the shares represented by the GDRs. As of December 31, 2012, 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 depositary bank.

b. Capital surplus

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds and treasury stock transactions) and donations may be used to offset a deficit; in addition, when YMTC has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of YMTC's paid-in capital and once a year).

The capital surplus from long-term investments, employee stock options and conversion options may not be used for any purpose.

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 because of the losses for the years ended December 31, 2012 and 2011.

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 YMTC's paid-in capital. This reserve may be used to offset a deficit. 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.

On June 15, 2012, YMTC's stockholders resolved to pass the proposal for offsetting the deficit from 2011 by the following:

Legal reserve	\$ 1,178,785
Special reserve	82,530
Capital surplus - issuance of common shares	<u>3,376,574</u>
	<u>\$ 4,637,889</u>

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.

The board of directors proposed to appropriate the 2012 earnings on March 26, 2013, as follows:

	Appropriation of Earnings
Legal capital reserve	\$ 5,144
Special reserve	46,291

The resolution to appropriate the 2012 earnings would be certain after the shareholders' meeting which planned to be held on June 14, 2013.

d. Unrealized gain or loss on financial instruments

For the years ended December 31, 2012 and 2011, 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>2012</u>				
Balance, beginning of year	\$ 23,402	\$ (29,412)	\$ 48,933	\$ 42,923
Recognized in shareholders' equity	(455,502)	(24,258)	(48,933)	(528,693)
Transferred to profit or loss	<u>(1,278)</u>	<u>-</u>	<u>-</u>	<u>(1,278)</u>
Balance, end of year	<u>\$ (433,378)</u>	<u>\$ (53,670)</u>	<u>\$ -</u>	<u>\$ (487,048)</u>
<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>

24. INCOME TAX

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

	<u>Year Ended December 31</u>	
	<u>2012</u>	<u>2011</u>
Income tax benefit (expense) at statutory rate	\$ 99,225	\$ (1,436,849)
Tax effect on adjusting items:		
Permanent differences	(416,194)	(58,489)
Temporary differences	10,720	64,053
Loss carryforwards provided (used)	522,912	1,697,167
Additional 10% income tax on undistributed earnings	18,873	-
Additional income tax under the AMT	-	2,784
Others	<u>(16,918)</u>	<u>(12,274)</u>
Income tax payable - current	<u>\$ 218,618</u>	<u>\$ 256,392</u>

- b. Tax benefit was as follows:

	<u>Year Ended December 31</u>	
	<u>2012</u>	<u>2011</u>
Income tax payable - current	\$ 218,618	\$ 256,392
Overseas income tax	160,405	163,203
		(Continued)

	Year Ended December 31	
	2012	2011
Deferred income tax expenses		
Temporary differences	\$ 2,646	\$ (23,867)
Loss carryforwards	(391,794)	(1,788,604)
Adjustment to valuation allowance	(150,671)	889,339
Effect of tax law change on deferred income tax	-	309
Adjustment to prior years' taxes	997	(16,091)
Others	<u>21,738</u>	<u>(39,830)</u>
Income tax benefit	<u>\$ (138,061)</u>	<u>\$ (559,149)</u>

(Concluded)

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

	December 31	
	2012	2011
Current		
Deferred income tax assets		
Unrealized exchange loss	\$ 30,356	\$ 4,417
Provision for bad debts exceeding limits	22,681	-
Unrealized shipping fuel valuation losses	17,860	-
Investment tax credit	17,366	13,965
Others	<u>14,420</u>	<u>18,131</u>
	<u>102,683</u>	<u>36,513</u>
Deferred income tax liabilities (included under current liabilities)		
Unrealized exchange gain	(141)	(542)
Others	<u>(2,637)</u>	<u>-</u>
	<u>(2,778)</u>	<u>(542)</u>
	<u>\$ 99,905</u>	<u>\$ 35,971</u>
Noncurrent		
Deferred income tax assets		
Loss carryforwards	\$ 2,546,570	\$ 2,154,776
Investment tax credit	714,544	733,218
Investment loss recognized on overseas equity-method investments	251,850	263,091
Deferred pension cost	188,910	177,948
Impairment loss on financial assets carried at cost	10,026	13,564
Others	<u>1,168</u>	<u>2,904</u>
	3,713,068	3,345,501
Less: Valuation allowance	<u>(1,706,193)</u>	<u>(1,856,864)</u>
	<u>2,006,875</u>	<u>1,488,637</u>
Deferred income tax liabilities		
Investment income recognized on overseas equity-method investments	(1,357,450)	(1,320,370)
Differences in estimated service lives of properties	(44,089)	(47,140)
Others	<u>(4,887)</u>	<u>-</u>
	<u>(1,406,426)</u>	<u>(1,367,510)</u>
	<u>\$ 600,449</u>	<u>\$ 121,127</u>

YMTC's loss carryforwards as of December 31, 2012 comprised of:

Company	Unused Amount	Expiry Year
Yang Ming Transport Corporation	\$ 2,683,337	2019
Yang Ming Transport Corporation	9,246,258	2021
Yang Ming Transport Corporation	2,613,990	2022
Kao Ming Container Terminal Corp.	87,043	2020
Kuang Ming Shipping Corp.	59,412	2021
Kuang Ming Shipping Corp.	231,900	2022
YES Logistics Corp.	57,882	2022

As of December 31, 2012, Kao Ming Container Terminal Corp.'s investment tax credit composed of:

Unused Amount	Expiry Year
\$ 315,862	2014
416,048	2015

As of December 31, 2012, the years of the tax returns assessed by the tax authorities were as follows:

Company	Year
Yang Ming Transport Corporation	2010
Kuang Ming Shipping Corp.	2010
Honming Terminal & Stevedoring Co., Ltd.	2010
Jing Ming Transportation Co., Ltd.	2010
YES Logistics Corp.	2010
Ching Ming Investment Corp.	2010
Kao Ming Container Terminal Corp.	2010

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

	Balance of Imputation Credit Account (ICA)		Estimated Rates of 2012	Actual Rates of 2011
	December 31, 2012	December 31, 2011		
Yang Ming Transport Corporation	<u>\$ 548,678</u>	<u>\$ 1,303,718</u>	20.48%	-
Kuang Ming Shipping Corp.	<u>\$ 236</u>	<u>\$ 30</u>	-	0.01%
Honming Terminal & Stevedoring Co., Ltd.	<u>\$ 5,549</u>	<u>\$ 5,255</u>	20.74%	20.71%
Jing Ming Transportation Co., Ltd.	<u>\$ 3,502</u>	<u>\$ 5,496</u>	20.77%	20.50%
YES Logistics Corp.	<u>\$ 31,482</u>	<u>\$ 28,870</u>	-	-
Ching Ming Investment Corp.	<u>\$ 8,909</u>	<u>\$ 9,490</u>	-	20.48%
Kao Ming Container Terminal Corp.	<u>\$ 16,480</u>	<u>\$ 86</u>	20.48%	5.51%

Kuang Ming Shipping Corp., YES Logistics and Ching Ming Investment Corp. had no unappropriated earnings as of December 31, 2012. 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 2012 earnings may be adjusted, depending on the ICA balance on the date of dividend distribution.

- e. As of December 31, 2012 and 2011, YMTC had no unappropriated retained earnings generated before June 30, 1998.

25. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	Year Ended December 31, 2012			
	Operating Costs	Operating Expenses	Nonoperating Expenses and Losses	Total
Personnel expenses				
Salary	\$ 2,766,867	\$ 3,041,986	\$ -	\$ 5,808,853
Insurance	76,224	273,548	-	349,772
Pension	114,189	243,850	-	358,039
Others	<u>386,395</u>	<u>198,461</u>	<u>-</u>	<u>584,856</u>
	<u>\$ 3,343,675</u>	<u>\$ 3,757,845</u>	<u>\$ -</u>	<u>\$ 7,101,520</u>
Depreciation	\$ 6,766,659	\$ 143,768	\$ 31,147	\$ 6,941,574
Amortization	298,931	31,278	333	330,542
	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

26. EARNINGS (LOSS) PER SHARE

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

	Amount (Numerator)		Shares (Denominator) (In Thousand Shares)	EPS (NT\$)	
	Before Income Tax	Net Income (Loss)		Income (Loss) Before Income Tax	Net Income (Loss)
<u>Year ended December 31, 2012</u>					
Basic EPS	\$ (246,542)	\$ 51,435	2,818,713	\$ (0.09)	\$ 0.02
Impact of dilutive potential common shares					
Domestic privately placed mandatory convertible bonds	<u>-</u>	<u>-</u>	<u>235,599</u>		
Diluted EPS	<u>\$ (246,542)</u>	<u>\$ 51,435</u>	<u>3,054,312</u>	<u>\$ (0.09)</u>	<u>\$ 0.02</u>

(Continued)

	<u>Amount (Numerator)</u>		<u>Shares (Denominator) (In Thousand Shares)</u>	<u>EPS (NT\$)</u>	
	<u>Before Income Tax</u>	<u>Net Income (Loss)</u>		<u>Income (Loss) Before Income Tax</u>	<u>Net Income (Loss)</u>
	<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	-	-	-		
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>

(Concluded)

The Corporation did not consider in the calculation of diluted EPS for the years ended December 31, 2012 and 2011 the potential shares of mandatory convertible bonds and of bonus to employees, respectively, due to their anti-dilutive effect.

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.

27. DISCLOSURE FOR FINANCIAL INSTRUMENTS

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

	<u>December 31</u>			
	<u>2012</u>		<u>2011</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Assets</u>				
Financial assets at fair value through profit or loss - current	\$ 2,102,127	\$ 2,102,127	\$ 897,500	\$ 897,500
Available-for-sale financial assets - current	190,061	190,061	662,690	662,690
Derivative financial assets for hedging - current	-	-	49,161	49,161
Available-for-sale financial assets - noncurrent	1,768,956	1,768,956	2,254,690	2,254,690
Financial assets carried at cost	399,500	-	425,290	-
Cash surrender value of life insurance	26,450	26,450	20,396	20,396
Refundable deposits	5,542,654	5,542,654	5,715,983	5,715,983
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss - current	5,112	5,112	47,136	47,136
Derivative financial liabilities for hedging - current	-	-	229	229
Long-term unsecured bank loans (including current portion)	11,840,000	11,840,000	10,450,000	10,450,000

(Continued)

	December 31			
	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term secured bank loans (including current portion)	\$ 39,261,685	\$ 39,261,685	\$ 37,856,914	\$ 37,856,914
Bonds payable (including current portion)	25,351,954	25,445,278	15,396,490	15,524,167
Obligations under capital lease (including current portion)	10,699,121	10,699,121	11,309,179	11,309,179
Other financial liabilities (including current portion)	307,299	307,299	-	-
Guarantee deposits received (included in other liabilities - others)	115,837	115,837	74,846	74,846
				(Concluded)

Place of transaction:

Place of Transaction	December 31			
	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial asset</u>				
Domestic	\$ 1,007,658	\$ 1,007,658	\$ -	\$ -
Overseas (including foreign institutions in Taiwan)	26,672	26,672	116,388	116,388
<u>Financial liability</u>				
Domestic	-	-	47,365	47,365
Overseas (including foreign institutions in Taiwan)	5,112	5,112	-	-

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

- 1) Cash and cash equivalents, notes receivable, accounts receivable, accounts receivable from related parties, 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 bank loans, long-term secured loans, domestic private bonds payables, domestic privately placed mandatory convertible bonds, obligations under capital leases and other financial liabilities 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 and guarantee deposits received use carrying amounts to estimate their fair market values; thus the amounts refundable approximate the carrying amounts.
- 6) Except for the domestic private placed bonds payables and domestic privately placed mandatory convertible bonds, the fair value of bonds payables 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	
	2012	2011	2012	2011
<u>Assets</u>				
Financial assets at fair value through profit or loss - current	\$ 1,067,797	\$ 830,273	\$ 1,034,330	\$ 67,227
Available-for-sale financial assets - current	190,061	662,690	-	-
Available-for-sale financial assets - noncurrent	1,768,956	2,254,690	-	-
Derivative financial assets for hedging - current	-	-	-	49,161
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss - current	-	-	5,112	47,136
Derivative financial liabilities for hedging - current	-	-	-	229
Bonds payable	14,536,683	15,524,167	10,908,595	-

- d. Net gain (loss) on changes in the fair value determined by using valuation technique was \$(74,921) thousand and \$19,877 thousand for the years ended December 31, 2012 and 2011, respectively.
- e. Financial assets and liabilities affected by interest rate were as follows:

	December 31			
	2012		2011	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
<u>Risk of interest rate change</u>				
Fair value risk	\$ 5,682,760	\$ 31,666,344	\$ 3,245,663	\$ 32,364,586
Cash flow risk	11,725,121	56,003,622	12,927,706	48,905,060

- f. Information about financial risks

1) Market risk

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

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.

For the year ended December 31, 2011, 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. The interest rate swap contracts had been settled in June 2011.

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'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 periodically. The hedging instruments will be settled in cash. When oil price goes down, YMTC's bunker cost burden will go down as well to offset the possible hedge position loss. 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, 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.

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 and long-term loans 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. In order to hedge risks, YMTC signed exchange rate and crude oil swap contracts.

The interest rate swap contracts had been settled in June 2011.

YMTC entered into crude oil swap and oil swap option contracts. However, as of the year ended December 31, 2012, crude oil swap and oil swap option contracts did not meet the criteria for hedge accounting. The contracts were settled in the 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, the crude oil swap and oil swap option contracts were as follows:

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, 2012 and 2011 were as follows:

	December 31			
	2012		2011	
	Book Value	Fair Value	Book Value	Fair Value
Available-for-sale financial assets	\$ 80,712	\$ 80,712	\$ 264,781	\$ 264,781

The gains or losses recorded for the reclassified financial assets (excluding those that had been derecognized before December 31, 2012 and 2011) for the years ended December 31, 2012 and 2011 and the pro forma gains or losses assuming no reclassifications had been made were as follows:

	Year Ended December 31			
	2012		2011	
	Gains (Losses) Recorded	Pro Forma Gains (Losses)	Gains (Losses) Recorded	Pro Forma Gains (Losses)
Available-for-sale financial assets	\$ 1,278	\$ 1,346	\$ (147,106)	\$ (114,072)

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:

Related Party	Relationship with the Group
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
Yunn Wang Investment Co., Ltd.	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.
Taiwan Navigation Co., Ltd.	More than half of the directors are identical
Taiwan International Ports Co., Ltd.	More than half of the directors are identical
Taiwan Hua Mao Investment Corp.	Supervisor of the Corporation

- b. Except as disclosed in Note 17, Note 30, Schedules C and D, the following is a summary of significant related-party transactions:

	2012		2011	
	Amount	%	Amount	%
<u>For the year ended</u>				
Operating revenues				
Taiwan Navigation Co., Ltd.	\$ 194,161	-	\$ 193,087	-
West Basin Container Terminal LLC	6,281	-	7,934	-
Marine Container Services India P. Ltd.	2,576	-	2,065	-
Leader Container Transportation Co., Ltd.	<u>93</u>	<u>-</u>	<u>168</u>	<u>-</u>
	<u>\$ 203,111</u>	<u>-</u>	<u>\$ 203,254</u>	<u>-</u>
Operating costs				
West Basin Container Terminal LLC	\$ 2,876,858	2	\$ 2,704,502	2
Leader Container Transportation Co., Ltd.	472,424	1	496,817	1
Taiwan Navigation Co., Ltd.	307,014	-	321,380	-
Yang Ming (U.A.E.) LLC	73,963	-	56,985	-
Yang Ming Shipping (Egypt) S.A.E.	43,733	-	51,813	-
Yang Ming (Vietnam) Corp.	40,974	-	44,073	-
Marine Container Services India P. Ltd.	<u>13,656</u>	<u>-</u>	<u>18,979</u>	<u>-</u>
	<u>\$ 3,828,622</u>	<u>3</u>	<u>\$ 3,694,549</u>	<u>3</u>
Operating expenses				
Yang Ming Cultural Foundation	\$ 34,444	1	\$ 39,640	1
Unicorn Enterprises	10,521	-	10,964	-
Bay Container Terminal Pvt. Ltd.	<u>175</u>	<u>-</u>	<u>2,317</u>	<u>-</u>
	<u>\$ 45,140</u>	<u>1</u>	<u>\$ 52,921</u>	<u>1</u>
Rent income				
Yang Ming Cultural Foundation	<u>\$ 3,143</u>	<u>2</u>	<u>\$ 3,429</u>	<u>3</u>
Others income				
Yang Ming Shipping (Egypt) S.A.E.	\$ 13,049	-	\$ 13,132	-
Corstor Ltd.	-	-	2,852	-
Leader Container Transportation Co., Ltd.	<u>-</u>	<u>-</u>	<u>19</u>	<u>-</u>
	<u>\$ 13,049</u>	<u>-</u>	<u>\$ 16,003</u>	<u>-</u>
Interest expenses				
Taiwan International Ports Co., Ltd.	\$ 16,761	1	\$ -	-
Taiwan Navigation Co., Ltd.	2,498	-	-	-
Taiwan Hua Mao Investment Corp.	1,943	-	-	-
Yunn Wang Investment Co., Ltd.	<u>442</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 21,644</u>	<u>1</u>	<u>\$ -</u>	<u>-</u>

	2012		2011	
	Amount	%	Amount	%
<u>December 31</u>				
Accounts receivable from related parties				
Yang Ming (Vietnam) Corp.	\$ 44,672	52	\$ 46,770	67
Taiwan Navigation Co., Ltd.	22,484	26	-	-
Yang Ming (U.A.E) LLC	13,467	16	15,971	23
Yang Ming Shipping (Egypt) S.A.E.	4,923	6	7,378	10
Corstor Ltd.	<u>55</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 85,601</u>	<u>100</u>	<u>\$ 70,119</u>	<u>100</u>
Other receivables from related parties (included in other current assets)				
Marine Container Services India P. Ltd.	\$ 13,319	2	\$ 32,706	6
Formosa International Development Corporation	11,145	1	9,570	2
Yang Ming Line (Egypt) Pvt. Ltd.	4,284	1	-	-
Taiwan Navigation Co., Ltd.	121	-	130	-
Marine Container Service South P. Ltd.	<u>-</u>	<u>-</u>	<u>1,613</u>	<u>-</u>
	<u>\$ 28,869</u>	<u>4</u>	<u>\$ 44,019</u>	<u>8</u>
Advances to shipping agents				
Yang Ming Line (Egypt) Pvt. Ltd.	\$ <u>190,629</u>	<u>100</u>	\$ <u>232,082</u>	<u>41</u>
Payable to related parties				
Leader Container Transportation Co., Ltd.	\$ 108,602	62	\$ 107,558	81
Taiwan Navigation Co., Ltd.	66,042	38	23,335	18
Bay Container Terminal P. Ltd.	389	-	293	-
Marine Container Services India P. Ltd.	357	-	928	1
Marine Container Services South P. Ltd.	324	-	-	-
Yunn Wang Investment Co., Ltd.	<u>172</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 175,886</u>	<u>100</u>	<u>\$ 132,114</u>	<u>100</u>
Payable to shipping agents - related parties				
Yang Ming (U.A.E) LLC.	\$ 135,543	67	\$ 26,603	33
Yang Ming (Vietnam) Corp.	47,260	23	32,930	38
Yang Ming Line (Egypt) Pvt. Ltd.	<u>20,323</u>	<u>10</u>	<u>24,191</u>	<u>29</u>
	<u>\$ 203,126</u>	<u>100</u>	<u>\$ 83,724</u>	<u>100</u>
Domestic privately placed unsecured bonds (Note 1)				
Taiwan Navigation Co., Ltd.	\$ 100,000	1	\$ -	-
Yunn Wang Investment Co., Ltd.	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 125,000</u>	<u>1</u>	<u>\$ -</u>	<u>-</u>

	2012		2011	
	Amount	%	Amount	%
Domestic privately placed unsecured mandatory convertible bonds (Note 1)				
Taiwan International Ports Co., Ltd.	\$ 4,000,000	69	\$ -	-
Taiwan Hua Mao Investment Corp.	450,000	8	-	-
Taiwan Navigation Co., Ltd.	<u>200,000</u>	<u>3</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,650,000</u>	<u>80</u>	<u>\$ -</u>	<u>-</u>

Note 1: The original investment amount.

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:

	Year Ended December 31	
	2012	2011
Salaries	\$ 26,059	\$ 27,062
Incentives	<u>5,499</u>	<u>17,930</u>
	<u>\$ 31,558</u>	<u>\$ 44,992</u>

29. ASSETS PLEDGED OR MORTGAGED

In addition to those mentioned in Note 17, the following assets had been pledged as collaterals for syndicated bank loans, long-term bank loans, bonds and credit lines:

	December 31	
	2012	2011
Properties, net	\$ 61,003,663	\$ 53,133,532
Intangible assets - franchise	9,771,106	9,678,832
Refundable deposits	5,147,478	5,319,556
Pledged time deposits (included in restricted assets)	2,698,064	22,365
Assets leased to others, net	1,399,353	1,408,434
Demand deposit (included in restricted assets)	<u>398,312</u>	<u>-</u>
	<u>\$ 80,417,976</u>	<u>\$ 69,562,719</u>

30. COMMITMENTS AND CONTINGENT LIABILITY

In addition to those mentioned in Note 28 and Schedule D, commitments and contingent liability as of December 31, 2012 were as follows:

- a. Kuang Ming Shipping Corp. signed a contract, "operating commission", with Taiwan Power Company, Ltd. since August 2011 and the contract is for six years. Kuang Ming Shipping Corp. is responsible for managing and operating vessels owned by Taiwan Power Company.
- b. Leases of office premises, ships, containers and container yard of the Group under operating lease agreements that will expire on various dates until September 2036. The rentals are paid monthly or quarterly, and the Corporation has deposited \$320,915 thousand as guarantee fund. The total rental for the year ended December 31, 2012 was \$12,505,698 thousand, and future minimum rentals are as follows:

Fiscal Year	Amount
2013	\$ 11,100,440
2014	10,196,583
2015	9,018,497
2016	8,516,424
2017	7,465,950

Rentals after 2018 amount to \$14,776,954 thousand. The present value of those rentals, computed at an annual interest rate of 1.355%, is \$13,549,473 thousand.

