

■ Yang Ming Financial Status Update

03 April, 2017

Dear Valued Customer:

Year 2016 has proven to be one of the most challenging for ocean carriers, and in the case of Yang Ming there was no exception. Particular to Yang Ming, the historic bankruptcy of a former alliance partner left as fallout numerous collateral issues which Yang Ming had to address. Nevertheless, Yang Ming has persevered in 2016, remaining dedicated to our customer base and responsible to our vendors. For the avoidance of doubt, Yang Ming has never made any demands to its vendors to either modify or terminate any existing obligations. Yang Ming is not in default of any vendor obligations, large or small.

All the while, we now see encouraging signs ahead.

First, from the most recent year-to-date data, Yang Ming is seeing early indicators of a *bona fide* recovering with respect to our Far East and Europe trade lane, as well as an uptick in our Transpacific lane. These are early positive signals, which are markedly different from the indicators we witnessed this time last year. Yang Ming is confident that this positive trend will likely continue through 2017.

Also, Yang Ming's last quarter loss (4th quarter 2016) was US\$62M, which by comparison is a sharp reduction from its 3rd quarter loss of \$151M. Yang Ming also views these figures as a hopeful indicator of a reversal in the market.

Furthermore, pursuant to Yang Ming's recent recapitalization plan, Yang Ming can confirm having raised US\$54.4M in an offer of 161.33 million new shares to six investors. These new investors include institutions and private companies. They are: The National Development Fund of the Taiwan Government ["NDF"]; Taiwan Navigation Co.; Taiwan Chinachem; T3ex Global Holdings; Mercuries Life Insurance; and Superstar Investment. With respect to the NDF which was established by the Taiwan government (ROC), this new investor will hold an approximate 6.39% stake in Yang Ming after the first round of issuance. Yang Ming anticipates the NDF will continue to invest in Yang Ming in subsequent rounds of issuance. The total shares of government-owned Yang Ming stock, including the holdings of the Ministry of Transport and Communications, will have increased to 36.62% after the completion of this first round.

For our liner customers, it is important to understand that Yang Ming has remained steadfast to put the right mix of assets in place in order to provide our customers with reliable and dependable service. Yang Ming has employed additional 14,000 TEU vessels in services to help bring down unit slot cost and increase fuel savings. Yang Ming's participation in THE Alliance will broaden Yang Ming's ability to provide our liner customers with even greater levels of service.

NOTICE



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With the implementation of our cost savings strategies and recapitalization plan, and with the support from our new investors, Yang Ming is well positioned in 2017 to best served our customers' needs. Yang Ming firmly believes that our size, strategic plans, and alliance make up our competitive advantages.

We are humbled by the continued and generous support of our customers and we ask you to join us to go forward in 2017. The delivery of your shipment is guaranteed.

Should you have any questions or need more information, please contact CMPC at cmqc@yangming.com.

Thanks and best regards,

Commercial Group
Yang Ming Marine Transport Corp.