- c. Leases of vessels, containers and chassis of the Group under capital lease agreements expiring on various dates until August 2028. The total rentals and interests for the year ended December 31, 2012 were \$846,996 thousand (deducted from leases payable). Future minimum rentals are as follows:

Fiscal Year	Amount
2013	\$ 1,131,269
2014	1,142,406
2015	1,135,330
2016	1,153,365
2017	1,207,358

Rentals after 2018 amount to \$11,229,982 thousand. The present value of those rentals, computed at an annual interest rate of 1.355%, is \$9,896,889 thousand.

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

Fiscal Year	Amount
2013	\$ 1,156,247
2014	616,898
2015	584,373
2016	118,684

- 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\$ 284,455
Yang Ming (Liberia) Corp.	Subsidiary	US\$ 644,170
Kuang Ming (Liberia) Corp.	Subsidiary	US\$ 168,274
		JPY 5,072,000
United Terminal Leasing LLC	The Corporation indirectly invested 40% investee	US\$ 8,204
West Basin Container Terminal LLC	The Corporation indirectly invested 40% investee	US\$ 18,640
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\$186 thousand.
- g. Yang Ming Line (B.V.I.) Holding Co., Ltd.'s guarantee of loan for Yang Ming (UK) Corp. amounted to GBP356 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 JPY7,740,000 thousand and US\$45,600 thousand.
- j. Kuang Ming (Liberia) Corp.'s guarantee of loan for Kuang Ming Shipping Corp. amounted to US\$900,000 thousand.
- k. The Corporation and AOT signed a contract with CSBC Corporation, Taiwan for construction of six ships that amount to US\$491,214 thousand. As of December 31, 2012, the Corporation paid NT\$2,317,573 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 Japan Marine United 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. has paid JPY13,831,457 thousand as of December 31, 2012. All the three subsidiaries have paid JPY19,067,457 thousand in total as of December 31, 2012.

- m. In order to build and operate the four harbors and the post-critical point line facilities of harbor numbers 108 to 111 of the Kaohsiung harbor intercontinental container center, Kao Ming Container Terminal Corp., a subsidiary of the Corporation, signed construction and technical services contract with supplier on various dates during 2007 to 2011. As of December 31, 2012, the amounts paid for construction in progress were as follows.

Project	Amount Paid (Tax Excluded)	Total Contract Amount (Tax Included)
Wharf	\$ 2,350,643	\$ 362,273
Computer and software	95,887	92,549
Machine	<u>7,427</u>	<u>2,228</u>
	<u>\$ 2,453,957</u>	<u>\$ 457,050</u>

A correspondent bank offered on behalf of Kao Ming Container Terminal Corp., a subsidiary of the Corporation, a letter of performance guarantee for NT\$360 million to Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. as performance guarantee for the construction and operation of the Kaohsiung harbor intercontinental container center. According to the "contract of the first stage building and operating program of Kaohsiung harbor intercontinental container center", Kao Ming Container Terminal Corp. should pay NT\$90,600 thousand premium every unit per year to Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. from the operation. The unit is measured as the usable area of each port and land within the post-critical point line. The amount paid for premium in 2012 was NT\$245,070 thousand.

Future premiums are as follows:

Fiscal Year	Amount
2013	\$ 244,884
2014	274,263
2015	362,400
2016	362,400
2017	362,400

Premiums after 2018 amount to \$14,375,200 thousand. The present value of those rentals, computed at an annual interest rate of 1.355%, is \$10,483,613 thousand.

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.

a. Segment revenues and results

The analysis of the Group's revenue and results from continuing operations by reportable segment for 2012 and 2011 were as follows:

	2012					
	Marine Cargo Transportation Department	Tramp Department	Wharf Department	Other Departments	Adjustment and Eliminations	Combined
Sales to customers	\$ 123,865,344	\$ 2,481,853	\$ 1,102,689	\$ 4,274,298	\$ -	\$ 131,724,184
Intercompany sales	<u>678,178</u>	<u>-</u>	<u>1,449,400</u>	<u>1,462,120</u>	<u>(3,589,698)</u>	<u>-</u>
Total revenue	<u>\$ 124,543,522</u>	<u>\$ 2,481,853</u>	<u>\$ 2,552,089</u>	<u>\$ 5,736,418</u>	<u>\$ (3,589,698)</u>	<u>\$ 131,724,184</u>
Segment operating income (loss)	<u>\$ (3,330,465)</u>	<u>\$ (564,000)</u>	<u>\$ 332,728</u>	<u>\$ 15,937</u>	<u>\$ 53,301</u>	\$ (3,492,499)
Administration cost						(324,939)
Investment income recognized under equity method						192,343
Rent income						133,457
Interest income						120,640
Gain on disposal of properties						1,560,292
Gain on sale of investments						2,812,135
Valuation gain on financial instruments						20,744
Exchange gain						204,267
Interest expenses						(1,757,590)
Others						<u>458,328</u>
Continuing operation loss before tax expense						<u>\$ (72,822)</u>

	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>1,484,202</u>	<u>(3,698,665)</u>	<u>-</u>
Total revenue	<u>\$ 112,318,953</u>	<u>\$ 2,878,239</u>	<u>\$ 2,366,469</u>	<u>\$ 4,689,963</u>	<u>\$ (3,698,665)</u>	<u>\$ 118,554,959</u>
Segment operating income (loss)	<u>\$ (11,216,023)</u>	<u>\$ 445,943</u>	<u>\$ 431,335</u>	<u>\$ 16,855</u>	<u>\$ 47,803</u>	\$ (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						<u>420,802</u>
Continuing operation loss before tax expense						<u>\$ (9,854,435)</u>

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 noncurrent 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	Noncurrent Assets
	Year Ended December 31, 2012	December 31, 2012
Domestic	\$ 4,822,994	\$ 16,732,615
America	54,168,135	40,439
Europe	38,257,626	57,838
Asia	34,325,074	345,972
Others	<u>150,355</u>	<u>82,481</u>
	<u>\$ 131,724,184</u>	17,259,345
Containers		8,679,239
Ships and construction in process		<u>76,911,834</u>
		<u>\$ 102,850,418</u>

	Revenue From External Customers	Noncurrent Assets
	Year Ended December 31, 2011	December 31, 2011
Domestic	\$ 4,127,935	\$ 16,846,407
America	49,515,675	56,561
Europe	36,813,835	37,376
Asia	28,007,286	367,576
Others	<u>90,228</u>	<u>10,158</u>
	<u>\$ 118,554,959</u>	17,318,078
Containers		9,808,552
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					
	2012			2011		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>						
Monetary items						
GBP	\$ 115,012	47.0742	\$ 5,414,076	\$ 121,875	46.6920	\$ 5,690,587
USD	54,432	29.14	1,586,156	23,679	30.29	717,237
EUR	27,916	38.5260	1,075,506	19,021	39.1044	743,811
JPY	985,016	0.3385	333,389	1,136,097	0.3901	443,230
RMB	132,706	4.6761	620,541	71,092	4.8120	342,094
INR	217,730	0.5321	115,863	202,045	0.5679	114,745
MYR	23,928	9.5167	227,717	11,939	9.5417	113,922
THB	85,402	0.9532	81,407	117,069	0.9585	112,216
HKD	84,044	3.7591	315,928	25,726	3.8989	100,304
AUD	4,839	30.2531	146,403	1,103	30.7231	33,873
SGD	4,054	23.8247	96,590	985	23.2785	22,926
KRW	4,874,001	0.027	133,060	658,535	0.0261	17,208
TRY	11,177	16.3021	182,201	600	15.7851	9,471
Nonmonetary items						
USD	3,893	29.14	113,452	7,443	30.29	225,453
EUR	85	38.5260	3,275	2,594	39.1044	101,424
GBP	614	47.0742	28,926	1,719	46.6920	80,249
JPY	-	0.3385	-	4,962	0.3901	1,935
Investments accounted for using equity method						
USD	43,710	29.14	1,273,713	38,245	30.29	1,158,449
RMB	72,928	4.6761	341,015	74,568	4.8120	358,819
AED	6,615	7.9335	52,478	4,485	8.2469	36,988
EGP	7,229	4.7083	34,039	7,660	5.0226	38,472
VND	738,926	0.0014	1,033	3,702,064	0.0014	5,331
GBP	151	47.0742	7,089	151	46.6920	7,028
<u>Financial liabilities</u>						
Monetary items						
USD	602,283	29.14	17,550,538	758,152	30.29	22,964,424
GBP	104,422	47.0742	4,915,588	109,658	46.6920	5,120,151
RMB	245,090	4.6761	1,146,053	144,203	4.8120	693,904
JPY	1,170,516	0.3385	396,173	1,294,882	0.3901	505,177
EUR	13,625	38.5260	524,914	10,160	39.1044	397,315
HKD	99,947	3.7591	375,710	70,346	3.8989	274,269
KRW	5,467,096	0.0273	149,252	5,094,865	0.0261	133,135
MYR	13,253	9.5167	126,121	9,958	9.5417	95,019
THB	84,604	0.9532	80,647	90,483	0.9585	86,732
INR	99,275	0.5321	52,828	103,449	0.5679	58,751
AED	3,099	7.7702	24,078	6,023	8.0771	48,648
SAR	7,525	7.9335	59,699	3,217	8.2469	26,526
BDT	104,008	0.3650	37,966	42,065	0.3702	15,571
TRY	4,454	16.3021	72,612	3,689	15.7851	58,250
Nonmonetary items						
USD	175	29.14	5,112	8	30.29	229

33. 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, 2012 and 2011: Please see Schedule J and K.

34. 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-disclosure information on the adoption of International Financial Reporting Standards (IFRSs) was 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 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, 2012 were as follows:

Contents of Plan	Responsible Department	Status of Execution
1) Establish the IFRSs task force	Administration department, accounting department	Completed
2) Establish the IFRSs project team	Accounting department	Completed
3) Establish 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
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	Completed
12) Prepare comparative financial information under IFRSs for 2012	Accounting department	Completed
13) Complete modification to the relevant internal controls (including process of financial reports and information system)	Accounting department	Completed

- b. The Group had assessed the significant differences and the effects of transition shown below, between the existing accounting policies and the accounting policies to be adopted under IFRSs:

1) Reconciliation of consolidated balance sheet as of January 1, 2012

ROC GAAP		Effect of transition to IFRSs		IFRSs		Note
Item	Amount	Presentation Difference	Recognition and Measurement Difference	Amount	Item	
Assets						
Current assets						
Cash	\$ 11,250,595	\$ (277,459)	\$ -	\$ 10,973,136	Cash	a)
Financial assets at fair value through profit or loss - current	897,500	-	-	897,500	Financial assets at fair value through profit or loss - current	
Available-for-sale financial assets - current	662,690	-	-	662,690	Available-for-sale financial assets - current	
Derivative financial assets for hedging - current	49,161	-	-	49,161	Derivative financial assets for hedging - current	
Notes receivable, net	291,674	-	-	291,674	Notes receivable, net	
Accounts receivable, net	1,782,101	-	1,298,856	3,080,957	Accounts receivable, net	m)
Accounts receivable from related parties	70,119	-	-	70,119	Accounts receivable from related parties	
-	-	277,459	-	277,459	Other financial assets	a)
Shipping fuel, net	6,481,143	-	(1,351,696)	5,129,447	Shipping fuel, net	m)
Prepaid expenses	963,303	285,960	(240,999)	1,008,264	Prepayments	c), i), j) and m)
Advances to shipping agents	572,222	-	(191,027)	381,195	Advances to shipping agents	m)
Deferred income tax assets - current	36,513	(36,513)	-	-	-	b)
Other current assets	776,430	-	-	776,430	Other current assets	
Total current assets	23,833,451	249,447	(484,866)	23,598,032		
Long-term investments						
Available-for-sale financial assets - noncurrent	2,254,690	-	-	2,254,690	Available-for-sale financial assets - noncurrent	
Financial assets carried at cost - noncurrent	425,290	-	-	425,290	Financial assets carried at cost - noncurrent	
Investments accounted for using equity method	1,850,367	-	-	1,850,367	Investments accounted for using equity method	
Cash surrender value of life insurance	20,396	-	-	20,396	Cash surrender value of life insurance	
Total long-term investments	4,550,743	-	-	4,550,743		
Properties						
Cost						
Land	776,181	-	-	776,181	Land	
Buildings	1,319,650	-	-	1,319,650	Buildings	
Containers and chassis	25,409,096	-	-	25,409,096	Containers and chassis	
Ships	66,574,080	5,263,562	2,223,734	74,061,376	Ships	c) and e)
Leased assets	13,963,478	(5,263,562)	-	8,699,916	Leased assets	e)
Leasehold improvements	244,620	-	226,000	470,620	Leasehold improvements	f)
Miscellaneous equipment	3,463,162	-	17	3,463,179	Miscellaneous equipment	c)
-	111,750,267	-	2,449,751	114,200,018		
Less: Accumulated depreciation	37,502,584	-	538,137	38,040,721	Accumulated depreciation	c) and f)
-	74,247,683	-	1,911,614	76,159,297		
Construction in progress	6,302,183	(1,655,237)	-	4,646,946	Construction in progress	g)
Net properties	80,549,866	(1,655,237)	1,911,614	80,806,243		
-	-	3,895,983	-	3,895,983	Net investment properties	d)
Tangible assets						
Computer software	32,107	-	-	32,107	Computer software	
Deferred pension cost	2,182	-	(2,182)	-	-	i)
Franchise	9,678,832	(9,678,832)	-	-	-	j)
Total intangible assets	9,713,121	(9,678,832)	(2,182)	32,107		
Other assets						
Assets leased to other, net	3,661,624	(3,661,624)	-	-	-	d)
Nonoperating assets, net	234,359	(234,359)	-	-	-	d)
Advances on long-term rent agreements	694,422	9,392,872	-	10,087,294	Long-term prepayments for lease	j)
-	-	1,655,237	-	1,655,237	Long-term prepayments	g)
Deferred income tax assets - noncurrent	561,006	961,557	(121,096)	1,401,467	Deferred income tax	b), f), h) and i)
Restricted assets - noncurrent	22,365	-	-	22,365	Restricted assets - noncurrent	
Miscellaneous	5,774,567	-	-	5,774,567	Miscellaneous	
Total other assets	10,948,343	8,113,683	(121,096)	18,940,930		
Total assets	\$ 129,595,524	\$ 925,044	\$ 1,303,470	\$ 131,824,038		
Current liabilities						
Short-term debt	\$ 3,010,704	\$ -	\$ -	\$ 3,010,704	Short-term debt	
Commercial paper payable	3,246,359	-	-	3,246,359	Commercial paper payable	
Financial liabilities at fair value through profit or loss - current	47,136	-	-	47,136	Financial liabilities at fair value through profit or loss - current	
Derivative financial liabilities for hedging - current	229	-	-	229	Derivative financial liabilities for hedging - current	
-	-	116,832	-	116,832	Other financial liabilities - current	e)
Notes payable	62,469	-	-	62,469	Notes payable	
Accounts payable	5,043,130	-	1,924,077	6,967,207	Accounts payable	m)
Accounts payable to related parties	132,114	-	-	132,114	Accounts payable to related parties	
Income tax payable	132,736	-	-	132,736	Current tax liabilities	
Accrued expenses	2,762,265	-	151,787	2,914,052	Other payables	c) and h)

(Continued)

ROC GAAP		Effect of transition to IFRSs				IFRSs		Note
Item	Amount	Presentation Difference	Recognition and Measurement Difference	Amount	Item			
Payables on equipment	\$ 1,417,263	\$ -	\$ -	\$ 1,417,263	Payables on equipment			
Deferred revenue	2,689,678	-	(2,401,490)	288,188	Deferred revenue	m)		
Current portion of long-term borrowings and bonds payable	8,834,538	(116,832)	-	8,717,706	Current portion of long-term borrowings and bonds payable	e)		
Payable to shipping agents	2,006,838	-	-	2,006,838	Payable to shipping agents			
Payable to shipping agents - related parties	83,724	-	-	83,724	Payable to shipping agents - related parties			
Other current liabilities	714,868	(542)	-	714,326	Other current liabilities	b)		
Total current liabilities	30,184,051	(542)	(325,626)	29,857,883				
Long-term liabilities								
Bonds payable	14,436,490	-	-	14,436,490	Bonds payable			
Long-term debt	40,822,261	-	-	40,822,261	Long-term debt			
Obligation under capital leases - long-term portion	10,919,294	(4,847,565)	-	6,071,729	Obligation under capital leases - long-term portion	e)		
-	-	4,847,565	-	4,847,565	Other financial assets - noncurrent	e)		
Total long-term liabilities	66,178,045	-	-	66,178,045				
Other liabilities								
Accrued pension cost	1,340,436	-	638,139	1,978,575	Accrued pension cost	i)		
Reserve for land value increment tax	479,639	-	-	479,639	Deferred income tax liabilities - land value increment tax	k)		
Deferred income tax liabilities - noncurrent	439,879	925,586	117,984	1,483,449	Deferred income tax liabilities - noncurrent	b), c), f), h), l) and m)		
Unrealized gain (loss) on sale and leaseback	493,712	-	(493,712)	-	-	l)		
-	-	-	226,000	226,000	Provision for liabilities - noncurrent	f)		
Others	74,846	-	-	74,846	Other noncurrent liabilities			
Total other liabilities	2,828,512	925,586	488,411	4,242,509				
Total liabilities	99,190,608	925,044	162,785	100,278,437				
Stockholders' equity of the Corporation								
Capital stock	28,187,131	-	-	28,187,131	Capital stock			
Capital surplus								
Additional paid-in capital	4,710,566	-	-	4,710,566	Additional paid-in capital			
Long-term investments	8,927	-	(8,927)	-	-	o)		
Total stockholders' equity	4,719,493	-	(8,927)	4,710,566				
Retained earnings (accumulated loss)								
Legal reserve	1,178,785	-	-	1,178,785	Legal reserve			
Special reserve	82,530	-	-	82,530	Special reserve			
Accumulated deficits	(4,637,889)	-	934,431	(3,703,458)	Accumulated deficits	c), f), h), i), l), o) and p)		
Total retained earnings	(3,376,574)	-	934,431	(2,442,143)	Total accumulated deficits			
Other equity								
Cumulative translation adjustments	(158,441)	-	158,441	-	Exchange differences on translating foreign operations	c) and p)		
Not loss not recognized as pension cost	(67,069)	-	67,069	-	-	i)		
Unrealized gain on financial instruments	42,923	-	-	42,923	Unrealized gain on available-for-sale financial assets			
Total other equity	(182,587)	-	225,510	42,923				
Total stockholders' equity of the Corporation	29,347,463	-	1,151,014	30,498,477	Total equity attributable to the Corporation			
Minority interests	1,057,453	-	(10,329)	1,047,124	Non-controlling interests	h) and i)		
Total stockholders' equity	30,404,916	-	1,140,685	31,545,601				
Total liabilities and stockholders' equity	\$ 129,595,524	\$ 925,044	\$ 1,303,470	\$ 131,824,038				

(Concluded)

2) Reconciliation of consolidated balance sheet as of December 31, 2012

ROC GAAP		Effect of transition to IFRSs				IFRSs		Note
Item	Amount	Presentation Difference	Recognition and Measurement Difference	Amount	Item			
Assets								
Current assets								
Cash	\$ 11,086,730	\$ (143,160)	\$ -	\$ 10,943,570	Cash		a)	
Financial assets at fair value through profit or loss - current	2,102,127	-	-	2,102,127	Financial assets at fair value through profit or loss - current			
Available-for-sale financial assets - current	190,061	-	-	190,061	Available-for-sale financial assets - current			
Notes receivable, net	210,386	-	-	210,386	Notes receivable, net			
Accounts receivable, net	3,019,661	-	2,992,078	6,011,739	Accounts receivable, net	m)		
Accounts receivable from related parties	85,601	-	-	85,601	Accounts receivable from related parties			
-	-	143,160	-	143,160	Other financial assets	a)		
Shipping fuel, net	4,170,554	-	(897,273)	3,273,281	Shipping fuel, net	m)		
Prepaid expenses	765,762	287,198	(239,032)	813,928	Prepayments	c), i), j) and m)		

(Continued)

ROC GAAP		Effect of transition to IFRSs				IFRSs	Note
		Item	Amount	Presentation Difference	Recognition and Measurement Difference		
Advances to shipping agents	\$ 190,629	\$ -	\$ (144,173)	\$ 46,456	Advances to shipping agents	m)	
Deferred income tax assets - current	102,225	(102,225)	-	-	-	b)	
Restricted assets - current	2,052,366	-	-	2,052,366	Restricted assets - current		
Other current assets	771,646	-	-	771,646	Other current assets		
Total current assets	24,747,748	184,973	1,711,600	26,644,321			
Long-term investments							
Available-for-sale financial assets - noncurrent	1,768,956	-	-	1,768,956	Available-for-sale financial assets - noncurrent		
Financial assets carried at cost - noncurrent	399,500	-	-	399,500	Financial assets carried at cost - noncurrent		
Investments accounted for using equity method	1,887,410	-	-	1,887,410	Investments accounted for using equity method		
Cash surrender value of life insurance	26,450	-	-	26,450	Cash surrender value of life insurance		
Total long-term investments	4,082,316	-	-	4,082,316			
Properties							
Cost							
Land	691,084	-	-	691,084	Land		
Buildings	1,262,960	-	-	1,262,960	Buildings		
Containers and chassis	24,408,281	-	-	24,408,281	Containers and chassis		
Ships	82,867,006	5,027,697	3,203,156	91,097,859	Ships	c) and e)	
Leased assets	13,501,062	(5,027,697)	-	8,473,365	Leased assets	e)	
Leasehold improvements	239,263	-	226,000	465,263	Leasehold improvements	f)	
Miscellaneous equipment	3,637,128	-	447	3,637,575	Miscellaneous equipment	c)	
	126,606,784	-	3,429,603	130,036,387			
Less: Accumulated depreciation	41,531,306	-	932,182	42,463,488	Accumulated depreciation	c) and f)	
	85,075,478	-	2,497,421	87,572,899			
Construction in progress	3,299,339	(2,189,077)	-	1,110,262	Construction in progress	g)	
Net properties	88,374,817	(2,189,077)	2,497,421	88,683,161	Net investment properties	d)	
-	-	3,947,446	-	3,947,446			
Intangible assets							
Computer software	27,948	-	23	27,971	Computer software	c)	
Deferred pension cost	1,440	-	(1,440)	-	-	i)	
Franchise	9,771,106	(9,771,106)	-	-	-	j)	
Total intangible assets	9,800,494	(9,771,106)	(1,417)	27,971			
Other assets							
Assets leased to other, net	3,713,087	(3,713,087)	-	-	-	d)	
Nonoperating assets, net	234,359	(234,359)	-	-	-	d)	
Advances on long-term rent agreements	662,850	9,483,908	-	10,146,758	Long-term prepayments for lease	j)	
-	-	2,189,077	-	2,189,077	Long-term prepayments	g)	
Deferred income tax assets - noncurrent	971,456	1,138,102	(126,752)	1,982,806	Deferred income tax	b), c), h) and i)	
Restricted assets - noncurrent	1,044,010	-	-	1,044,010	Restricted assets - noncurrent		
Miscellaneous	5,581,678	-	-	5,581,678	Miscellaneous		
Total other assets	12,207,440	8,863,641	(126,752)	20,944,329			
Total assets	\$ 139,212,815	\$ 1,035,877	\$ 4,080,852	\$ 144,329,544			
Current liabilities							
Short-term debt	\$ 209,907	\$ -	\$ -	\$ 209,907	Short-term debt		
Notes payable	51,157	-	-	51,157	Notes payable		
Accounts payable	3,289,947	-	1,758,308	5,048,255	Accounts payable	m)	
Financial liabilities at fair value through profit or loss - current	5,112	-	-	5,112	Financial liabilities at fair value through profit or loss - current		
-	-	130,807	-	130,807	Other financial liabilities - current	e)	
Accounts payable to related parties	175,886	-	-	175,886	Accounts payable to related parties		
Income tax payables	187,741	-	-	187,741	Current tax liabilities		
Accrued expenses	3,180,873	-	150,907	3,331,780	Other payables	c) and h)	
Payables to shipping agents -related parties	203,126	-	-	203,126	Payables to shipping agents -related parties		
Payables on equipment	27,485	-	-	27,485	Payables on equipment		
Deferred revenue	808,677	-	(389,625)	419,052	Deferred revenue	m)	
Current portion of long-term borrowings and bonds payable	11,756,671	(130,807)	-	11,625,864	Current portion of long-term borrowings and bonds payable	e)	
Payable to shipping agents	3,420,211	-	-	3,420,211	Payable to shipping agents		
Other current liabilities	693,445	(2,320)	-	691,125	Other current liabilities	b)	
Total current liabilities	24,010,238	(2,320)	1,519,590	25,527,508			
Long-term liabilities							
Bonds payable	22,223,534	-	-	22,223,534	Bonds payable		
Long-term debt	42,930,448	-	-	42,930,448	Long-term debt		
Obligation under capital leases - long-term portion	10,287,581	(4,780,011)	-	5,507,570	Obligation under capital leases - long-term portion	e)	
Other financial liabilities - noncurrent	261,825	4,780,011	-	5,041,836	Other financial liabilities - noncurrent	e)	
Total long-term liabilities	75,703,388	-	-	75,703,388			
Other liabilities							
Accrued pension cost	1,399,218	-	647,706	2,046,924	Accrued pension cost	i)	
Reserve for land value increment tax	479,639	-	-	479,639	Deferred income tax liabilities - land value increment tax	k)	
Deferred income tax liabilities - noncurrent	371,007	1,038,197	258,344	1,667,548	Deferred income tax liabilities - noncurrent	b), c), f), h), l) and m)	

(Continued)

ROC GAAP		Effect of transition to IFRSs		IFRSs		Note
Item	Amount	Presentation Difference	Recognition and Measurement Difference	Amount	Item	
Unrealized gain (loss) on sale and leaseback	\$ 436,232	\$ -	\$ (436,232)	\$ -	-	l)
-	-	-	226,000	226,000	Provision for liabilities - noncurrent	f)
Others	115,837	-	-	115,837	Other noncurrent liabilities	
Total other liabilities	2,801,933	1,038,197	695,818	4,535,948		
Total liabilities	102,515,559	1,035,877	2,215,408	105,766,844		
Stockholders' equity of the Corporation						
Capital stock	28,187,131	-	-	28,187,131	Capital stock	
Capital surplus						
Additional paid-in capital	1,333,992	-	-	1,333,992	Capital surplus	
Long-term investments	8,927	-	(8,927)	-		o)
-	-	-	2,462,554	2,462,554	Proceeds from disposal of subsidiary	n)
Equity component of mandatory convertible bonds	4,413,702	-	-	4,413,702	Equity component of mandatory convertible bonds	
Total capital surplus	5,756,621	-	2,453,627	8,210,248		
Unappropriated earnings						
Unappropriated earnings	51,435	-	(815,228)	(763,793)	Accumulated deficit	c), f), h), i), l), m), n), o) and p)
Other equity						
Cumulative translation adjustments	(467,361)	-	110,230	(357,131)	Exchange differences on translating foreign operations	c), h) and p)
Not loss not recognized as pension cost	(127,140)	-	127,140	-		
Unrealized gain on financial instruments	(487,048)	-	-	(487,048)	Unrealized gain on available-for-sale financial assets	i)
Total other equity	(1,081,549)	-	237,370	(844,179)		
Total stockholders' equity of the Corporation	32,913,638	-	1,875,769	34,789,407	Total equity attributable to the Corporation	
Minority interests	3,783,618	-	(10,325)	3,773,293	Non-controlling interests	h) and i)
Total stockholders' equity	36,697,256	-	1,865,444	38,562,700		
Total liabilities and stockholders' equity	\$ 139,212,815	\$ 1,035,877	\$ 4,080,852	\$ 144,329,544		

(Concluded)

3) Reconciliation of consolidated statement of income for the year ended December 31, 2012

ROC GAAP		Effect of transition to IFRSs		IFRSs		Note
Item	Amount	Presentation Difference	Recognition and Measurement Difference	Amount	Item	
Operating revenue	\$ 131,724,184	\$ -	\$ (299,545)	\$ 131,424,639	Operating revenue	m)
Operating costs	130,132,448	-	(490,537)	129,641,911	Operating costs	c), f), h), i) and m)
Gross profit	1,591,736	-	190,992	1,782,728	Gross profit	
Operating expenses						
Selling expenses	4,544,196	-	(12,982)	4,531,214	Selling expenses	c), h) and i)
General and administrative expenses	864,978	-	(4,480)	860,498	General and administrative expenses	h) and i)
Total operating expenses	5,409,174	-	(17,462)	5,391,712		
-	-	1,667,591	-	1,667,591	Other revenue and expenses	q)
Operating loss	(3,817,438)	1,667,591	208,454	(1,941,393)	Operating loss	
Nonoperating income and gains						
Gain on disposal of properties	1,560,292	(1,560,292)	-	-	Gain on disposal of property, plant and equipment	q)
Gain on disposal of financial instruments, net	2,812,135	-	(2,462,554)	349,581	Gain on disposal of financial instruments, net	n)
Investment income recognized under equity method	192,343	-	-	192,343	Share of the profit or loss of associates and joint ventures	
Rent income	133,457	(133,457)	-	-	Rent income	q)
Interest income	120,640	-	-	120,640	Interest income	
Exchange gain, net	204,267	-	800,934	1,005,201	Exchange gain, net	c)
Dividend income	116,588	-	-	116,588	Dividend income	
Valuation gain on financial liabilities, net	42,024	-	-	42,024	Valuation gain on financial liabilities, net	
Other income	469,542	-	(57,480)	412,062	Other income	l)
Total nonoperating income and gains	5,651,288	(1,693,749)	(1,719,100)	2,238,439		
Nonoperating expenses and losses						
Interest expense	1,757,590	-	1,952	1,759,542	Interest expense	c)
Valuation loss on financial assets, net	21,280	-	-	21,280	Valuation loss on financial assets, net	
Other losses	127,802	(26,158)	-	101,644	Other losses	q)
Total nonoperating expenses and losses	1,906,672	(26,158)	1,952	1,882,466		
Loss before income tax expense	(72,822)	-	(1,512,596)	(1,585,420)	Loss before income tax expense	
Income tax expense (benefit)	(138,061)	-	161,535	23,474	Income tax expense (benefit)	c), f), h), i), l) and m)
Consolidated net loss	\$ 65,239	\$ -	\$ (1,674,133)	(1,608,894)	Consolidated net loss	

(Continued)

ROC GAAP		Effect of transition to IFRSs		IFRSs		Note
Item	Amount	Presentation Difference	Recognition and Measurement Difference	Amount	Item	
				\$ (357,131)	Exchange differences on translating foreign operations	
				(529,971)	Unrealized valuation gain on available-for-sale financial assets	
				(90,989)	Actuarial gain and loss arising from defined benefit plans	
				15,467	Income tax relating to the components of other comprehensive income	
				<u>\$ (2,571,518)</u>	Total comprehensive income for the year	

(Concluded)

4) Special reserve appropriated at the date of transition to IFRSs.

Under Rule No. 1010012865 issued by the FSC on April 6, 2012, on the first-time adoption of IFRSs, a company should appropriate to a special reserve of an amount that was the same as these of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the company's use of exemptions under IFRS 1. However, at the date of transitions to IFRSs, if the increase in retained earnings that resulted from all IFRSs adjustments is not enough for this appropriation, only the increase in retained earnings that resulted from all IFRSs adjustments will be appropriated to special reserve. The special reserve appropriated as above may be reversed to retained earnings in proportion to the usage, disposal or reclassification of the related assets and thereafter distributed.

The Group's retained earnings would be negative (cumulative loss) at the date of transition to IFRSs; thus, no amount was appropriated to special reserve.

5) Exemptions from IFRS 1

IFRS 1 establishes the procedures for the Group's first consolidated financial statements prepared in accordance with IFRSs. According to IFRS 1, the Group is required to determine the accounting policies under IFRSs and retrospectively apply those accounting policies in its opening balance sheet at the date of transition to IFRSs, January 1, 2012; except for optional exemptions and mandatory exceptions to such retrospective application provided under IFRS 1. The major optional exemptions the Group adopted are summarized as follows:

Business combination

The Group elected not to apply IFRS 3, "Business Combinations," retrospectively to business combinations that occurred before the date of transition. Therefore, in the opening balance sheet, the amount of goodwill generated from past business combinations and the related assets, liabilities and non-controlling interests remains the same compared with the one under ROC GAAP as of December 31, 2011.

The exception of not elected to apply IFRS 3 "Business Combinations" also applied to investments in associates acquired in the past.

The Group elected to apply IFRS 3 "Business Combinations" to business combinations commencing on January 1, 2012. In accordance with IFRS 1 "First-time adoption of IFRSs", as of that date, the Group applied IAS 27 "Consolidated and Separate Financial Statements" for subsidiaries acquired.

Share-based payment transactions

The Group elected to take the optional exemption from applying IFRS 2 “Share-based Payment” retrospectively for the share-based payment transactions granted and vested before the date of transition.

Compound financial instruments

As the liability component was no longer outstanding at the date of transition to IFRSs, the Group elected not to split the compound financial instruments issued before the date of transition to IFRSs into separate two portions of equity.

Assets and liabilities of subsidiaries and associates

The Group became a first-time adopter later than certain subsidiaries and associates. Thus, in the consolidated financial statements, such investees’ assets and liabilities are measured at the same carrying amounts as in their respective financial statements, after adjusting for consolidation and equity accounting adjustments and for the effects of the business combination.

Employee benefits

The Group has elected to recognize all cumulative actuarial gains and losses in relation to employee benefit scheme in retained earnings at the date of transition.

Borrowing costs

The Group elected to apply IAS 23” Borrowing costs” to borrowing costs relating to all qualifying assets for which the commencement date for capitalization was on or after the date of transition to IFRSs.

Cumulative translation adjustments

The Group elected to reset to zero, the cumulative translation differences at the date of transition to IFRSs, and adjusted retained earnings by the amount of the cumulative translation difference that existed prior to the reset.

The effect of the abovementioned optional exemptions elected by the Group was stated in the following Note 6 - Explanations of significant reconciling items in the transition to IFRSs.

6) Explanations of insignificant reconciling items in the transition to IFRSs

Material differences between the accounting policies under R.O.C GAAP and the accounting policies adopted under IFRSs were as follows:

a) Time deposits with original maturities of over three months

Under ROC GAAP, time deposits that are cancellable without any loss of principal are classified as cash and cash equivalents. On transition to IFRSs, time deposits with maturity of over three months which have no quoted price in an active market and no fixed receivable amount will be disclosed separate from cash and cash equivalents in the balance sheet.

As of December 31 and January 1, 2012, the Group reclassified NT\$143,160 thousand and NT\$277,459 thousand, respectively, of time deposits with maturity of over three months to other financial assets.

b) Classification of deferred income tax assets or liabilities

Under ROC GAAP, a valuation allowance is recognized for deferred income tax assets that are not expected to be realized. On transition to IFRSs, a deferred income tax asset is recognized only if realization of tax benefit is probable. Valuation allowance account is no longer used.

In addition, under ROC GAAP, a deferred income 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. On transition to IFRSs, a deferred income tax asset or liability is always classified as noncurrent.

Under ROC GAAP, current deferred income tax assets and liabilities of the same entity are offset and presented at the net amount; this is the same for noncurrent deferred income tax assets and liabilities. On transition to IFRSs, an entity can offset only if it has legal right to offset income tax assets and liabilities of the same period. Deferred income tax assets and liabilities of the same taxable entity (or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered) should offset deferred income tax assets and liabilities.

As of December 31 and January 1, 2012, the Group reclassified NT\$102,225 thousand and NT\$36,513 thousand of deferred income tax assets to noncurrent assets; NT\$2,320 thousand and NT\$542 thousand of deferred income tax liabilities to noncurrent liabilities. Noncurrent deferred income tax assets increased by NT\$1,138,102 thousand and NT\$961,557 thousand, respectively; noncurrent deferred income tax liabilities increased by NT\$1,038,197 thousand and NT\$925,586 thousand, respectively.

c) Functional currencies of foreign operation

Under ROC GAAP, functional currency is determined by overall performance of all indicators. On transition to IFRSs, in accordance with IAS No. 21, "The effects of changes in foreign exchange rates", management should give priority to the primary indicators, then consider the secondary indicators to provide additional supporting evidence to determine an entity's functional currency.

The functional currency of Yang Ming (Liberia) Corp. is changed from U.S. dollar to New Taiwan dollar according to the guidelines of IAS 21.

As of December 31 and January 1, 2012, due to the change of functional currency of Yang Ming (Liberia) Corp., prepaid expenses increased (decreased) by NT\$1,362 thousand and NT\$(977) thousand, ships increased by NT\$3,203,156 thousand and NT\$2,223,734 thousand, miscellaneous equipment increased by NT\$447 thousand and NT\$17 thousand, accumulated depreciation increased by NT\$851,999 thousand and NT\$477,676 thousand, accrued expenses increased by NT\$17 thousand and NT\$4,023 thousand, computer software increased by NT\$23 thousand and NT\$0 thousand, deferred income tax assets increased (decreased) by NT\$(239,623) thousand and NT\$(229,744) thousand, deferred income tax liabilities increased by NT\$184,897 thousand and NT\$82,524 thousand, retained earnings increased by NT\$2,072,654 thousand and NT\$1,524,601 thousand and cumulative translation adjustments increased (decreased) by NT\$(144,202) thousand and NT\$(95,794) thousand, respectively. For the year ended December 31, 2012, net income increased by NT\$548,053 thousand.

d) Reclassification of assets leased to others, nonoperating assets and properties

Under ROC GAAP, properties for leasing and nonoperating assets are recognized as leased assets and nonoperating assets which are included in other assets. On transition to IFRSs, properties held for rental revenue, capital appreciation or for both purposes should be classified as investment properties. If properties held partly for rental revenue, partly for capital appreciation, and partly for service or use in management can not be sold separately or leased separately only when the service and management usage is not significant, the properties are classified as investment properties. Thus, the properties held for the purposes mentioned above are reclassified to investment properties.

As of December 31 and January 1, 2012, the Group reclassified to investment properties NT\$3,713,087 thousand and NT\$3,661,624 thousand, respectively, of net assets leased to others and NT\$234,359 thousand of net nonoperating assets on both dates.

e) Reclassification of properties, leased assets and obligation under capital leases

Under ROC GAAP, transactions involving the legal form of a lease are treated as "Lease". On transition to IFRSs, in accordance with the indicators announced by the Standard Interpretations Committee No. 27, "Evaluating the substance of transactions involving the legal form of a lease", transactions that did not meet the guidelines of IAS No. 17, "Lease" in substance should adopt the appropriate accounting standard for the asset or liability. Hence, leased assets - ships included in properties - leased assets under ROC GAAP should be reclassified to ships under property, plant and equipment by their nature under IFRSs. Obligations under capital leases should be reclassified to other financial liabilities under IFRSs.

As of December 31 and January 1, 2012, the Group reclassified NT\$5,027,697 thousand and NT\$5,263,562 thousand, respectively, of leased assets - ships to property, plant and equipment - ships; NT\$130,807 thousand and NT\$116,832 thousand, respectively, of obligations under capital leases - current to other financial liabilities - current; NT\$4,780,011 thousand and NT\$4,847,565 thousand, respectively, of obligations under capital leases - noncurrent to other financial liabilities - noncurrent.

f) Accrual of restoration cost for operating leases

Under ROC GAAP, no specific regulation about restoration obligations for a lessee under operating lease. On transition to IFRSs, if a lessee has legal or constructive obligation to restore operating lease assets to original status when returning operating lease assets, the lessee needs to accrue restoration costs provision over the lease term on a straight-line basis.

As of December 31 and January 1, 2012, the Group's estimated repair costs of ships under operating leases were NT\$226,000 thousand both dates; leasehold improvements increased by NT\$226,000 thousand both dates; accumulated depreciation for leasehold improvements increased by NT\$80,183 thousand and NT\$60,461 thousand, respectively; deferred income tax liabilities decreased by NT\$13,631 thousand and NT\$10,278 thousand, respectively. For the year 2012, depreciation expense increased by NT\$19,722 thousand and income tax expense decreased by NT\$3,353 thousand.

g) Classification of prepayments for equipment

Under ROC GAAP, prepayment for acquisition of equipment is included in properties. On transition to IFRSs, prepayment for acquisition of equipment is always included in prepayments - noncurrent.

As of December 31 and January 1, 2012, the Group reclassified NT\$2,189,077 thousand and NT\$1,655,237 thousand, respectively, of prepayments for equipment to long-term prepayments.

h) Employee benefits-Short-term accumulating paid absences

Short-term accumulating paid absences are not specifically addressed under ROC GAAP and usually recognized as salary expense while distributed. On transition to IFRSs, accumulating compensated absences are recognized as salary expense when the employees render services that increase their entitlement to future compensated absences.

As of December 31 and January 1, 2012, the Group accrued NT\$150,890 thousand and NT\$147,764 thousand, respectively, for accumulating compensated absences; deferred income tax assets increased by NT\$14,467 thousand and NT\$16,085 thousand, deferred income tax liabilities decreased by NT\$11,219 thousand and NT\$9,036 thousand, minority interests decreased by NT\$2,373 thousand and NT\$2,124 thousand, cumulative translation adjustments increased by NT\$197 thousand and zero. Also, salary expenses increased by NT\$3,323 thousand and income tax expense decreased by NT\$565 thousand for the year ended December 31, 2012.

i) Employee benefits-actuarial gains and losses of defined benefit plan and unrecognized net transition obligation

Under ROC GAAP, unrecognized net transition obligation from first-adoption of SFAS No. 18, "Accounting for pensions", should be amortized over the expected average remaining service lives of the employees who are still in service and expected to receive pension benefits using the straight-line method and recorded in net pension cost. On transition to IFRSs, the Group should not apply the transition requirements of IAS 19. Thus, unrecognized net transition obligation should be recognized immediately in retained earnings.

Under ROC GAAP, actuarial gains and losses are recognized using the corridor approach. The portion of actuarial gains and losses to be recognized is the excess divided by the expected average remaining service lives of the employees who are still in service and expected to receive pension benefits. On transition to IFRSs, applying SFAS No. 19 "Employee benefits", actuarial gains and losses should be recognized immediately in other comprehensive income and retained earnings in the statement of changes in equity and should not be reclassified to profit or loss at a subsequent period.

As of December 31 and January 1, 2012, applying SFAS No. 19 "Employee benefits" and SFAS No. 1 "Presentation of financial statements", accrued pension liabilities increased by NT\$647,706 thousand and NT\$638,139 thousand; prepaid expenses decreased by NT\$6,476 thousand both dates; deferred income tax assets increased by NT\$98,404 thousand and NT\$92,563 thousand; deferred income tax liabilities decreased by NT\$35,027 thousand and NT\$29,157 thousand; loss on unrecognized pension costs decreased by NT\$127,140 thousand and NT\$67,069 thousand; deferred pension costs decreased by NT\$1,440 thousand and NT\$2,182 thousand; minority interests decreased by NT\$7,952 thousand and NT\$8,205 thousand. For the year 2012, pension costs decreased by NT\$22,093 thousand, other comprehensive income decreased by NT\$75,522 thousand (net amount after deducting deferred income tax of NT\$15,467 thousand) and income tax expense increased by NT\$3,756 thousand.

j) Intangible assets - franchise

Under ROC GAAP, costs incurred during the construction period are recognized as acquisition cost of franchise for companies engaging in BOT project. Franchise is amortized over operating period from the date of completion of construction. When the contract is terminated, the cost of franchise less accumulated amortization is derecognized. On transition to IFRSs, companies owns usage right rather than control over the infrastructure do not meet the criteria of IFRIC 12 “Service Concession Arrangements”, and should be reclassified to prepayments for lease under IAS 17 “Lease”.

As of December 31 and January 1, 2012, the Group reclassified NT\$287,198 thousand and NT\$285,960 thousand of intangible assets - franchise to prepaid expenses and NT\$9,483,908 thousand and NT\$9,392,872 thousand of intangible assets - franchise to long-term prepayments, respectively.

k) Land revaluation increment

In accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, reserve for land revaluation increment tax should be included under long-term liabilities.

On transition to IFRSs, reserve for land value increment tax should be reclassified to deferred income tax liabilities - land value increment tax.

As of December 31 and January 1, 2012, the Group reclassified NT\$479,639 thousand of reserve for land value increment tax to deferred income tax liabilities - land value increment tax.

l) Gain on sale and leaseback under operating lease

Under ROC GAAP, gain on sale and leaseback should be deferred over the leaseback period or recognised immediately whether the comparative amount of the present value of the lease contract and the fair value of the asset should be considered. On transition to IFRSs, if the disposal price is at fair value, gain or loss on disposal should be recognized immediately.

As of December 31 and January 1, 2012, unrealized gain on sale and leaseback was NT\$436,232 thousand and NT\$493,712 thousand, respectively, deferred income tax liabilities increased by NT\$74,159 thousand and NT\$83,931 thousand, respectively. For the year 2012, other revenues decreased by NT\$57,480 thousand and income tax expense decreased by NT\$9,772 thousand.

m) Recognition of cargo revenue and expense

Before the transition to IFRSs, cargo revenues are recognized using the completion of voyage method. On transition to IFRSs, revenues and costs from cargo transportation service are recognized using the percentage of completion of voyage method. However, if a voyage results in net loss, the total loss should be recognized on the reporting date immediately.

As of December 31 and January 1, 2012, current assets increased (decreased) by NT\$1,716,714 thousand and NT\$(477,413) thousand by adopting the percentage of completion of voyage method to recognize revenues, current liabilities increased (decreased) by NT\$1,368,683 thousand and NT\$(477,413) thousand, deferred tax liabilities increased by NT\$59,165 thousand and zero. For the year 2012, operating revenue decreased by NT\$299,545 thousand, operating expense increased by NT\$647,576 thousand and income tax expense increased by NT\$59,165 thousand.

n) Partial disposal of shares in subsidiary without losing controlling interest

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 additional paid-in capital and other items of stockholders' equity are transferred proportionally to current profit and loss. On transition to IFRSs, changes in the Group's interest in a subsidiary that do not result in actual loss of control are accounted for as equity transactions.

For the year 2012, "change in additional paid-in capital - difference between selling price and carrying amount" increased by NT\$2,462,554 thousand and disposal gain decreased by NT\$2,462,554 thousand.

o) Changes in ownership interest and capital surplus of subsidiary or associate which resulted from the issuance of shares by the associate or subsidiary

Under ROC GAAP, if an investee issues new shares and an investor does not subscribe for new shares proportionately, the investor's ownership percentage and interest in net assets of the investee will change. The effects of the change are recognized in capital surplus from long-term equity-method investments and equity-method investments.

On transition to IFRSs, when the Group subscribes for additional new shares of the associate, at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. Moreover, changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transaction.

According to "Q&A for Adoption of International Financial Reporting Standards by Companies in ROC," issued by the TWSE, there is no need for retrospective application and the Group would only reclassify capital surplus - long-term equity-method investments to retained earnings. As of December 31 and January 1, 2012, the capital surplus - from long-term equity-method investments decreased by NT\$8,927 thousand.

p) Cumulative translation adjustments

On January 1, 2012, the Group elected to recognize all cumulative translation adjustments arising from foreign operations as unappropriated earnings. Thus, gains or losses of a subsequent disposal of any foreign operations will exclude the translation differences that arose before the date of transition to IFRSs.

As of December 31 and January 1, 2012, \$254,235 thousand was reclassified from cumulative translation adjustments to retained earnings because the Group elected to recognize zero cumulative translation adjustments arising from foreign operations at the transition date.

q) The reclassification of line items in the consolidated statement of comprehensive income

In accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers before its amendment due to the adoption of IFRSs, income from operations in the consolidated income statement only includes net sales, cost of sales and operating expenses. Under IFRSs, based on the nature of operating transactions, rental revenue, depreciation of assets leased to others and net gain on disposal of properties were reclassified to other revenue and expenses, which are included in income from operations.

- c. The Group has prepared the above assessments in accordance with (a) the 2010 version of the IFRSs translated by the ARDF and endorsed 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.

**YANG MING MARINE TRANSPORT CORPORATION AND
SUBSIDIARIES****OVERSEAS DEPOSITS
DECEMBER 31, 2012**

Country	Currency	Foreign-currency Amount (Thousands)	New Taiwan Dollar Exchange Rate	New Taiwan Dollar Amount (Thousands)
Japan	USD	\$ 6	29.14	\$ 167
	JPY	50,293	0.3385	17,022
Hong Kong	USD	2,809	29.14	81,840
	HKD	12,098	3.7591	45,478
	RMB	57,786	4.6761	270,209
United States	USD	15,054	29.14	438,682
Indonesia	USD	7	29.14	191
Malaysia	USD	59	29.14	1,728
	MYR	15,042	9.5167	143,150
Great Britain	USD	101	29.14	2,943
	GBP	853	47.0742	40,136
Germany	USD	284	29.14	8,283
	EUR	2,657	38.5260	102,370
Philippines	PHP	4,210	0.7096	2,987
Singapore	USD	45	29.14	1,304
	SGD	786	23.8247	18,725
India	INR	6,457	0.5321	3,436
Thailand	THB	85,876	0.9532	81,859
Korea	USD	1,204	29.14	35,079
	KRW	2,132,477	0.0273	58,217
Canada	USD	649	29.14	18,922
	CAD	6	29.2747	181
Australia	USD	128	29.14	3,732
	AUD	1,302	30.2531	39,395
Panama	USD	120	29.14	3,485
Dubai	AED	5,085	7.9335	40,339
Belgium	EUR	334	38.5260	12,854

**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
Great 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

FINANCING PROVIDED

DECEMBER 31, 2012

(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 Borrower	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	1.9008%	1	\$ 10,213,508	Repayment of loans	\$ -	-	\$ -	\$ 9,874,091	\$ 16,456,819
		All Oceans Transportation, Inc.	Other receivables	9,516,896	7,800,000	1.9008%	1	13,155,170	Obtain working capital	-	-	-	9,874,091	16,456,819
1	Yang Ming Line (Singapore) Pte. Ltd.	Yang Ming Marine Transportation Corp.	Other receivables	96,162 (US\$ 3,300)	-	-	2		Obtain working capital	-	-	-	119,059 (Note F)	238,119 (Note E)
2	Yang Ming (America) Corp.	Olympic Container Terminal LLC	Other receivables	442,928 (US\$ 15,200)	442,928 (US\$ 15,200)	2.0000%	2		Obtain working capital	-	-	-	472,068 (Note H)	524,520 (Note G)
3	Yang Ming Shipping (B.V.I.) Inc.	Karlman Properties Limited	Other receivables	19,923 (HK\$ 5,300)	15,037 (HK\$ 4,000)	0.5000%	2		Repayment of loans	-	-	-	48,459 (Note I)	96,919 (Note E)
4	Yang Ming Line B.V.	Antwerp International Terminal NV	Other receivables	12,583 (EUR 327)	12,583 (EUR 327)	1.1696%	2		Obtain working capital	-	-	-	13,111 (Note K)	17,482 (Note J)
5	Kung Ming Shipping Corp.	Kung Ming (Liberia) Corp.	Other receivables	291,400 (US\$ 10,000)	291,400 (US\$ 10,000)	1.3425% - 1.3805%	2		Obtain working capital	-	-	-	614,573 (Note M)	1,229,146 (Note L)
6	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming Transportation Corp.	Other receivables	89,441 (GBP 1,900)	-	-	2		Obtain working capital	-	-	-	1,062,575 (Note L)	2,125,150 (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 a 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 and the subsidiary 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. The maximum financing amount is the 40% of the latest net assets audited or reviewed by CPA of the lender. For borrowers with transactions with the lender, maximum financing is 10% of the latest net assets audited or reviewed by CPA of the lender. For borrowers with short-term financing need, the maximum is the 30% of the latest net assets audited or reviewed by CPA of the lender.
- M. For borrowers with transactions with the lender, maximum financing is the lower of 50% of the total amount financing amount 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 50% of the financing amount.
- N. United States dollars, Great British Pounds, Euros dollars and Hong Kong dollars translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$29.14, US\$1=GBP0.619023, US\$1=EUR0.756372 and US\$1 = HK\$7.75185 as of December 31, 2012.
- O. The balance of actual financing provided as of December 31, 2012 was \$5,551,518 thousand.
- P. The balance of actual financing provided as of December 31, 2012 was \$2,896,785 thousand.
- Q. The balance of actual financing provided as of December 31, 2012 was \$348,223 (US\$11,950 thousand).
- R. The balance of actual financing provided as of December 31, 2012 was \$12,894 (HK\$3,430 thousand.).
- S. The balance of actual financing provided as of December 31, 2012 was \$12,583 (EUR327 thousand).
- T. The balance of actual financing provided as of December 31, 2012 was \$84,506 thousand (US\$2,900 thousand).

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED

DECEMBER 31, 2012

(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	\$ 52,661,820 (Note B)	\$ 8,289,030 (US\$ 284,455)	\$ 8,289,030 (US\$ 284,455)	\$ -	25.18%	\$ 65,827,276 (Note A)	
		Kuang Ming (Liberia) Corp.	Subsidiary	52,661,820 (Note B)	7,541,590 (US\$178,522 and JPY6,912,000)	6,620,194 (US\$168,274 and JPY5,072,000)	-	20.11%	65,827,276 (Note A)	
		Yang Ming (Liberia) Corp.	Subsidiary	52,661,820 (Note B)	18,771,114 (US\$ 644,170)	18,771,114 (US\$ 644,170)	-	57.03%	65,827,276 (Note A)	
		Yang Ming (America) Corp.	Subsidiary	52,661,820 (Note B)	145,700 (US\$ 5,000)	145,700 (US\$ 5,000)	-	0.44%	65,827,276 (Note A)	
		Kao Ming Container Terminal Corp.	Subsidiary	52,661,820 (Note B)	1,500,000	-	-	-	-	65,827,276 (Note A)
		United Terminal Leasing LLC	Equity-method investee of subsidiary	52,661,820 (Note B)	311,011 (US\$ 10,673)	239,069 (US\$ 8,204)	-	0.73%	65,827,276 (Note A)	
		West Basin Container Terminal LLC	Equity-method investee of subsidiary	52,661,820 (Note B)	722,672 (US\$ 24,800)	543,170 (US\$ 18,640)	-	1.65%	65,827,276 (Note A)	
		Olympic Container Terminal LLC	Subsidiary	52,661,820 (Note B)	145,704 (US\$ 5,000)	145,704 (US\$ 5,000)	-	0.44%	65,827,276 (Note A)	
1	Yang Ming Line Holding Co.	West Basin Container Terminal LLC	Equity-method investee of subsidiary	385,884 (Note D)	9,325 (US\$ 320)	5,434 (US\$ 186)	-	0.02%	482,355 (Note C)	
2	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming (UK) Ltd.	Subsidiary	4,250,300 (Note F)	19,583 (GBP 416)	16,749 (GBP 356)	-	0.05%	5,312,875 (Note E)	
3	All Oceans Transportation, Inc.	Yang Ming Marine Transport Corporation	Parent	25,495,731 (Note H)	12,466,000	12,466,000	12,466,000 (Note N)	37.87%	31,869,664 (Note G)	
4	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Subsidiary	6,555,446 (Note J)	3,948,490 (JPY7,740,000 and US\$ 45,600)	3,948,490 (JPY7,740,000 and US\$ 45,600)	-	12.00%	8,194,308 (Note I)	
5	Kuang Ming (Liberia) Corp.	Kuang Ming Shipping Corp.	Parent	5,405,766 (Note L)	1,074,840 (US\$6,000 and NT\$ 900,000)	900,000	-	2.73%	6,757,208 (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=NT\$29.14, GBP1=NT\$47.07418, JPY1=NT\$0.338463 and HK\$1=NT\$3.759103 on December 31, 2012.
- N. Represents 14 ships used as guarantees, with carrying value of \$11,302,535 thousand as of December 31, 2012.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2012

(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, 2012				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
Yang Ming Marine Transport Corporation	Common stock							
	Kao Ming Container Terminal Corp.	Subsidiary	Investments accounted for by the equity method	408,000,000	\$ 4,193,616	60.00	\$ 4,193,616	
	Kuang Ming Shipping Corp.	Subsidiary	Investments accounted for by the equity method	177,920,000	3,547,036	86.57	3,547,036	
	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Subsidiary	Investments accounted for by the equity method	10,351	3,882,727	100.00	3,882,727	
	All Oceans Transportation, Inc.	Subsidiary	Investments accounted for by the equity method	1,000	3,074,750	100.00	3,074,750	
	Yang Ming Line (Singapore) Pte. Ltd.	Subsidiary	Investments accounted for by the equity method	60,130,000	1,921,867	100.00	1,921,867	
	Ching Ming Investment Corp.	Subsidiary	Investments accounted for by the equity method	160,650,000	1,510,949	100.00	1,510,949	
	Yes Logistics Corp.	Subsidiary	Investments accounted for by the equity method	60,000,000	585,741	50.00	586,412	
	Yang Ming Line Holding Co.	Subsidiary	Investments accounted for by the equity method	13,500	741,712	100.00	741,712	
	Yunn Wang Investment Co., Ltd.	Equity-method investee	Investments accounted for by the equity method	5,211,474	141,818	49.75	141,818	
	Jing Ming Transportation Co., Ltd.	Subsidiary	Investments accounted for by the equity method	8,615,923	114,669	50.98	114,669	
	Honming Terminal & Stevedoring Co., Ltd.	Subsidiary	Investments accounted for by the equity method	7,916,908	113,529	79.17	113,529	
	Transyang Shipping Pte. Ltd.	Equity-method investee	Investments accounted for by the equity method	1,345	75,277	49.00	75,277	
	Yang Ming (Liberia) Corp.	Subsidiary	Investments accounted for by the equity method	1	(1,261,956)	100.00	(1,261,956)	Note B
	Taipei Port Container Terminal Co., Ltd.	-	Financial asset carried at cost - noncurrent	41,000,000	372,188	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 Fertilizer Co., Ltd.	-	Financial assets at fair value through profit or loss - current	18,000	1,364	-	1,364	
	Taiwan Navigation Co., Ltd.	Governed by the MOTC	Available-for-sale financial asset - noncurrent	70,758,243	1,768,956	16.96	1,768,956	Note R
	China Steel Corp.	-	Available-for-sale financial assets - current	853,847	23,353	0.01	23,353	
	Greatek Electronics Inc.	-	Available-for-sale financial assets - current	482,698	11,730	0.09	11,730	
	Cathay Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	720,449	22,694	0.01	22,694	
	Aten International Co., Ltd.	-	Available-for-sale financial assets - current	25,614	1,174	0.02	1,174	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2012			Market Value or Net Asset Value (Note A)	Note
				Shares/Units	Carrying Value	% of Ownership		
	<u>Mutual fund</u> BlackRock ICS Euro Liquidity Funds	-	Financial assets at fair value through profit or loss - current	85,008	\$ 3,275	-	\$ 3,275	
	BlackRock ICS GBP Liquidity Funds	-	Financial assets at fair value through profit or loss - current	614,472	28,926	-	28,926	
	Paradigm Pion Money Market Funds	-	Available-for-sale financial assets - current	445,915	5,004	-	5,004	
	<u>Principal guaranteed notes</u> Masterlink Principal Guaranteed Notes	-	Financial assets at fair value through profit or loss - current	-	100,078	-	100,078	
	CAPITAL Principal Guaranteed Notes	-	Financial assets at fair value through profit or loss - current	-	900,224	-	900,224	
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	(1,884,798)	100.00	(1,884,798)	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	(1,886,880)	100.00	(1,886,880)	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	27,284	89.92	27,284	
	Yang Ming (Netherlands) B.V.	Subsidiary	Investments accounted for by the equity method	(Note C)	33,872	100.00	33,872	
	Yang Ming (Italy) S.p.A.	Subsidiary	Investments accounted for by the equity method	125,000	24,230	50.00	24,230	
	Yang Ming (UK) Ltd.	Subsidiary	Investments accounted for by the equity method	1,500,000	(2,171,919)	100.00	(2,171,919)	Note B
	Yang Ming Shipping Europe Gmbh	Subsidiary	Investments accounted for by the equity method	(Note D)	126,587	100.00	126,587	
	Yang Ming Shipping (Egypt) S.A.E.	Equity-method investee	Investments accounted for by the equity method	24,500	34,039	49.00	34,039	
Yang Ming (Netherlands) B.V.	<u>Common stock</u> Yang Ming (Belgium) N.V.	Subsidiary	Investments accounted for by the equity method	62	3,059	10.08	3,059	
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)	1,555	60.00	1,555	
Yang Ming (UK) Ltd.	<u>Common stock</u> Corstor Ltd.	Equity-method investee	Investments accounted for by the equity method	(Note F)	7,089	50.00	7,089	
	Yes Logistic (UK) Limited	Subsidiary	Investments accounted for by the equity method	200	(3,676)	100.00	(3,676)	Note B
Kuang Ming Shipping Corp.	<u>Common stock</u> Kuang Ming (Liberia) Corp.	Subsidiary	Investments accounted for by the equity method	2	3,378,604	100.00	3,378,604	
	<u>Mutual fund</u> Fuh Hwa Money Market	-	Available-for-sale financial assets - current	4,787,199	67,272	-	67,272	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2012				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	\$ 216,446	51.00	\$ 216,446	Note Q
	Yang Ming Line (Hong Kong) Ltd.	Subsidiary	Investments accounted for by the equity method	510,000	(48,132)	51.00	(48,132)	
	Yang Ming Line (India) Pvt. Ltd.	Subsidiary	Investments accounted for by the equity method	300,000	16,973	60.00	16,973	
	Yang Ming (Korea) Co., Ltd.	Subsidiary	Investments accounted for by the equity method	60,000	28,750	60.00	28,750	
	Young-Carrier Company Ltd.	Subsidiary	Investments accounted for by the equity method	910,000	244,585	91.00	244,585	
	Yangming (Japan) Co., Ltd.	Subsidiary	Investments accounted for by the equity method	3,000	14,903	100.00	14,903	
	Yangming (Singapore) Pte Ltd.	Subsidiary	Investments accounted for by the equity method	1,000,000	73,429	100.00	73,429	
	Yang Ming Line (M) Sdn. Bhd.	Subsidiary	Investments accounted for by the equity method	1,000,000	37,308	100.00	37,308	
	Sunbright Insurance Pte. Ltd.	Subsidiary	Investments accounted for by the equity method	3,000,000	132,267	100.00	132,267	
	Yang Ming (Vietnam) Company Limited	Equity-method investee	Investments accounted for by the equity method	(Note G)	1,033	49.00	1,033	
	Formosa International Development Corporation	Equity-method investee	Investments accounted for by the equity method	(Note H)	234,283	30.00	198,058	
	Yang Ming Anatolia Shipping Agency S.A.	Subsidiary	Investments accounted for by the equity method	50,000	42,190	50.00	42,190	
	Yang Ming (U.A.E.) LLC	Equity-method investee	Investments accounted for by the equity method	(Note I)	52,478	49.00	52,478	
	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	82,598	100.00	
Yangming (Japan) Co., Ltd.	<u>Common stock</u> Manwa & Co., Ltd.	Subsidiary	Investments accounted for by the equity method	200	3,457	100.00	3,457	
	<u>Other</u> Cash surrender Value in Insurance	-	Financial asset carried at cost - noncurrent	-	908	-	908	
Ching Ming Investment Corp.	<u>Common stock</u> Yes Logistics Corp	Subsidiary	Investments accounted for by the equity method	55,630,977	542,936	46.36	542,936	
	Homing Terminal & Stevedoring Co., Ltd.	Subsidiary	Investments accounted for by the equity method	2,083,092	29,546	20.83	29,546	
	China Steel Corporation	-	Available-for-sale financial assets - current	7,458	204	-	204	
	Cathay Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	400,000	12,600	-	12,600	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	100,000	7,860	-	7,860	
	Far Eastern New Century Corporation	-	Financial assets at fair value through profit or loss - current	38,000	1,258	-	1,258	
	HTC Corporation	-	Financial assets at fair value through profit or loss - current	97,000	29,149	0.01	29,149	
	Phison Electronics Corp.	-	Financial assets at fair value through profit or loss - current	20,000	3,850	0.01	3,850	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2012				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
	Taiwan Navigation Co., Ltd.	Governed by the MOTC	Financial assets at fair value through profit or loss - current	355,000	\$ 8,875	0.09	\$ 8,875	
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	112,484	3,948	-	3,948	
	Yuanta Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	300,000	4,485	-	4,485	
	Mega Financial Holding Company	-	Financial assets at fair value through profit or loss - current	820,000	18,532	0.01	18,532	
	First Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,121,000	21,417	0.01	21,417	
	T.H.I. Global Holdings Corp.	-	Financial assets at fair value through profit or loss - current	64,000	1,210	0.09	1,210	
	Far Eastern Department Stores Co., Ltd.	-	Financial assets at fair value through profit or loss - current	100,000	3,015	0.01	3,015	
	Dynapack International Technology Corp.	-	Financial assets at fair value through profit or loss - current	20,000	2,290	0.01	2,290	
	Lotes Co., Ltd.	-	Financial assets at fair value through profit or loss - current	17,000	1,525	0.02	1,525	
	Prime Oil Chemical Service Corp.	-	Financial assets at fair value through profit or loss - current	219,000	5,289	0.32	5,289	
	Ili Technology Corp.	-	Financial assets at fair value through profit or loss - current	20,000	1,830	0.03	1,830	
	Powertech Technology Inc.	-	Financial assets at fair value through profit or loss - current	213,000	10,000	0.03	10,000	
	Merida Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	20,000	2,600	0.01	2,600	
	SF Technology Venture Capital Investment Corp.	-	Financial asset carried at cost - noncurrent	349,929	-	7.24	-	
	United Venture Capital Corp.	-	Financial asset carried at cost - noncurrent	1,710,720	-	9.04	-	
	Ascentek Venture Capital Corp.	-	Financial asset carried at cost - noncurrent	784,000	7,896	2.14	-	
	Kingmax Technology Corp.	-	Financial asset carried at cost - noncurrent	822,115	6,421	1.38	-	
	<u>Mutual fund</u>							
	Franklin Templeton Developing Markets Trust Fund	-	Available-for-sale financial assets - current	2,254	1,545	-	1,545	
	Fidelity Emerging Markets Fund	-	Available-for-sale financial assets - current	2,477	1,519	-	1,519	
	Hua Nan Global Infrastructure Fund-A	-	Available-for-sale financial assets - current	200,000	1,140	-	1,140	
	Allianz GIS RCM Little Dragons Fund	-	Available-for-sale financial assets - current	15,235	41,826	-	41,826	
	Eastspring Investments Well Pool Money Market Fund		Financial assets at fair value through profit or loss - current	2,036,319	26,040	-	26,040	
	Yuanta India Fund	-	Financial assets at fair value through profit or loss - current	223,585	1,827	-	1,827	
	FSITC China Century Fund	-	Financial assets at fair value through profit or loss - current	632,645	5,150	-	5,150	
	Capital Chinese Golden Age Equity Fund	-	Financial assets at fair value through profit or loss - current	243,013	2,148	-	2,148	
	PineBridge Global Multi-Strategy High Yield Fund	-	Financial assets at fair value through profit or loss - current	1,263,515	15,092	-	15,092	
	PineBridge Global Emerging Market High Yield Bond Fund-A	-	Financial assets at fair value through profit or loss - current	860,274	10,630	-	10,630	
	Allianz Global Investors Rising Asia Fund	-	Financial assets at fair value through profit or loss - current	239,102	2,783	-	2,783	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2012			Market Value or Net Asset Value (Note A)	Note
				Shares/Units	Carrying Value	% of Ownership		
	UPAMC Great China Small-Middle Cap Fund		Financial assets at fair value through profit or loss - current	1,834,504	\$ 15,226	-	\$ 15,226	
	ING EMD & High Yield Bond Portfolio Fund-A		Financial assets at fair value through profit or loss - current	1,148,947	12,249	-	12,249	
	Eastspring Investments Global High Yield Bond Fund-A		Financial assets at fair value through profit or loss - current	1,000,143	11,729	-	11,729	
	UPAMC Great China Fund		Financial assets at fair value through profit or loss - current	729,130	9,996	-	9,996	
	Pinebridge BRIIC Infrastructure Equity Fund		Financial assets at fair value through profit or loss - current	623,609	5,245	-	5,245	
	Yuanta Greater China Small & Medium Cap Fund		Financial assets at fair value through profit or loss - current	628,332	4,895	-	4,895	
	FSITC Innovation Fund		Financial assets at fair value through profit or loss - current	200,200	2,068	-	2,068	
	Franklin Templeton SinoAm Natural Resources Equity Fund of Franklin Templeton SinoAm Emerging Trends Umbrella Fund		Financial assets at fair value through profit or loss - current	1,593,772	14,257	-	14,257	
	Jih Sun MIT Mainstream Fund		Financial assets at fair value through profit or loss - current	500,000	4,950	-	4,950	
	SinoPac Global Investment Grade Bond Fund		Financial assets at fair value through profit or loss - current	1,000,000	10,631	-	10,631	
	Allianz Global Investors Asian Smaller Companies Fund		Financial assets at fair value through profit or loss - current	247,323	2,248	-	2,248	
	Taishin Latin America Equity Fund		Financial assets at fair value through profit or loss - current	500,000	4,200	-	4,200	
	Manulife Asia Pacific Middle and Small Cap Fund		Financial assets at fair value through profit or loss - current	1,400,561	20,014	-	20,014	
	UPAMC Global Fixed Income Selection Fund		Financial assets at fair value through profit or loss - current	2,677,926	30,050	-	30,050	
	Fuh Hua Emerging Market High Yield Bond Fund-A		Financial assets at fair value through profit or loss - current	915,751	10,009	-	10,009	
	Taishin India Fund		Financial assets at fair value through profit or loss - current	500,000	4,850	-	4,850	
	Jih Sun Small Cap Fund		Financial assets at fair value through profit or loss - current	139,491	1,825	-	1,825	
	Eastspring Investments China Fund (formerly PCA China Fund)		Financial assets at fair value through profit or loss - current	1,325,160	15,120	-	15,120	
	FSITC Global High Yield Bond Fund-A		Financial assets at fair value through profit or loss - current	738,951	10,050	-	10,050	
	Taishin China Equity Fund		Financial assets at fair value through profit or loss - current	788,349	14,782	-	14,782	
	UPAMC Asia Pacific Fund		Financial assets at fair value through profit or loss - current	497,808	10,006	-	10,006	
	Aberdeen Global-Emerging Markets Smaller Companies Fund		Financial assets at fair value through profit or loss - current	5,409	2,952	-	2,952	
	Hwa Nan Global Luxury Goods Fund		Financial assets at fair value through profit or loss - current	188,147	1,994	-	1,994	
	Franklin Templeton SinoAm Global High Yield Bond Fund-Accu.		Financial assets at fair value through profit or loss - current	1,458,663	15,514	-	15,514	
	Cathay Value and Superior Fund		Financial assets at fair value through profit or loss - current	459,137	5,005	-	5,005	
	Eastspring Emerging Asia Local Currency Bond Fund-A		Financial assets at fair value through profit or loss - current	957,313	10,035	-	10,035	
	Shin Kong Cross Straight Selective Fund		Financial assets at fair value through profit or loss - current	2,112,786	20,156	-	20,156	
	HSBC Global Income Bond Fund		Financial assets at fair value through profit or loss - current	1,468,048	17,319	-	17,319	
	JPM (Taiwan) Emerging Markets Debit Fund-Accu.		Financial assets at fair value through profit or loss - current	918,814	10,287	-	10,287	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2012			Market Value or Net Asset Value (Note A)	Note
				Shares/Units	Carrying Value	% of Ownership		
Yes Logistics Corp.	Allianz Global Investors Biotech Fund		Financial assets at fair value through profit or loss - current	110,132	\$ 1,892	-	\$ 1,892	
	Mirae Asset Global Dynamic Bond Fund-A		Financial assets at fair value through profit or loss - current	500,000	5,191	-	5,191	
	Jih Sun Asian High Yield Bond Fund-A		Financial assets at fair value through profit or loss - current	1,892,189	20,405	-	20,405	
	Capital Global Emerging Market Bond Fund-A		Financial assets at fair value through profit or loss - current	100,000	1,027	-	1,027	
	Allianz Global Investors Taiwan Fund		Financial assets at fair value through profit or loss - current	1,426,312	15,019	-	15,019	
	Mirae Asset Asia High Income Bond Fund		Financial assets at fair value through profit or loss - current	1,320,377	14,147	-	14,147	
	Fubon Strategic High Income Fund-A		Financial assets at fair value through profit or loss - current	1,393,342	15,328	-	15,328	
	Allianz Global Investors All Seasons Return Fund of Bond Funds		Financial assets at fair value through profit or loss - current	1,826,038	25,244	-	25,244	
	Reliance Chinese Selected Growth Equity Fund		Financial assets at fair value through profit or loss - current	1,248,751	10,002	-	10,002	
	Franklin Templeton SinoAm China Consumption Fund		Financial assets at fair value through profit or loss - current	2,328,542	22,121	-	22,121	
	HSBC Asian High Yield Bond Fund-A		Financial assets at fair value through profit or loss - current	1,358,975	15,106	-	15,106	
	Hua Nan Bric High Yield Bond Fund-A		Financial assets at fair value through profit or loss - current	386,262	4,057	-	4,057	
	Eastspring Investments Global High Yield Bond Fund-A		Financial assets at fair value through profit or loss - current	4,000,000	39,955	-	39,955	
	Franklin Templeton SinoAm Emerging Countries Fixed Income Fund		Financial assets at fair value through profit or loss - current	14,388	5,067	-	5,067	
	ING Asia Pacific Multi High Yield Bond Fund-Accu.		Financial assets at fair value through profit or loss - current	883,744	10,072	-	10,072	
	Franklin Templeton SinoAm Aggressive Return Bond Fund-Accu.		Financial assets at fair value through profit or loss - current	2,478,031	27,059	-	27,059	
	Jih Sun Golden Brands Fund of Funds		Financial assets at fair value through profit or loss - current	519,054	5,011	-	5,011	
	Jih Sun Neo Taiwan Enterprises Fund		Financial assets at fair value through profit or loss - current	220,264	4,980	-	4,980	
	Pinebridge Global Emerging Market Investments Strategy Bond Fund-A		Financial assets at fair value through profit or loss - current	925,138	10,010	-	10,010	
	<u>Common stock</u>							
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Subsidiary	Investments accounted for by the equity method	1,471,304	35,324	100.00	35,324	
	Yes Logistics Corp.	Subsidiary	Investments accounted for by the equity method	5,460,000	118,280	100.00	118,280	
	Chang Ming Logistics Company Limited	Equity-method investee	Investments accounted for by the equity method	(Note J)	341,015	49.00	341,015	
	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>							
	Allianz Global Investors All Seasons Return Fund of Bond Funds	-	Financial assets at fair value through profit or loss - current	3,939,024	54,455	-	54,455	
Allianz All Seasons Harvest Fund of Bond Funds-A		Financial assets at fair value through profit or loss - current	3,661,664	40,636	-	40,636		
HSBC Global Fund of Bond Funds		Financial assets at fair value through profit or loss - current	1,175,216	14,678	-	14,678		

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2012				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
	UPAMC Global Fixed Income Selection Fund		Financial assets at fair value through profit or loss - current	3,005,741	\$ 33,728	-	\$ 33,728	
	Manulife Asia Pacific Bond Fund		Financial assets at fair value through profit or loss - current	1,985,263	22,433	-	22,433	
	Hua Nan Global Henry Fund		Financial assets at fair value through profit or loss - current	2,203,092	29,716	-	29,716	
	Fuh Hwa Emerging Market High Yield Bond Fund		Financial assets at fair value through profit or loss - current	640,439	7,000	-	7,000	
	Yuanta Global Wealthy Countries Bond Securities Investment Trust Fund		Financial assets at fair value through profit or loss - current	688,373	7,000	-	7,000	
	Capital Money Market Fund		Financial assets at fair value through profit or loss - current	319,244	5,000	-	5,000	
	Sinopac Dragon Fixed Income (US\$)	-	Financial assets at fair value through profit or loss - current	258,006	79,424	-	79,424	
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	3,325	70.00	3,325	
	Yes Logistics (Netherlands) B. V.	Subsidiary	Investments accounted for by the equity method	(Note K)	2,418	100.00	2,418	
	Yes Logistics Company Ltd.	Subsidiary	Investments accounted for by the equity method	29,000,000	29,630	100.00	29,630	
Yes Logistics Corp.	<u>Common stock</u> Yes Logistics Europe GmbH	Subsidiary	Investments accounted for by the equity method	(Note L)	12,983	100.00	12,983	
	Golden Logistics USA Corporation	Subsidiary	Investments accounted for by the equity method	100	540	100.00	540	
	Yes Logistics (Shanghai) Corp.	Subsidiary	Investments accounted for by the equity method	(Note M)	62,207	100.00	62,207	
Yang Ming Line Holding Co.	<u>Common stock</u> Yang Ming (America) Corp.	Subsidiary	Investments accounted for by the equity method	5,000	97,647	100.00	97,647	
	Olympic Container Terminal LLC	Subsidiary	Investments accounted for by the equity method	(Note N)	(297,252)	100.00	(297,252)	Note B
	Triumph Logistics, Inc.	Subsidiary	Investments accounted for by the equity method	200	(4,777)	100.00	(4,777)	Note B
	Topline Transportation, Inc.	Subsidiary	Investments accounted for by the equity method	100	1,020	100.00	1,020	
	Coastal Tarheel Express, Inc.	Subsidiary	Investments accounted for by the equity method	100	6,929	100.00	6,929	
	Transcont Intermodal Logistics, Inc.	Subsidiary	Investments accounted for by the equity method	200	14,009	100.00	14,009	
	Yang Ming Shipping (Canada) Ltd.	Subsidiary	Investments accounted for by the equity method	1,000	26,619	100.00	26,619	
	West Basin Container Terminal LLC	Equity-method investee	Investments accounted for by the equity method	(Note O)	818,414	40.00	818,414	
	United Terminal Leasing LLC	Equity-method investee	Investments accounted for by the equity method	(Note P)	181,964	40.00	181,964	

Notes:

- A. Market values were based on closing prices at December 31, 2012 or the net asset value of the fund on December 31, 2012, 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.

(Continued)

- 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.
- 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 US\$1,000,000, and no shares were issued.
- O. This is equivalent to US\$3,800,000, and no shares were issued.
- P. This is equivalent to US\$1,000,000, and no shares were issued.
- Q. 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.
- R. 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, 2012
 (In Thousands of New Taiwan Dollars, Except Shares/Units)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	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> Kao Ming Container Terminal Co., Ltd.	Investments accounted for using equity method	-	Subsidiary	410,000,000	\$ 4,218,853	270,000,000 (Note A)	\$ 2,597,500	272,000,000	\$ 5,249,797	\$ 2,787,243	\$ 2,462,554	\$ 164,506 (Note B)	408,000,000	\$ 4,193,616
	<u>Mutual fund</u> BlackRock ICS Euro Liquidity Funds	Financial assets at fair value through profit or loss - current	-	-	2,593,680	101,424	8,861,328	349,727	11,370,000	447,876	447,876	-	-	85,008	3,275
	BlackRock ICS GBP Liquidity Funds	Financial assets at fair value through profit or loss - current	-	-	1,718,698	80,249	14,945,774	703,903	16,050,000	755,226	755,226	-	-	614,472	28,926
	Capital Money Market	Available-for-sale financial assets - current	-	-	-	-	123,555,089	1,930,000	123,555,089	1,930,428	1,930,000	428	-	-	-
	Taishin Ta-Chong Money Market	Available-for-sale financial assets - current	-	-	-	-	104,134,509	1,430,000	104,134,509	1,430,521	1,430,000	521	-	-	-
	Taishin 1699 Money Market	Available-for-sale financial assets - current	-	-	-	-	400,811,470	5,240,000	400,811,470	5,241,301	5,240,000	1,301	-	-	-
	Fuh Hwa Money Market	Available-for-sale financial assets - current	-	-	-	-	114,309,114	1,600,000	114,309,114	1,600,334	1,600,000	334	-	-	-
	Mega Diamond Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	120,916,665	1,460,000	120,916,665	1,460,647	1,460,000	647	-	-	-
	Union Sun Money Market	Available-for-sale financial assets - current	-	-	-	-	163,752,956	2,090,000	163,752,956	2,090,453	2,090,000	453	-	-	-
	Jih Sun Money Market	Available-for-sale financial assets - current	-	-	-	-	153,819,659	2,200,000	153,819,659	2,200,476	2,200,000	476	-	-	-
	Hua Nan Kirin Money Market	Available-for-sale financial assets - current	-	-	-	-	31,762,770	500,000	31,762,770	500,049	500,000	49	-	-	-
	Prudential Financial Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	26,165,940	400,000	26,165,940	400,058	400,000	58	-	-	-
	Yuanta Wan Tai Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	34,100,132	500,000	34,100,132	500,178	500,000	178	-	-	-
	ING Taiwan Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	139,557,294	2,200,000	139,557,294	2,200,458	2,200,000	458	-	-	-
	Fubon Chi-Hsiang Money Market	Available-for-sale financial assets - current	-	-	-	-	138,445,088	2,100,000	138,445,088	2,100,496	2,100,000	496	-	-	-
	UPAMC James Bond Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	11,124,158	180,000	11,124,158	180,017	180,000	17	-	-	-
	Taishin Lucky Money Market	Available-for-sale financial assets - current	-	-	-	-	9,262,518	100,000	9,262,518	100,015	100,000	15	-	-	-
	Paradigm Pion Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	445,915	5,000	-	-	-	-	-	445,915	5,000
	<u>Principal guaranteed notes</u> Short Rate Linked Principal Guaranteed Notes	Financial assets at fair value through profit or loss - current	-	-	-	-	-	3,900,000	-	3,903,297	3,900,000	3,297	-	-	-
	Masterlink Principal Guaranteed Notes	Financial assets at fair value through profit or loss - current	-	-	-	-	-	100,000	-	-	-	-	-	-	100,078 (Note C)
	CAPITAL Principal Guaranteed Notes	Financial assets at fair value through profit or loss - current	-	-	-	-	-	1,700,000	-	800,692	800,000	692	-	-	900,224 (Note D)
Ching Ming Investment Corp.	<u>Common stock</u> Cathay Financial Holding Co., Ltd.	Available-for-sale financial assets - current	-	-	3,874,966	126,711	263,000	6,282	3,737,966	130,195	121,853	8,342	-	400,000	11,140
	<u>Mutual fund</u> Eastspring Investments Well Pool Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	5,016,749.20	65,703	16,603,658.90	218,418	21,620,408.10	284,827	284,121	706	-	-	-
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	5,457,788.93	71,024	16,568,069.40	216,566	22,025,858.33	288,448	287,590	858	-	-	-
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	1,409,317.57	20,073	12,928,208.20	184,994	14,337,525.77	205,282	205,067	215	-	-	-
	Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,027,516.30	151,499	11,027,516.30	151,722	151,499	223	-	-	-
Kao Ming Container Terminal Co., Ltd.	<u>Mutual fund</u> Mega Diamond Money Market Fund	Available-for-sale financial assets - current	-	-	8,385,744.24	100,000	-	-	8,385,744.24	101,335	100,000	1,335	-	-	-

Notes:

- A. Including stock dividend 10,250,000 shares.
 B. Represent the investment income recognized under equity method \$165,817 thousand, unrealized loss on financial instruments increased \$1,311 thousand.
 C. Including unrealized gains \$77 thousand.
 D. Including unrealized gains \$224 thousand.
 E. Carrying value is the original acquisition amount.

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, 2012

(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	\$ 21,330,421 (Note D)	-	\$ -	-	\$ -	\$ -
	Yang Ming (Liberia) Corp.	A	4,289,562 (Note E)	-	-	-	-	-
	Young-Carrier Company Limited	A	678,309	-	-	-	599,922	-
	Yang Ming (America) Corp.	A	323,153	-	-	-	323,153	-
	Yangming (Japan) Co., Ltd.	A	276,747	-	-	-	211,648	-
	Yang Ming Line (Hong Kong) Ltd.	A	151,300	-	-	-	151,300	-
	Yang Ming (Italy) S.P.A.	A	118,205	-	-	-	118,205	-
	Yang Ming Shipping (Canada) Ltd.	A	111,526	-	-	-	43,146	-
	Yang Ming (Korea) Ltd.	A	107,601	-	-	-	107,601	-
All Oceans Transportation, Inc.	Yang Ming (Liberia) Corp.	B	6,554,163 (Note F)	-	-	-	-	-
Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	B	157,691	-	-	-	157,691	-
Young-Carrier Company Limited	Yang Ming Marine Transport Corporation	C	892,131	-	-	-	892,131	-
Yang Ming Line (Hong Kong) Ltd.	Yang Ming Marine Transport Corporation	C	284,801	-	-	-	284,801	-
Kao Ming Container Terminal Corp.	Yang Ming Marine Transport Corporation	C	102,261	-	-	-	102,261	-
Yang Ming (America) Corp.	Olympic Container Terminal LLC	B	348,223 (Note G)	-	-	-	-	-
	Yang Ming Marine Transport Corporation	C	425,451	-	-	-	425,451	-
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yangming (UK) Ltd.	A	2,818,426 (Note H)	-	-	-	88,102	-
Yang Ming Shipping (B.V.I.) Inc.	Yang Ming Line (Hong Kong) Ltd.	B	306,363	-	-	-	297,920	-
Yangming (UK) Ltd.	Yang Ming Marine Transport Corporation	C	1,038,210 (Note I)	-	-	-	125,060	-
	Young-Carrier Company Limited	B	287,768	-	-	-	278,341	-

(Continued)

Notes:

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

(Concluded)

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, 2012
(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, 2012			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2012	December 31, 2011	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	\$ 3,882,727	\$ 683,202	\$ 683,202	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	1,921,867	174,258	174,258	Subsidiary
	Ching Ming Investment Corp.	Taipei, Taiwan	Investment	1,500,013	1,500,013	160,650,000	100.00	1,510,949	42,740	42,740	Subsidiary
	All Oceans Transportation, Inc.	Monrovia, Republic of Liberia	Shipping agency, forwarding agency and shipping managers	3,235	3,235	1,000	100.00	3,074,750	(346,222)	(346,222)	Subsidiary
	Yes Logistics Corp.	Taipei, Taiwan	Warehouse operation and forwarding agency	593,404	593,404	60,000,000	50.00	585,741	16,786	8,393	Subsidiary
	Kuang Ming Shipping Corp.	Taipei, Taiwan	Shipping service, shipping agency and forwarding agency	3,587,496	3,587,496	177,920,000	86.57	3,547,036	(418,050)	(361,920)	Subsidiary
	Honming Terminal & Stevedoring Co., Ltd.	Kaohsiung, Taiwan	Terminal operation and stevedoring	79,273	79,273	7,916,908	79.17	113,529	7,333	5,806	Subsidiary
	Jing Ming Transportation Co., Ltd.	Kaohsiung, Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	114,669	6,004	3,061	Subsidiary
	Yang Ming Line Holding Co.	Wilmington, USA	Investment, shipping agency, forwarding agency and shipping managers	143,860	143,860	13,500	100.00	741,712	216,120	216,120	Subsidiary
	Yang Ming (Liberia) Corp.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	3,378	3,378	1	100.00	(1,261,956) (Note M)	(58,112)	(58,112)	Subsidiary
Kao Ming Container Terminal Corp. Transyang Shipping Pte. Ltd.	Kaohsiung, Taiwan Singapore	Terminal operation and stevedoring Shipping services, chartering, sale and purchase of ships; forwarding agency and shipping agency	4,018,500	4,100,000	408,000,000	60.00	4,193,616	174,318	165,817	Subsidiary	
			57,802	57,802	1,345	49.00	75,277	31,549	15,459	Equity-method investee	
Yuan Wang Investment Co., Ltd.	Taipei, Taiwan	Investment	179,810	179,810	5,211,474	49.75	141,818	14,171	7,050	Equity-method investee	
Ching Ming Investment Corp.	Honming Terminal & Stevedoring Co., Ltd. Yes Logistics Corp.	Kaohsiung, Taiwan Taipei, Taiwan	Terminal operation and stevedoring	24,988	24,988	2,083,092	20.83	29,546	7,333	-	Subsidiary
			Warehouse operation and forwarding agency	548,286	548,286	55,630,977	46.36	542,936	16,786	-	Subsidiary
Yang Ming Line Holding Co.	Yang Ming (America) Corp.	New Jersey, U.S.A.	Shipping agency, forwarding agency and shipping managers	17,305	17,305	5,000	100.00	97,647	31,503	-	Subsidiary
	Olympic Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	31,530	31,530	(Note Q)	100.00	(297,252) (Note E)	(25,183)	-	Subsidiary
	Triumph Logistics, Inc.	U.S.A.	Container transportation	1,699	1,699	200	100.00	(4,777) (Note E)	6,849	-	Subsidiary
	Topline Transportation Inc.	U.S.A.	Container transportation	4,860	4,860	100	100.00	1,020 (Note E)	4,717	-	Subsidiary
	Coastal Tarheel Express Inc.	U.S.A.	Container transportation	2,430	2,430	100	100.00	6,929	869	-	Subsidiary
	Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	2,444	2,444	200	100.00	14,009	2,943	-	Subsidiary
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	1,000	100.00	26,619	1,519	-	Subsidiary
	West Basin Container Terminal LLC United Terminal Leasing LLC	Los Angeles, USA Los Angeles, USA	Terminal operation and stevedoring Terminal operation and machine lease	132,050 34,750	132,050 34,750	(Note F) (Note G)	40.00 40.00	818,414 182,927	223,715 88,188	- -	Equity-method investee Equity-method investee
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming Line N.V.	Netherlands Antilles	Investment, shipping agency, forwarding agency and shipping managers	41,235	41,235	1,500,000	100.00	(1,884,798) (Note E)	40,868	-	Subsidiary
Yang Ming Line N.V.	Yang Ming Line B.V.	Amsterdam, The Netherlands	Investment, shipping agency, forwarding agency and shipping managers	41,235	41,235	2,500	100.00	(1,886,880) (Note E)	411,175	-	Subsidiary
Yang Ming Line B.V.	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	8,614	8,614	553	89.92	27,284	11,538	-	Subsidiary
	Yang Ming (Netherlands) B.V.	Amsterdam, The Netherlands	Shipping agency	820	820	(Note I)	100.00	33,872	18,400	-	Subsidiary
	Yang Ming (Italy) S.p.A.	Genova, Italy	Shipping agency	4,319	4,319	125,000	50.00	24,230	3,216	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount (Note A)		Balance as of December 31, 2012			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2012	December 31, 2011	Shares	Percentage of Ownership	Carrying Value			
	Yang Ming (UK) Ltd.	London, U.K.	Shipping agency, forwarding agency and shipping managers	\$ 70,709	\$ 42,408	\$ 1,500,000	100.00	\$ (2,171,919) (Note E)	\$ 352,450	\$ -	Subsidiary
	Yang Ming Shipping Europe GmbH	Hamburg, Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	(Note B)	100.00	126,587	11,495	-	Subsidiary
	Yang Ming Shipping (Egypt) S.A.E.	Egypt	Shipping agency, forwarding agency and shipping managers	14,149	14,149	24,500	49.00	34,039	31,278	-	Equity-method investee
Yang Ming (Netherlands) B.V.	Yang Ming (Belgium) N.V.	Belgium	Forwarding agency	1,900	1,900	62	10.08	3,059	11,538	-	Subsidiary
Yang Ming (UK) Ltd.	Yes Logistic UK Limited	U.K.	Forwarding agency	-	-	200	100.00	(3,676) (Note E)	-	-	Subsidiary
	Corstor Ltd.	U.K.	Forwarding agency and shipping managers	25	25	(Note C)	50.00	7,089	4,693	-	Equity-method investee
Yang Ming (Italy) S.p.A.	Yang Ming (Naples) S.r.l.	Naples, Italy	Forwarding agency	238	238	(Note K)	60.00	1,555	(344)	-	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	216,446	25,630	-	Subsidiary
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	2,138	2,138	510,000	51.00	(48,132) (Note P)	14,642	-	Subsidiary
	Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency and shipping managers	2,228	2,228	300,000	60.00	16,973	12,874	-	Subsidiary
	Yang Ming (Korea) Co., Ltd.	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	28,750	8,735	-	Subsidiary
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	3,229	3,229	910,000	91.00	244,585	4,854	-	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	14,903	(10,360)	-	Subsidiary
	Yangming Shipping (Singapore) Pte Ltd.	Singapore	Shipping agency, forwarding agency and shipping managers	18,851	18,851	1,000,000	100.00	73,429	19,607	-	Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	37,308	3,674	-	Subsidiary
	Sunbright Insurance Pte. Ltd.	Singapore	Insurance	32,440	32,440	3,000,000	100.00	132,267	44,648	-	Subsidiary
	Yang Ming Anatolia Shipping Agency	Turkey	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	42,190	56,016	-	Subsidiary
	Formosa International Development Corporation	Vietnam	Invest industry district and real estate	254,358	254,358	(Note O)	30.00	198,058	43,508	-	Equity-method investee
	Yang Ming (U.A.E.) LLC.	U.A.E.	Shipping agency, forwarding agency and shipping managers	2,140	2,140	(Note R)	49.00	52,478	53,018	-	Equity-method investee
	Yang Ming (Vietnam) Company Limited	Vietnam	Forwarding agency and shipping managers	3,197	3,197	(Note J)	49.00	1,033	(8,582)	-	Equity-method investee
Yangming (Japan) Co., Ltd.	Manwa & Co., Ltd.	Tokyo, Japan	Forwarding agency and shipping agency	2,666	2,666	200	100.00	3,457	416	-	Subsidiary
Yang Ming Shipping (B.V.I.) Inc.	Karlman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	82,598	716	-	Subsidiary
Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Monrovia, Republic of Liberia	Forwarding agency	1,960,904	1,960,904	2	100.00	3,378,604	(108,476)	-	Subsidiary
Yes Logistics Corp.	Yes Logistics Corp. (USA)	Auckland, USA	Shipping agency, forwarding agency and shipping managers	179,750	179,750	5,460,000	100.00	118,280	1,712	-	Subsidiary
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	34,214	128,571	1,471,304	100.00	35,324	(514)	-	Subsidiary
	Chang Ming Logistics Company Limited	Chongqing, China	Terminal operation and stevedoring	304,326	304,326	(Note D)	49.00	341,015	(15,154)	-	Equity-method investee
Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Benelux B.V.	Netherlands	Forwarding agency	10,179	10,179	12,600	70.00	3,325	(1,373)	-	Subsidiary
	Yes Logistics (Netherlands) B. V.	Netherlands	Forwarding agency	1,224	1,224	(Note N)	100.00	2,418	(574)	-	Subsidiary
	Yes Logistics Company Ltd.	Hong Kong	Forwarding agency	114,417	114,417	29,000,000	100.00	29,630	1,162	-	Subsidiary
Yes Logistics Corp. (USA)	Golden Logistics USA Corporation	USA	Container transportation	328	328	100	100.00	540	398	-	Subsidiary
	Golden Logistics Corp.	Shanghai, China	Forwarding agency	164,329	164,329	(Note L)	100.00	62,207	11,492	-	Subsidiary
	YES Logistics Europe GmbH	Hamburg, Germany	Forwarding agency	1,158	1,158	(Note H)	100.00	12,983	5,811	-	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 deduction 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 Company'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 AED245,000, and no shares were issued.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2012

(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, 2012	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2012	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Value as of December 31, 2012 (Note E)	Accumulated Inward Remittance of Earnings as of December 31, 2012
						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.	\$ 542,645 (US\$ 18,622)	\$ -	\$ -	\$ 542,645 (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.	145,700 (US\$ 5,000)	-	-	145,700 (US\$ 5,000)	96.36%	(11,138)	\$ 59,880	-
	Chang Ming Logistics Company Limited (Note C)	Terminal operation and stevedoring	RMB 144,800	Investee's direct investment in Mainland China.	271,031 (US\$ 9,301)	-	-	271,031 (US\$ 9,301)	47.22%	(7,156)	328,627	-

Company Name	Accumulated Investment in Mainland China as of December 31, 2012	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Yang Ming Marine Transportation Corporation	\$ 542,645 (US\$ 18,622)	\$ 542,645 (US\$ 18,622)	\$ 19,748,183
Yes Logistics Corp.	\$ 416,731 (US\$ 14,301)	\$ 416,731 (US\$ 14,301)	703,694 (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% (\$1,172,824 thousand) of the net assets of Yes Logistics Corp. as of December 31, 2012.
- F. Impairment loss was recognized in 2007.
- G. United States dollars translated into New Taiwan dollars at the exchange rate of US\$1=NT\$29.14 as of December 31, 2012.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

YEAR ENDED DECEMBER 31, 2012

(In Thousands of New Taiwan Dollars)

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
0	Yang Ming Marine Transport Corp.	Yang Ming Shipping Europe GmbH	1	Accounts receivable from related parties	\$ 102,588	Conducted on agreed terms	-
				Payables to shipping agents	42,620	Conducted on agreed terms	-
				Operating costs	314,779	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	1	Accounts receivable from related parties	62,033	Conducted on agreed terms	-
				Advances to shipping agents	67,361	Conducted on agreed terms	-
				Payables to shipping agents	1,038,210	Conducted on agreed terms	1%
				Operating revenues	1,374,150	Conducted on agreed terms	1%
				Operating costs	4,705,997	Conducted on agreed terms	4%
				Other revenues	5,313	Conducted on agreed terms	-
		Yes Logistics Corp.	1	Payables to related parties	420,045	Conducted on agreed terms	-
				Other revenues	63	Conducted on agreed terms	-
		Kuang Ming Shipping Corp.	1	Accounts receivable from related parties	2,079	Conducted on agreed terms	-
				Operating revenues	720	Conducted on agreed terms	-
				Operating expenses	4,468	Conducted on agreed terms	-
				Rent income	55,873	Conducted on agreed terms	-
				Prepaid expenses	21,330,421	Conducted on agreed terms	15%
				Long-term other receivable from related parties	77,689	Conducted on agreed terms	-
				Payable to related parties	3,562,763	Conducted on agreed terms	3%
		Honming Terminal & Stevedoring Co., Ltd.	1	Interest revenue	386,943	Conducted on agreed terms	-
				Operating costs	115,530	Conducted on agreed terms	-
		Jing Ming Transportation Co., Ltd.	1	Other receivable from related parties	31	Conducted on agreed terms	-
				Payables to related parties	87,617	Conducted on agreed terms	-
				Operating costs	770,759	Conducted on agreed terms	1%
				Rent income	709	Conducted on agreed terms	-
		Yang Ming (America) Corp.	1	Receivable from related parties	414,303	Conducted on agreed terms	-
				Other receivable from related parties	26,563	Conducted on agreed terms	-
				Payables to shipping agents	134,406	Conducted on agreed terms	-
				Operating costs	1,297,990	Conducted on agreed terms	1%
		Olympic Container Terminal LLC	1	Payables to related parties	41,345	Conducted on agreed terms	-
				Operating costs	424,725	Conducted on agreed terms	-
Yang Ming (Japan) Co., Ltd.	1	Accounts receivable from related parties	174,275	Conducted on agreed terms	-		
		Accounts payable to related parties	19	Conducted on agreed terms	-		
		Operating costs	254,096	Conducted on agreed terms	-		
Manwa & Co., Ltd. Young-Carrier Company Ltd.	1	Accounts receivable from related parties	572	Conducted on agreed terms	-		
		Accounts receivable from related parties	678,309	Conducted on agreed terms	-		
		Payables to shipping agents	756,310	Conducted on agreed terms	1%		
		Operating costs	608,514	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
		Yang Ming Line (Hone Kong) Ltd.	1	Payables to shipping agents	\$ 95,470	Conducted on agreed terms	-
				Operating costs	161,400	Conducted on agreed terms	-
		Yang Ming Shipping (Singapore) Pte Ltd.	1	Operating costs	103,809	Conducted on agreed terms	-
		Yang Ming Line (M) Sdn Bhd.	1	Advances to shipping agents	20,337	Conducted on agreed terms	-
				Operating costs	48,178	Conducted on agreed terms	-
		Yang Ming Line (India) Pvt. Ltd.	1	Accounts receivable from related parties	46,383	Conducted on agreed terms	-
				Payables to shipping agents	11,600	Conducted on agreed terms	-
				Operating costs	13,796	Conducted on agreed terms	-
		Yang Ming (Korea) Co., Ltd.	1	Accounts receivable from related parties	30,305	Conducted on agreed terms	-
				Payables to related parties	18,340	Conducted on agreed terms	-
				Operating costs	169,199	Conducted on agreed terms	-
		Yang Ming Shipping (B.V.I.) Inc.	1	Payables to shipping agents	9,410	Conducted on agreed terms	-
				Operating costs	169,181	Conducted on agreed terms	-
		Yang Ming (Liberia) Corp.	1	Long-term other receivable from related parties	5,551,518	Conducted on agreed terms	4%
				Payables to shipping agents	80,456	Conducted on agreed terms	-
				Operating costs	2,248,601	Conducted on agreed terms	2%
				Interest revenues	104,941	Conducted on agreed terms	-
		Ching Ming Investment Corp.	1	Rent income	862	Conducted on agreed terms	-
		Yang Ming Italy S.p.A.	1	Accounts receivable from related parties	118,205	Conducted on agreed terms	-
				Payables to shipping agents	14,034	Conducted on agreed terms	-
				Operating costs	92,922	Conducted on agreed terms	-
		Yang Ming (Belgium) N.V.	1	Accounts receivable from related parties	56,297	Conducted on agreed terms	-
				Payables to shipping agents	16,528	Conducted on agreed terms	-
				Operating costs	52,594	Conducted on agreed terms	-
		Yang Ming (Netherlands) B.V.	1	Accounts receivable from related parties	56,333	Conducted on agreed terms	-
				Payables to shipping agents	33,474	Conducted on agreed terms	-
				Operating costs	91,464	Conducted on agreed terms	-
		Kuang Ming (Liberia) Corp.	1	Operating revenues	87	Conducted on agreed terms	-
		Yang Ming Anatolia Shipping Agency S.A.	1	Accounts receivable from related parties	51,021	Conducted on agreed terms	-
				Payables to shipping agents	22,344	Conducted on agreed terms	-
				Operating costs	42,949	Conducted on agreed terms	-
		Sunbright Insurance Pte. Ltd.	1	Prepaid expenses	9,692	Conducted on agreed terms	-
				Operating costs	32,409	Conducted on agreed terms	-
		Kao Ming Container Terminal Corp.	1	Accounts receivable from related parties	146	Conducted on agreed terms	-
				Payables to related parties	100,447	Conducted on agreed terms	-
				Operating costs	909,145	Conducted on agreed terms	1%
		Triumph Logistics, Inc.	1	Payables to related parties	4,631	Conducted on agreed terms	-
				Operating costs	73,949	Conducted on agreed terms	-
		Topline Transportation, Inc.	1	Payables to related parties	2,444	Conducted on agreed terms	-
				Operating costs	24,944	Conducted on agreed terms	-
		Coastal Tarheel Express, Inc.	1	Payables to related parties	2,311	Conducted on agreed terms	-
				Operating costs	78,536	Conducted on agreed terms	-
		Transcont Intermodal Logistics, Inc.	1	Payables to related parties	8,077	Conducted on agreed terms	-
		Yang Ming Shipping (Canada) Ltd.	1	Payables to shipping agents	14,728	Conducted on agreed terms	-
1	Kuang Ming Shipping Corp.	Yang Ming Marine Transport Corp.	2	Payables to related parties	63	Conducted on agreed terms	-
				Operating revenues	720	Conducted on agreed terms	-
				Operating costs	640	Conducted on agreed terms	-
				Operating expenses	5,907	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
		Sunbright Insurance Pte. Ltd.	3	Prepaid expenses	\$ 158	Conducted on agreed terms	-
		Kuang Ming (Liberia) Corp.	3	Operating costs	1,921	Conducted on agreed terms	-
				Other receivables from related parties	157,691	Conducted on agreed terms	-
				Operating revenues	5,963	Conducted on agreed terms	-
				Interest revenues	122	Conducted on agreed terms	-
2	All Oceans Transportation Inc.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	77,689	Conducted on agreed terms	-
				Advances from customer	55,873	Conducted on agreed terms	-
				Long-term debt	21,330,421	Conducted on agreed terms	15%
				Operating revenues	3,562,763	Conducted on agreed terms	3%
				Interest expenses	386,943	Conducted on agreed terms	-
		Yang Ming (Liberia) Corp.	3	Long-term other receivable from related parties	6,554,163	Conducted on agreed terms	5%
				Interest revenues	115,016	Conducted on agreed terms	-
		Sunbright Insurance Pte. Ltd.	3	Prepaid expenses	5,383	Conducted on agreed terms	-
				Operating costs	45,576	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	3	Operating revenues	10,826	Conducted on agreed terms	-
3	Honming Terminal & Stevedoring Co., Ltd.	Yang Ming Marine Transport Corp.	2	Operating revenues	115,530	Conducted on agreed terms	-
		Kao Ming Container Terminal Corp.	3	Accounts receivable from related parties	569	Conducted on agreed terms	-
				Operating revenues	8,538	Conducted on agreed terms	-
4	Jing Ming Transportation Co., Ltd.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	87,617	Conducted on agreed terms	-
				Payables to related parties	31	Conducted on agreed terms	-
				Operating revenues	770,759	Conducted on agreed terms	1%
				Operating expenses	709	Conducted on agreed terms	-
		Kao Ming Container Terminal Corp.	3	Accounts receivable from related parties	33,039	Conducted on agreed terms	-
				Payables to related parties	63	Conducted on agreed terms	-
				Operating revenues	197,634	Conducted on agreed terms	-
		Yes Logistics Corp.	3	Accounts receivable from related parties	589	Conducted on agreed terms	-
				Operating revenues	5,197	Conducted on agreed terms	-
5	Yang Ming (America) Corp.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	134,406	Conducted on agreed terms	-
				Payables to related parties	26,563	Conducted on agreed terms	-
				Payables to shipping agents	414,303	Conducted on agreed terms	-
				Operating revenues	1,297,990	Conducted on agreed terms	1%
		Yang Ming (UK) Ltd.	3	Accounts receivable from related parties	425	Conducted on agreed terms	-
		Yang Ming Line Holding Co.	3	Accounts receivable from related parties	34,022	Conducted on agreed terms	-
		Olympic Container Terminal LLC	3	Long-term other receivable from related parties	348,223	Conducted on agreed terms	-
				Interest revenues	7,162	Conducted on agreed terms	-
		Triumph Logistics, Inc.	3	Accounts receivable from related parties	9,671	Conducted on agreed terms	-
		Coastal Tarheel Express, Inc.	3	Accounts receivable from related parties	9,908	Conducted on agreed terms	-
				Operating expenses	284	Conducted on agreed terms	-
		Transcont Intermodal Logistics, Inc.	3	Accounts receivable from related parties	5,974	Conducted on agreed terms	-
				Operating revenues	234	Conducted on agreed terms	-
				Operating expenses	769	Conducted on agreed terms	-
		Yang Ming Shipping (Canada) Ltd.	3	Accounts receivable from related parties	4,662	Conducted on agreed terms	-
				Payables to related parties	128	Conducted on agreed terms	-
				Operating costs	51,197	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
6	Olympic Container Terminal LLC	Yang Ming Marine Transport Corp.	2	Account receivable from related parties	\$ 41,345	Conducted on agreed terms	-
		Yang Ming (America) Corp.	3	Operating revenues	424,725	Conducted on agreed terms	-
				Long-term payables to related parties	348,223	Conducted on agreed terms	-
				Interest expenses	7,162	Conducted on agreed terms	-
7	Yang Ming (Japan) Co., Ltd.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	19	Conducted on agreed terms	-
				Payables to related parties	174,275	Conducted on agreed terms	-
				Operating revenues	254,096	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	3	Advances from customer	1,251	Conducted on agreed terms	-
		Manwa & Co., Ltd.	3	Other receivable from related parties	24	Conducted on agreed terms	-
				Operating revenues	2,506	Conducted on agreed terms	-
				Rent income	222	Conducted on agreed terms	-
		Kuang Ming (Liberia) Corp.	3	Operating revenues	29	Conducted on agreed terms	-
8	Young-Carrier Company Ltd.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	756,310	Conducted on agreed terms	1%
				Payables to related parties	678,309	Conducted on agreed terms	-
				Operating revenues	608,514	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	3	Accounts receivable from related parties	173,829	Conducted on agreed terms	-
				Payables to related parties	154,550	Conducted on agreed terms	-
		Yang Ming Line (Singapore) Pte. Ltd.	3	Other receivable from related parties	471	Conducted on agreed terms	-
				Refundable deposits from related parties	6,435	Conducted on agreed terms	-
		Operating expenses	26,127	Conducted on agreed terms	-		
9	Yang Ming (UK) Ltd.	Yang Ming Marine Transport Corp.	2	Payables to related parties	62,033	Conducted on agreed terms	-
				Payables to shipping agents	67,361	Conducted on agreed terms	-
				Operating costs	1,316,552	Conducted on agreed terms	1%
				Operating expenses	57,598	Conducted on agreed terms	-
				Operating revenues	4,705,997	Conducted on agreed terms	4%
		All Oceans Transportation Inc.	3	Operating costs	10,826	Conducted on agreed terms	-
		Yang Ming (Liberia) Corp.	3	Operating costs	520,194	Conducted on agreed terms	-
		Yang Ming Line (India) Pvt. Ltd.	3	Accounts receivable from related parties	14,145	Conducted on agreed terms	-
				Payables to shipping agent	4,933	Conducted on agreed terms	-
		Yang Ming Line (B.V.I.) Holding Co., Ltd.	3	Payables to related parties	2,818,426	Conducted on agreed terms	2%
				Operating costs	434,915	Conducted on agreed terms	-
		Yang Ming Shipping Europe GmbH	3	Payables to related parties	222	Conducted on agreed terms	-
		Yang Ming (Netherlands) B.V.	3	Accounts receivable from related parties	757	Conducted on agreed terms	-
		Yes Logistics Company Ltd.	3	Accounts receivable from related parties	459	Conducted on agreed terms	-
		Yang Ming (Korea) Co., Ltd.	3	Accounts receivable from related parties	2,715	Conducted on agreed terms	-
		Yang Ming (Belgium) N.V.	3	Accounts receivable from related parties	241	Conducted on agreed terms	-
		Yang Ming Italy S.p.A.	3	Accounts receivable from related parties	446	Conducted on agreed terms	-
				Payables to related parties	520	Conducted on agreed terms	-
		Young-Carrier Company Ltd.	3	Accounts receivable from related parties	154,550	Conducted on agreed terms	-
		Payables to related parties	173,829	Conducted on agreed terms	-		
Yang Ming (Japan) Co., Ltd.	3	Payables to related parties	1,251	Conducted on agreed terms	-		
Yang Ming Line (M) Sdn Bhd.	3	Payables to related parties	76,227	Conducted on agreed terms	-		
Yang Ming Anatolia Shipping Agency S.A.	3	Accounts receivable from related parties	564	Conducted on agreed terms	-		
Yang Ming (America) Corp.	3	Payables to related parties	425	Conducted on agreed terms	-		
Yang Ming Line (Hong Kong) Ltd.	3	Accounts receivable from related parties	22,642	Conducted on agreed terms	-		
		Payables to related parties	47,084	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
10	Yang Ming Line (Hong Kong) Ltd.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	\$ 95,470	Conducted on agreed terms	-
				Operating revenues	161,400	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	3	Accounts receivable from related parties	47,084	Conducted on agreed terms	-
				Payables to related parties	22,642	Conducted on agreed terms	-
		Yang Ming Shipping (B.V.I.) Inc.	3	Payables to related parties	306,363	Conducted on agreed terms	-
				Operating revenues	22,880	Conducted on agreed terms	-
		Karlman Properties Limited	3	Accounts receivable from related parties	752	Conducted on agreed terms	-
				Operating costs	9,152	Conducted on agreed terms	-
		Yes Logistics Company Ltd.	3	Operating revenues	445	Conducted on agreed terms	-
11	Yang Ming Shipping (Singapore) Pte. Ltd.	Yang Ming Marine Transport Corp.	2	Operating revenues	103,809	Conducted on agreed terms	-
12	Yang Ming Line (M) Sdn. Bhd.	Yang Ming Marine Transport Corp.	2	Payables to related parties	20,337	Conducted on agreed terms	-
				Operating revenues	48,178	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	3	Accounts receivable from related parties	76,227	Conducted on agreed terms	-
13	Yes Logistics Corp.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	5,313	Conducted on agreed terms	-
				Operating costs	420,045	Conducted on agreed terms	-
		Jing Ming Transportation Co., Ltd.	3	Payables to related parties	589	Conducted on agreed terms	-
				Operating costs	5,197	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	3	Payables to related parties	459	Conducted on agreed terms	-
		Yes Yangming Logistics (Singapore) Pte. Ltd.	3	Other receivable from related parties	471	Conducted on agreed terms	-
		Yes Logistics Benelux B.V.	3	Accounts receivable from related parties	538	Conducted on agreed terms	-
				Payables to related parties	4,947	Conducted on agreed terms	-
				Operating revenues	627	Conducted on agreed terms	-
				Operating costs	21,827	Conducted on agreed terms	-
		Yes Logistics Company Ltd.	3	Accounts receivable from related parties	1,327	Conducted on agreed terms	-
				Payables to related parties	4,573	Conducted on agreed terms	-
				Operating revenues	1,656	Conducted on agreed terms	-
				Operating costs	20,629	Conducted on agreed terms	-
		Yes Logistics Corp. (U.S.A.)	3	Accounts receivable from related parties	3,506	Conducted on agreed terms	-
				Payables to related parties	41,299	Conducted on agreed terms	-
				Operating costs	205,598	Conducted on agreed terms	-
		YES Logistics Europe GmbH	3	Accounts receivable from related parties	5,324	Conducted on agreed terms	-
				Payables to related parties	6,839	Conducted on agreed terms	-
				Operating revenues	1,415	Conducted on agreed terms	-
		Operating costs	62,271	Conducted on agreed terms	-		
YES Logistics (Shanghai) Corp.	3	Accounts receivable from related parties	20,603	Conducted on agreed terms	-		
		Payables to related parties	22,382	Conducted on agreed terms	-		
		Operating revenues	39,315	Conducted on agreed terms	-		
		Operating costs	153,150	Conducted on agreed terms	-		
		Golden Logistics USA Corporation	3	Accounts receivable from related parties	255	Conducted on agreed terms	-
14	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming Line N.V.	3	Other receivable from related parties	2,535	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	3	Accounts receivable from related parties	2,818,426	Conducted on agreed terms	2%
				Operating revenues	434,915	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
15	Ching Ming Investment Corp.	Yang Ming Marine Transport Corp.	2	Operating expenses	\$ 862	Conducted on agreed terms	-
16	Yang Ming Line (India) Pvt. Ltd.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	11,600	Conducted on agreed terms	-
				Payables to related parties	46,383	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	3	Operating revenues	13,796	Conducted on agreed terms	-
				Accounts receivable from related parties	4,933	Conducted on agreed terms	-
17	Yang Ming Shipping Europe GmbH	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	42,620	Conducted as agreed terms	-
				Payables to related parties	102,588	Conducted as agreed terms	-
		Yang Ming (UK) Ltd. Yes Logistics Europe GmbH	3	Operating revenues	314,779	Conducted as agreed terms	-
				Accounts receivable from related parties	222	Conducted as agreed terms	-
18	Yang Ming (Liberia) Corp.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	80,456	Conducted as agreed terms	-
				Long-term payables to related parties	5,551,518	Conducted as agreed terms	4%
				Operating revenues	2,248,601	Conducted as agreed terms	2%
		All Oceans Transportation Inc.	3	Interest expenses	104,941	Conducted as agreed terms	-
				Long-term payables to related parties	6,554,163	Conducted as agreed terms	5%
				Interest expenses	115,016	Conducted as agreed terms	-
		Sunbright Insurance Pte. Ltd.	3	Prepaid expenses	3,251	Conducted as agreed terms	-
				Operating costs	34,716	Conducted as agreed terms	-
		Yang Ming (UK) Ltd.	3	Operating revenues	520,194	Conducted as agreed terms	-
		19	Yang Ming (Korea) Corp.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	18,340
Payables to related parties	30,305					Conducted as agreed terms	-
Yang Ming (UK) Ltd.	3			Operating revenues	169,199	Conducted as agreed terms	-
				Payables to related parties	2,715	Conducted as agreed terms	-
20	Yang Ming Shipping (B.V.I) Inc.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	9,410	Conducted as agreed terms	-
				Operating revenues	169,181	Conducted as agreed terms	-
		Karlman Properties Limited	3	Other receivable from related parties	12,894	Conducted as agreed terms	-
				Interest revenues	83	Conducted as agreed terms	-
		Yang Ming (Hong Kong) Ltd.	3	Accounts receivable from related parties	306,363	Conducted as agreed terms	-
Operating expenses	22,880	Conducted as agreed terms	-				
21	Yang Ming (Italy) S.P.A	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	14,034	Conducted as agreed terms	-
				Payables to related parties	118,205	Conducted as agreed terms	-
		Yang Ming (UK) Ltd.	3	Operating revenues	92,922	Conducted as agreed terms	-
				Accounts receivable from related parties	520	Conducted as agreed terms	-
		Yang Ming (Naples) S.r.l.	3	Payables to related parties	446	Conducted as agreed terms	-
				Accounts receivable from related parties	11,789	Conducted as agreed terms	-
				Notes payable to related parties	1,344	Conducted as agreed terms	-
				Payables to related parties	857	Conducted as agreed terms	-
Operating costs	3,652	Conducted as agreed terms	-				
22	Yang Ming (Belgium) S.P.A	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	16,528	Conducted as agreed terms	-
				Payables to related parties	56,297	Conducted as agreed terms	-
				Operating revenues	52,594	Conducted as 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
		Yang Ming (UK) Ltd.	3	Payables to related parties	\$ 241	Conducted as agreed terms	-
23	Yang Ming (Netherlands) B.V.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	33,474	Conducted as agreed terms	-
				Payables to related parties	56,333	Conducted as agreed terms	-
				Operating revenues	91,464	Conducted as agreed terms	-
		Yang Ming (UK) Ltd.	3	Payables to related parties	757	Conducted as agreed terms	-
		Yes Logistics (Netherlands) B.V.	3	Payables to related parties	4,617	Conducted as agreed terms	-
24	Yang Ming Anatolia Shipping Agency S.A.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	22,344	Conducted as agreed terms	-
				Payables to related parties	51,021	Conducted as agreed terms	-
				Operating revenues	42,949	Conducted as agreed terms	-
		Yang Ming (UK) Ltd.	3	Payables to related parties	564	Conducted as agreed terms	-
25	Kuang Ming (Liberia) Corp.	Yang Ming Marine Transport Corp.	2	Operating costs	87	Conducted as agreed terms	-
		Sunbright Insurance Pte. Ltd.	3	Prepaid expenses	525	Conducted as agreed terms	-
				Operating costs	7,151	Conducted as agreed terms	-
		Kuang Ming Shipping Corp.	3	Payables to related parties	157,691	Conducted as agreed terms	-
				Operating expenses	5,963	Conducted as agreed terms	-
				Interest expenses	122	Conducted as agreed terms	-
		Yang Ming (Japan) Co., Ltd.	3	Operating costs	29	Conducted as agreed terms	-
26	Yang Ming (Singapore) Pte. Ltd.	Young-Carrier Company Ltd.	3	Payables to related parties	471	Conducted as agreed terms	-
				Deposits received from related parties	6,435	Conducted as agreed terms	-
				Rent income	26,127	Conducted as agreed terms	-
27	Yang Ming Shipping (Canada) Ltd.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	14,728	Conducted as agreed terms	-
		Yang Ming (America) Corp.	3	Payables to related parties	4,534	Conducted as agreed terms	-
				Operating revenues	51,197	Conducted as agreed terms	-
28	Yang Ming Line B.V.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	33,474	Conducted as agreed terms	-
				Payables to related parties	56,333	Conducted as agreed terms	-
				Operating revenues	91,464	Conducted as agreed terms	-
29	Sunbright Insurance Pte. Ltd.	Yang Ming Marine Transport Corp.	2	Payables to related parties	9,692	Conducted as agreed terms	-
				Operating revenues	32,409	Conducted as agreed terms	-
		All Oceans Transportation Inc.	3	Advances from customers	5,383	Conducted as agreed terms	-
				Operating revenues	45,576	Conducted as agreed terms	-
		Yang Ming (Liberia) Corp.	3	Advances from customers	3,251	Conducted as agreed terms	-
				Operating revenues	34,716	Conducted as agreed terms	-
		Kao Ming Container Terminal Corp.	3	Advances from customers	5,870	Conducted as agreed terms	-
				Operating revenues	15,423	Conducted as agreed terms	-
		Kao Ming Container Terminal Corp.	3	Advances from customers	158	Conducted as agreed terms	-
				Operating revenues	1,921	Conducted as agreed terms	-
		Kuang Ming (Liberia) Corp.	3	Advances from customers	525	Conducted as agreed terms	-
				Operating revenues	7,151	Conducted as agreed terms	-
30	Kao Ming Container Terminal Corp.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	100,447	Conducted as agreed terms	-
				Payables to related parties	146	Conducted as agreed terms	-
				Operating revenues	909,145	Conducted as agreed terms	1%

(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
		Honming Terminal & Stevedoring Co., Ltd.	3	Payables to related parties	\$ 569	Conducted as agreed terms	-
		Jing Ming Transportation Co., Ltd.	3	Operating costs	8,538	Conducted as agreed terms	-
				Accounts receivable from related parties	63	Conducted as agreed terms	-
				Payables to related parties	33,039	Conducted as agreed terms	-
				Operating costs	197,634	Conducted as agreed terms	-
		Sunbright Insurance Pte. Ltd.	3	Prepaid expenses	5,870	Conducted as agreed terms	-
				Operating costs	15,423	Conducted as agreed terms	-
31	Karlman Properties Limited	Yang Ming Shipping (B.V.I.) Inc.	3	Short-term debt	12,894	Conducted as agreed terms	-
		Yang Ming Line (Hong Kong)	3	Interest expenses	83	Conducted as agreed terms	-
				Payables to related parties	752	Conducted as agreed terms	-
				Operating revenues	9,152	Conducted as agreed terms	-
32	Manwa & Co., Ltd.	Yang Ming Marine Transport Corp.	2	Payables to related parties	572	Conducted as agreed terms	-
		Yang Ming (Japan) Co., Ltd.	3	Payables to related parties	24	Conducted as agreed terms	-
				Operating costs	2,728	Conducted as agreed terms	-
33	Yang Ming Line Holding Corp.	Yang Ming (America) Corp.	3	Payables to related parties	34,022	Conducted as agreed terms	-
34	Topline Transportation, Inc.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	2,444	Conducted as agreed terms	-
		Coastal Tarheel Express, Inc.	3	Operating revenues	24,944	Conducted as agreed terms	-
				Payables to related parties	4,230	Conducted as agreed terms	-
35	Yes Logistics Corp. (USA)	Yes Logistics Corp.	3	Accounts receivable from related parties	41,299	Conducted as agreed terms	-
				Payables to related parties	3,506	Conducted as agreed terms	-
				Operating revenues	205,598	Conducted as agreed terms	-
		Yes Logistics Company Ltd.	3	Payables to related parties	7	Conducted as agreed terms	-
				Operating costs	5	Conducted as agreed terms	-
		Golden Logistics USA Corporation	3	Accounts receivable from related parties	7	Conducted as agreed terms	-
		Yes Logistics (Shanghai) Corp.	3	Accounts receivable from related parties	157	Conducted as agreed terms	-
				Payables to related parties	444	Conducted as agreed terms	-
				Operating revenues	2,641	Conducted as agreed terms	-
				Operating costs	729	Conducted as agreed terms	-
36	Triumph Logistics, Inc.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	4,631	Conducted as agreed terms	-
				Operating revenues	73,949	Conducted as agreed terms	-
		Yang Ming (America) Corp.	3	Payables to related parties	9,671	Conducted as agreed terms	-
		Coastal Tarheel Express, Inc.	3	Payables to related parties	5,339	Conducted as agreed terms	-
37	Coastal Tarheel Express, Inc.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	2,311	Conducted as agreed terms	-
				Operating revenues	78,536	Conducted as agreed terms	-
		Yang Ming (America) Corp.	3	Payables to related parties	9,908	Conducted as agreed terms	-
				Operating revenues	284	Conducted as agreed terms	-
		Triumph Logistics, Inc.	3	Accounts receivable from related parties	5,339	Conducted as agreed terms	-
		Topline Transportation, Inc.	3	Other receivables from related parties	4,230	Conducted as agreed terms	-
38	Transcont Intermodal Logistics, Inc.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	8,077	Conducted as agreed terms	-
		Yang Ming (America) Corp.	3	Payables to related parties	5,974	Conducted as 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
		Yang Ming (B.V.I.) Holding Co., Ltd.	3	Operating revenues Operating expenses Payables to related parties	\$ 769 234 2,535	Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms	- - -
39	Yang Ming Line N.V.	Yang Ming Line B.V	3	Other receivables from related parties	4,617	Conducted as agreed terms	-
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	1,344 857 11,789 3,652	Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms	- - - -
41	Yes Logistics Europe GmbH	Yang Ming Shipping Europe GmbH Yes Logistics Corp. Yes Logistics Benelux B.V. Yes Logistics (Shanghai) Corp.	3 3 3 3	Payables to related parties Accounts receivable from related parties 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 Operating revenues Operating costs	5,710 6,839 5,324 62,271 1,415 179 331 2,291 11 437 1,159 375	Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms Conducted as agreed terms	- - - - - - - - - - - -
42	Yes Logistics (Shanghai) Corp.	Yes Logistics Corp. Yes Logistics Benelux B.V. Yes Logistics Company Ltd. Yes Logistics Corp. (USA) Yes Logistics Europe GmbH	3 3 3 3 3	Accounts receivable from related parties Other receivables from related parties Payables to related parties Operating revenues Operating costs Accounts receivable from related parties Payables to related parties Operating revenues Operating costs Accounts receivable from related parties Payables to related parties Operating revenues Operating costs Accounts receivable from related parties Payables to related parties Operating revenues Operating costs	20,226 2,156 20,603 153,150 39,315 757 1,003 2,132 1,428 23,448 27,161 48 277 444 157 729 2,641 437 11 375 1,159	Conducted as agreed terms Conducted as agreed terms	- -
43	Yes Yang Ming Logistics (Singapore) Ptd. Ltd.	Yes Logistics Corp.	3	Payables to related parties	471	Conducted as 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
44	Yes Logistics Benelux B.V. (原 Burger Yes B.V.)	Yes Logistics Corp.	3	Accounts receivable from related parties	\$ 4,947	Conducted as agreed terms	-
				Payables to related parties	538	Conducted as agreed terms	-
				Operating revenues	21,827	Conducted as agreed terms	-
		Yes Logistics Europe GmbH	3	Operating costs	627	Conducted as agreed terms	-
				Accounts receivable from related parties	179	Conducted as agreed terms	-
				Operating revenues	2,291	Conducted as agreed terms	-
		Yes Logistics (Shanghai) Corp.	3	Operating costs	331	Conducted as agreed terms	-
				Accounts receivable from related parties	1,003	Conducted as agreed terms	-
				Payables to related parties	757	Conducted as agreed terms	-
				Operating revenues	1,428	Conducted as agreed terms	-
				Operating costs	2,132	Conducted as agreed terms	-
45	Yes Logistics Company Ltd.	Yang Ming Line (Hong Kong) Ltd.	3	Operating costs	445	Conducted as agreed terms	-
				Yes Logistics Corp.	3	Accounts receivable from related parties	4,573
		Yes Logistics Corp. (USA)	3	Payables to related parties		1,327	Conducted as agreed terms
				Operating revenues	20,629	Conducted as agreed terms	-
				Operating costs	1,656	Conducted as agreed terms	-
				Accounts receivable from related parties	7		
		Yes Logistics (Shanghai) Corp.	3	Operating revenues	5	Conducted as agreed terms	-
				Accounts receivable from related parties	27,161	Conducted as agreed terms	-
				Payables to related parties	23,448	Conducted as agreed terms	-
				Operating revenues	277	Conducted as agreed terms	-
				Operating costs	48	Conducted as agreed terms	-
46	Yes Logistics Company Ltd.	Yes Logistics Corp.	3	Payables to related parties	255	Conducted as agreed terms	-
		Yes Logistics Corp. (USA)	3	Payables to related parties	7	Conducted as agreed terms	-

Note A: Transactions between Yang Ming Marine Transport Corp. and its subsidiaries should be remarked, as well as numbered in the first column. Rules are as follows:

1. Yang Ming Marine Transport Corp. - 0
2. Its subsidiaries are numbered in Arabic figures.

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

1. Yang Ming Marine Transport Corp. to its subsidiaries.
2. Subsidiaries to its parent company Yang Ming Marine Transport Corp.
3. Among Yang Ming Marine Transport Corp.'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, 2011

(In Thousands of New Taiwan Dollars)

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
0	Yang Ming Marine Transport Corp.	Yang Ming Shipping Europe GmbH	1	Accounts receivable from related parties	\$ 46,351	Conducted on agreed terms	-
				Payables to shipping agents	93,990	Conducted on agreed terms	-
				Payables to related parties	20,946	Conducted on agreed terms	-
				Operating costs	341,282	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	1	Accounts receivable from related parties	24,144	Conducted on agreed terms	-
				Other receivable from related parties	675,482	Conducted on agreed terms	1%
				Advances to shipping agents	78,825	Conducted on agreed terms	-
				Payables to shipping agents	5,070	Conducted on agreed terms	-
				Operating revenues	1,436,445	Conducted on agreed terms	1%
				Operating costs	7,674,107	Conducted on agreed terms	6%
				Yes Logistics Corp.	1	Notes receivable from related parties	5,169
		Other receivable from related parties	8,383			Conducted on agreed terms	-
		Payables to related parties	6,676			Conducted on agreed terms	-
		Operating revenues	423,370			Conducted on agreed terms	-
		Operating costs	65,235			Conducted on agreed terms	-
		Rent income	5,393			Conducted on agreed terms	-
		Other revenues	294			Conducted on agreed terms	-
		Kuang Ming Shipping Corp.	1	Accounts receivable from related parties	6,257	Conducted on agreed terms	-
				Receivables from related parties	238	Conducted on agreed terms	-
				Deposit received from related parties	702	Conducted on agreed terms	-
				Operating revenues	25,832	Conducted on agreed terms	-
				Operating expenses	840	Conducted on agreed terms	-
				Rent income	4,129	Conducted on agreed terms	-
		All Oceans Transportation Inc.	1	Long-term other receivable from related parties	20,353,666	Conducted on agreed terms	16%
				Operating costs	1,655,021	Conducted on agreed terms	1%
				Interest revenues	437,663	Conducted on agreed terms	-
		Honming Terminal & Stevedoring Co., Ltd.	1	Payables to related parties	27,563	Conducted on agreed terms	-
				Operating costs	130,000	Conducted on agreed terms	-
		Jing Ming Transportation Co., Ltd.	1	Other receivable from related parties	85	Conducted on agreed terms	-
				Payables to related parties	110,201	Conducted on agreed terms	-
				Operating revenues	378	Conducted on agreed terms	-
				Operating costs	801,144	Conducted on agreed terms	1%
Rent income	1,063			Conducted on agreed terms	-		
Other revenues	415			Conducted on agreed terms	-		
Yang Ming (America) Corp.	1			Advances to shipping agents	418,321	Conducted on agreed terms	-
		Payables to shipping agents	179,169	Conducted on agreed terms	-		
		Operating costs	1,352,973	Conducted on agreed terms	1%		

(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
		Olympic Container Terminal LLC	1	Payables to related parties	\$ 150,023	Conducted on agreed terms	-
				Operating costs	566,617	Conducted on agreed terms	-
		Yang Ming (Japan) Co., Ltd.	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	-
		Yang Ming Line (Hong Kong) Ltd.	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	-
		Yangming Shipping (Singapore) Pte. Ltd.	1	Payables to shipping agents	3,154	Conducted on agreed terms	-
				Operating costs	81,439	Conducted on agreed terms	-
		Yang Ming Line (M) Sdn. Bhd.	1	Payables to shipping agents	33,319	Conducted on agreed terms	-
				Operating costs	43,806	Conducted on agreed terms	-
		Yang Ming Line (India) Pvt. Ltd.	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) Co., Ltd.	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	-
		Yang Ming Shipping (B.V.I.) Inc.	1	Payables to shipping agents	10,295	Conducted on agreed terms	-
				Operating costs	179,108	Conducted on agreed terms	-
		Yang Ming (Liberia) Corp.	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	-
		Yang Ming Line (B.V.I.) Holding Co., Ltd.	1	Short-term debt	88,715	Conducted on agreed terms	-
		Ching Ming Investment Corp.	1	Rent income	859	Conducted on agreed terms	-
		Yang Ming Italy S.p.A	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) N.V.	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	-

(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
		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	-
		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 Shipping Corp.	Yang Ming Marine Transport Corp.	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	-
		All Oceans Transportation Inc.	3	Operating costs	2,475	Conducted on agreed terms	-
		Yang Ming Line (Hong Kong) Ltd.	3	Other expenses	12	Conducted on agreed terms	-
		Yang Ming (Japan) Co., Ltd.	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	All Oceans Transportation Inc.	Yang Ming Marine Transport Corp.	2	Operating revenues		Conducted on agreed terms	
				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	-

(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
		Sunbright Insurance Pte. Ltd.	3	Payables to related parties	\$ 8,029	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	3	Operating costs	25,227	Conducted on agreed terms	-
		Kuang Ming Shipping Corp.	3	Operating revenues	24,186	Conducted on agreed terms	-
			3	Operating revenues	2,475	Conducted on agreed terms	-
3	Honming Terminal & Stevedoring Co., Ltd.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	27,563	Conducted on agreed terms	-
				Operating revenues	130,000	Conducted on agreed terms	-
		Kao Ming Container Terminal Corp.	3	Accounts receivable from related parties	1,518	Conducted on agreed terms	-
				Operating revenues	8,475	Conducted on agreed terms	-
4	Jing Ming Transportation Co., Ltd.	Yang Ming Marine Transport Corp.	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 Container Terminal 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 Corp.	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) Corp.	Yang Ming Marine Transport Corp.	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	-
				Operating expenses	787	Conducted on agreed terms	-
		Yang Ming Shipping (Canada) Ltd.	3	Accounts receivable from related parties	4,846	Conducted on agreed terms	-
				Operating costs	65,892	Conducted on agreed terms	-
		Yes Logistics Corp. (U.S.A.)	3	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	Yang Ming Marine Transport Corp.	2	Other receivable from related parties	150,023	Conducted on agreed terms	-
				Operating revenues	566,617	Conducted on agreed terms	-
		Yang Ming (America) Corp.	3	Payables to related parties	384,683	Conducted on agreed terms	-
				Interest expenses	7,991	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
7	Yang Ming (Japan) Co., Ltd.	Yang Ming Marine Transport Corp.	2	Payables to related parties	\$ 62,961	Conducted on agreed terms	-
		Manwa & Co., Ltd.	3	Operating revenues	270,594	Conducted on agreed terms	-
				Other receivable from related parties	158	Conducted on agreed terms	-
		Kuang Ming Shipping Corp.	3	Operating revenues	1,578	Conducted on agreed terms	-
Rent income	235			Conducted on agreed terms	-		
8	Young-Carrier Company Ltd.	Yang Ming Marine Transport Corp.	2	Operating revenues	490	Conducted on agreed terms	-
				Accounts receivable from related parties	522,600	Conducted on agreed terms	-
		Yang Ming Line (Singapore) Pte. Ltd.	3	Payables to related parties	311,215	Conducted on agreed terms	-
				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	Yang Ming (UK) Ltd.	Yang Ming Marine Transport Corp.	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	-
		All Oceans Transportation Inc.	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	-
		Yang Ming (Liberia) Corp.	3	Operating costs	19,254	Conducted on agreed terms	-
				Operating costs	12,323	Conducted on agreed terms	-
		Yang Ming Line (India) Pvt. Ltd.	3	Operating costs	12,323	Conducted on agreed terms	-
				Operating costs	3,577	Conducted on agreed terms	-
		Sunbright Insurance Pte. Ltd.	3	Receivables from related parties	3,577	Conducted on agreed terms	-
Payables to related parties	2,484,301			Conducted on agreed terms	2%		
Yang Ming Line (B.V.I.) Holding Co., Ltd.	3	Operating costs	497,185	Conducted on agreed terms	-		
		Accounts receivable from related parties	777	Conducted on agreed terms	-		
Yes Logistics Corp.	3	Operating revenues	1,167	Conducted on agreed terms	-		
		Operating revenues	1,167	Conducted on agreed terms	-		
10	Yang Ming Line (Hong Kong) Ltd.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	210,101	Conducted on agreed terms	-
				Payables to related parties	11,452	Conducted on agreed terms	-
				Operating revenues	154,452	Conducted on agreed terms	-
		Yang Ming Line (B.V.I.) Holding Co., Ltd.	3	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	-
Payables to related parties	94			Conducted on agreed terms	-		
Yes Logistics Company Ltd.	3	Operating revenues	3,170	Conducted on agreed terms	-		
		Operating revenues	3,170	Conducted on agreed terms	-		
11	Yang Ming Shipping (Singapore) Pte. Ltd.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	3,154	Conducted on agreed terms	-
		Kuang Ming (Liberia) Corp.	3	Operating revenues	81,439	Conducted on agreed terms	-
				Operating revenues	116	Conducted on agreed terms	-
12	Yang Ming Line (M) Sdn. Bhd.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	33,319	Conducted on agreed terms	-
				Operating revenues	43,806	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
13	Yes Logistics Corp.	Yang Ming Marine Transport Corp.	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	-
				Operating expenses	5,393	Conducted on agreed terms	-
				Other expenses	294	Conducted on agreed terms	-
				Jing Ming Transportation Co., Ltd.	3	Notes payable to related parties	8
		Kao Ming Container Terminal Corp.	3	Payables to related parties	732	Conducted on agreed terms	-
				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	-
		Yang Ming Line (India) Pvt. Ltd.	3	Operating revenues	1,451	Conducted on agreed terms	-
				Operating costs	26	Conducted on agreed terms	-
				Payables to related parties	686	Conducted on agreed terms	-
		Manwa & Co., Ltd.	3	Operating revenues	536	Conducted on agreed terms	-
				Operating costs	2,246	Conducted on agreed terms	-
				Accounts receivable from related parties	8,025	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	3	Payables to related parties	200	Conducted on agreed terms	-
				Operating costs	777	Conducted on agreed terms	-
		Yes Yangming Logistics (Singapore) Pte. Ltd.	3	Operating costs	1,167	Conducted on agreed terms	-
		Yes Logistics Benelux B.V.	3	Other receivable from related parties	489	Conducted on agreed terms	-
				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	-
		Yes Logistics (Netherlands) B.V.	3	Operating costs	19,120	Conducted on agreed terms	-
				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	-
		YES Logistics Europe GmbH	3	Operating costs	146,464	Conducted on agreed terms	-
				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	-		
YES Logistics (Shanghai) Corp.	3	Operating revenues	4,428	Conducted on agreed terms	-		
		Operating costs	97,258	Conducted on agreed terms	-		
		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	-

(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
14	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming Marine Transport Corp. Yang Ming Line N.V. Yang Ming Line B.V.	2	Other receivable from related parties	\$ 88,715	Conducted on agreed terms	-
			3	Other receivable from related parties	2,428	Conducted on agreed terms	-
			3	Other receivable from related parties	8,583	Conducted on agreed terms	-
		Yang Ming (UK) Ltd.	3	Payables to related parties	6,024	Conducted on agreed terms	-
			3	Accounts receivable from related parties Operating revenues	2,484,301 497,185	Conducted on agreed terms Conducted on agreed terms	2% -
15	Ching Ming Investment Corp.	Yang Ming Marine Transport Corp.	2	Operating expenses	859	Conducted on agreed terms	-
16	Yang Ming Line (India) Pvt. Ltd.	Yang Ming Marine Transport Corp. Yang Ming (UK) Ltd. Yes Logistics Corp.	2	Accounts receivable from related parties	47,178	Conducted on agreed terms	-
			3	Payables to related parties	62,304	Conducted on agreed terms	-
			3	Operating revenues	19,254	Conducted on agreed terms	-
		YES Logistics (Shanghai) Corp.	3	Other receivable from related parties	686	Conducted on agreed terms	-
			3	Operating revenues	2,246	Conducted on agreed terms	-
			3	Operating costs	536	Conducted on agreed terms	-
		YES Logistics (Shanghai) Corp.	3	Payables to related parties	950	Conducted on agreed terms	-
			3	Operating revenues	460	Conducted on agreed terms	-
			3	Operating costs	275	Conducted on agreed terms	-
17	Yang Ming Shipping Europe GmbH	Yang Ming Marine Transport Corp.	2	Receivables from shipping agents	93,990	Conducted as agreed term	-
			2	Accounts receivable from related parties	20,946	Conducted as agreed term	-
			2	Payables to related parties	46,351	Conducted as agreed term	-
			2	Operating revenues	341,282	Conducted as agreed term	-
18	Yang Ming (Liberia) Corp.	Yang Ming Marine Transport Corp.	2	Payables to related parties	4,600,654	Conducted as agreed term	4%
			2	Operating revenues	2,321,951	Conducted as agreed term	2%
			2	Interest expenses	77,717	Conducted as agreed term	-
		All Oceans Transportation Inc.	3	Payables to related parties	6,438,485	Conducted as agreed term	5%
			3	Interest expenses	142,572	Conducted as agreed term	-
		Sunbright Insurance Pte. Ltd.	3	Payables to related parties	8,765	Conducted as agreed term	-
		Yang Ming (UK) Ltd.	3	Operating costs Operating revenue	32,191 403,196	Conducted as agreed term Conducted as agreed term	- -
19	Yang Ming (Korea) Corp.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	26,797	Conducted as agreed term	-
			2	Payables to related parties	21,812	Conducted as agreed term	-
			2	Operating revenues	121,241	Conducted as agreed term	-
20	Yang Ming Shipping (B.V.I) Inc.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	10,295	Conducted as agreed term	-
			2	Operating revenues	179,108	Conducted as agreed term	-
		Karlman Properties Limited	3	Other receivable from related parties	18,286	Conducted as agreed term	-
			3	Interest revenues	112	Conducted as agreed term	-
		Yang Ming (Hong Kong) Ltd.	3	Accounts receivable from related parties Operating expenses	277,347 23,345	Conducted as agreed term Conducted as agreed term	- -
21	Yang Ming (Italy) S.P.A	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	33,161	Conducted as agreed term	-
			2	Payables to related parties	89,871	Conducted as agreed term	-
			2	Operating revenues	100,636	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 (Naples) S.r.l.	3	Accounts receivable from related parties Notes payable to related parties Payables to related parties Operating revenues Operating costs	\$ 9,666 796 1,066 1 3,491	Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term	- - - - -
22	Yang Ming (Belgium) S.P.A	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties Payables to related parties Operating revenues	18,899 39,444 58,058	Conducted as agreed term Conducted as agreed term Conducted as agreed term	- - -
23	Yang Ming (Netherlands) B.V.	Yang Ming Marine Transport Corp. Yes Logistics Benelux B.V. Yes Logistics (Netherlands) B.V.	2 3 3	Accounts receivable from related parties Payables to related parties Operating revenues Other expenses Operating revenues Other revenues	27,180 75,501 102,033 894 7,188 25	Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term	- - - - - -
24	Yang Ming Anatolia Shipping Agency S.A.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties Other receivables from related parties Notes payable to related parties Payables to related parties Operating revenues Operating costs	147,322 2,206 188 125,533 202,644 1,273	Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term	- - - - - -
25	Kuang Ming (Liberia) Corp.	Yang Ming Marine Transport Corp. Yang Ming (Singapore) Pte. Ltd. Sunbright Insurance Pte. Ltd. Kuang Ming Shipping Corp.	2 3 3 3	Operating costs Other expenses Operating costs Payables to related parties Operating costs Operating expenses Interest expenses	2,868 252 116 2,533 11,779 6,167 23,705	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	- - - - - - -
26	Yang Ming (Singapore) Pte. Ltd.	Yang Ming Marine Transport Corp. Young-Carrier Company Ltd.	2 3	Other receivables from related parties Payables to related parties Deposits received from related parties Rent income	99,957 494 6,688 26,736	Conducted as agreed term Conducted as agreed term Conducted as agreed term Conducted as agreed term	- - - -
27	Yang Ming Shipping (Canada) Ltd.	Yang Ming Marine Transport Corp. Yang Ming (America) Corp.	2 3	Accounts receivable from related parties Payables to related parties Operating revenues	6,064 4,846 65,892	Conducted as agreed term Conducted as agreed term Conducted as agreed term	- - -
28	Yang Ming Line B.V.	Yang Ming Marine Transport Corp. Sunbright Insurance Pte. Ltd. Yang Ming Holding Co., Ltd. Yang Ming Line N.V.	2 3 3 3	Payables to related parties Operating revenues Operating expenses Operating costs Other receivables from related parties Payables to related parties Payables to related parties	14,488 177 3,619 19,977 6,024 8,583 4,687	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
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	-
		All Oceans Transportation Inc.	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	-
				Operating revenues	32,191	Conducted as agreed term	-
		Kao Ming Container Terminal Corp.	3	Operating revenues	1,474	Conducted as agreed term	-
		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	-
				Payables to related parties	3,577	Conducted as agreed term	-
		Yang Ming Marine Transport Corp.	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	-		
		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.	Yang Ming Marine Transport Corp.	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 & Stevedoring Co., Ltd.	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	-

(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
34	Topline Transportation, Inc.	Yang Ming Marine Transport Corp.	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	-
				Payables to related parties	3,328	Conducted as agreed term	-
				Payables to related parties	5,000	Conducted as agreed term	-
35	Yes Logistics Corp.	Yang Ming (America) Corp. Yes Logistics Corp.	3	Payables to related parties	421	Conducted as agreed term	-
				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	-
				Operating costs	40	Conducted as agreed term	-
				Operating costs	9	Conducted as agreed term	-
				Accounts receivable from related parties	1,961	Conducted as agreed term	-
				Payables to related parties	245	Conducted as agreed term	-
				Operating revenues	2,580	Conducted as agreed term	-
				Operating costs	2,842	Conducted as agreed term	-
36	Triumph Logistics, Inc.	Yang Ming Marine Transport Corp.	2	Other receivables from related parties	6,784	Conducted as agreed term	-
				Operating revenues	76,096	Conducted as agreed term	-
				Operating costs	1,094	Conducted as agreed term	-
				Payables to related parties	16,357	Conducted as agreed term	-
				Payables to related parties	4,818	Conducted as agreed term	-
37	Coastal Tarheel Express, Inc.	Yang Ming Marine Transport Corp.	2	Other receivables from related parties	2,743	Conducted as agreed term	-
				Operating revenues	86,870	Conducted as agreed term	-
				Payables to related parties	10,299	Conducted as agreed term	-
				Operating revenues	291	Conducted as agreed term	-
				Accounts receivable from related parties	4,818	Conducted as agreed term	-
				Accounts receivable from related parties	5,000	Conducted as agreed term	-
38	Transcont Intermodal Logistics, Inc.	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	9,982	Conducted as agreed term	-
				Operating revenues	67,945	Conducted as agreed term	-
				Payables to related parties	6,209	Conducted as agreed term	-
				Operating revenues	787	Conducted as agreed term	-
				Operating expenses	240	Conducted as agreed term	-
39	Yang Ming Line N.V.	Yang Ming Line (B.V.I.) Holding Co., Ltd.	3	Payables to related parties	2,428	Conducted as agreed term	-
		Yang Ming Line B.V.	3	Other receivables from related parties	4,687	Conducted as agreed term	-
40	Yang Ming (Naples) S.r.l.	Yang Ming (Italy) S.P.A.	3	Notes receivable from related parties	796	Conducted as agreed term	-
				Accounts receivable from related parties	1,066	Conducted as agreed term	-
				Payables to related parties	9,666	Conducted as agreed term	-
				Operating revenues	3,491	Conducted as agreed term	-
				Operating costs	1	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	
41	Yes Logistics Europe GmbH	Yang Ming Marine Transport Corp.	2	Accounts receivable from related parties	\$ 1,141	Conducted as agreed term	-	
				Payables to related parties	26,930	Conducted as agreed term	-	
			Operating revenues	3,922	Conducted as agreed term	-		
			Operating costs	130,781	Conducted as agreed term	-		
		Yes Logistics Corp.	3	Accounts receivable from related parties	16,823	Conducted as agreed term	-	
				Short-term debt	3,519	Conducted as agreed term	-	
			Payables to related parties	9,816	Conducted as agreed term	-		
			Operating revenues	97,258	Conducted as agreed term	-		
			Operating costs	4,428	Conducted as agreed term	-		
			3	Payables to related parties	139	Conducted as agreed term	-	
		Yes Logistics Benelux B.V.	3	Operating revenues	15	Conducted as agreed term	-	
				Operating costs	1,003	Conducted as agreed term	-	
			3	Accounts receivable from related parties	832	Conducted as agreed term	-	
			Payables to related parties	1,499	Conducted as agreed term	-		
Yes Logistics (Shanghai) Corp.	3	Operating revenues	1,684	Conducted as agreed term	-			
		Operating costs	3,100	Conducted as agreed term	-			
42	Yes Logistics (Shanghai) Corp.	Yang Ming Marine Transport Corp.	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	-		
		Yes Logistics Corp.	3	Operating revenues	75	Conducted as agreed term	-	
				Operating costs	2,628	Conducted as agreed term	-	
				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	-	

(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
44	Yes Logistics Benelux B.V. (原 Burger Yes B.V.)	Yang Ming (Netherlands) B.V. Yes Logistics Corp.	3	Operating revenues	\$ 7,188	Conducted as agreed term	-
			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	-
		Yes Logistics Europe GmbH	3	Operating costs	581	Conducted as agreed term	-
				Accounts receivable from related parties	139	Conducted as agreed term	-
				Operating revenues	1,003	Conducted as agreed term	-
		Yes Logistics (Shanghai) Corp.	3	Operating costs	15	Conducted as agreed term	-
				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. Yes Logistics Corp.	3	Other expenses	25	Conducted as agreed term	-
			3	Payables to related parties	994	Conducted as agreed term	-
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	-
		Yes Logistics Corp.	3	Operating costs	10,466	Conducted as agreed term	-
				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	Conducted as agreed term	-
				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 Yang Ming Marine Transport Corp. and its subsidiaries should be remarked, as well as numbered in the first column. Rules are as follows:

1. Yang Ming Marine Transport Corp. - 0
2. Its subsidiaries are numbered in Arabic figures.

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

1. Yang Ming Marine Transport Corp. to its subsidiaries.
2. Subsidiaries to its parent company Yang Ming Marine Transport Corp.
3. Among Yang Ming Marine Transport Corp.'s subsidiaries.

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

(Concluded)