

**EVERGREEN MARINE CORPORATION (TAIWAN)
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT
ACCOUNTANTS
JUNE 30, 2013 AND 2012**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen Marine Corporation

We have reviewed the accompanying consolidated balance sheets of Evergreen Marine Corporation and its subsidiaries as of June 30, 2013 and 2012, December 31 and January 1, 2012, and the related consolidated statements of comprehensive income for the three-month periods covering April 1 to June 30, 2013 and 2012, and six-month periods ended June 30, 2013 and 2012, and statement of changes in equity and of cash flows for six-month periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews. We did not review or audit all the affiliated companies included in the consolidated financial statements of the Company's wholly owned subsidiary (Peony Investment S.A.). The statements reflect total assets of 61,480,507 and 52,542,013, 55,990,911 and 51,011,575 thousand New Taiwan dollars, constituting 36.47% and 34.74%, 36.00% and 36.83% of total consolidated assets as of June 30, 2013 and 2012, December 31 and January 1, 2012, respectively, and net operating revenues of 11,114,201 and 11,335,345, 21,755,867 and 19,356,314 thousand New Taiwan dollars, constituting 30.45% and 30.27%, 31.13% and 30.49% of consolidated net operating revenues for the three-month periods covering April 1 to June 30, 2013 and 2012, and six-month periods ended June 30, 2013 and 2012, respectively. In addition, we didn't review or audit the financial statements of all the investee companies accounted for under the equity method. Those statements were reviewed or audited by other auditors, whose reports thereon have been furnished to us, and our review expressed herein, insofar as it relates to the amounts included for those investee companies accounted for under the equity method and information disclosed in Note 13 relating to these long-term equity investments, is based solely on the reports of other auditors. Long-term investments in these investee companies amounted to 14,763,776 and 13,660,151, 14,435,966 and 14,092,843 thousand New Taiwan dollars, constituting 8.76% and 9.03%, 9.28% and 10.17% of total consolidated assets as of June 30, 2013 and 2012, December 31 and January 1, 2012, respectively, and comprehensive loss (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for under equity method) was 475,392 and 273,626, 723,661 and 2,116,972 thousand New Taiwan dollars for the three-month periods covering April 1 to June 30, 2013 and 2012, and six-month periods ended June 30, 2013 and 2012.

We conducted our reviews in accordance with the Statement of Auditing Standards No. 36, “Review of Financial Statements” in the Republic of China. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews and the reports of the other auditors, we are not aware of any material modifications that should be made to the consolidated financial statements referred to in the first paragraph, in all material respects, in order for them to be in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”, International Accounting Standards No.34 “Interim Financial Reporting”, and International Accounting Standards No.1, “First-time Adoption of International Financial Reporting Standards” as endorsed by the Financial Supervisory Commission (FSC).

PricewaterhouseCoopers, Taiwan

August 13, 2013

Taipei, Taiwan

Republic of China

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

Assets	Notes	June 30, 2013		December 31, 2012		June 30, 2012		January 1, 2012		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets										
1100	Cash and cash equivalents	6(1)	\$ 29,024,961	17	\$ 31,984,708	21	\$ 26,145,659	17	\$ 23,006,258	17
1110	Financial assets at fair value through profit or loss - current	6(2)	1,283,910	1	1,407,989	1	2,825,383	2	2,232,678	2
1130	Held-to-maturity financial assets - current	6(4)	-	-	-	-	-	-	951,382	1
1150	Notes receivable, net		110,307	-	131,332	-	137,053	-	93,263	-
1170	Accounts receivable, net	6(5)	13,157,430	8	12,984,094	8	13,227,102	9	7,835,603	6
1180	Accounts receivable, net - related parties	7	313,144	-	172,326	-	153,690	-	151,270	-
1200	Other receivables		865,307	1	574,611	1	1,041,285	1	1,588,235	1
1210	Other receivables - related parties	7	461,313	-	239,489	-	435,094	-	520,638	-
1220	Current income tax assets		22,280	-	28,905	-	27,984	-	13,526	-
130X	Inventories	6(6)	5,568,730	3	5,233,026	3	4,902,662	3	4,814,786	3
1410	Prepayments		831,886	1	779,608	1	794,796	-	718,695	-
1470	Other current assets	6(7), 7 and 8	2,454,693	1	2,022,878	1	3,989,542	3	4,023,580	3
11XX	Current Assets		<u>54,093,961</u>	<u>32</u>	<u>55,558,966</u>	<u>36</u>	<u>53,680,250</u>	<u>35</u>	<u>45,949,914</u>	<u>33</u>
Non-current assets										
1510	Financial assets at fair value through profit or loss - non-current	6(2)	90,272	-	76,648	-	60,175	-	62,959	-
1523	Available-for-sale financial assets - non-current	6(3)	1,526,223	1	1,538,132	1	1,472,799	1	1,498,098	1
1527	Held-to-maturity financial assets - non-current	6(4)	370,000	-	370,000	-	370,000	-	370,000	-
1543	Financial assets carried at cost - non-current		-	-	-	-	-	-	3,421	-
1550	Investments accounted for under the equity method	6(8) and 8	24,274,915	15	23,568,513	15	22,849,539	15	23,357,811	17
1600	Property, plant and equipment	6(9) and 8	72,365,243	43	57,744,567	37	45,225,148	30	48,023,637	35
1760	Investment property - net	6(10) and 8	2,028,130	1	2,040,255	1	2,054,760	1	2,022,584	2
1780	Intangible assets		4,461	-	6,214	-	6,906	-	3,380	-
1840	Deferred income tax assets		623,558	-	620,383	1	663,420	1	568,435	-
1900	Other non-current assets	6(11) and 8	13,216,778	8	14,003,802	9	24,862,673	17	16,662,045	12
15XX	Non-current assets		<u>114,499,580</u>	<u>68</u>	<u>99,968,514</u>	<u>64</u>	<u>97,565,420</u>	<u>65</u>	<u>92,572,370</u>	<u>67</u>
1XXX	Total assets		<u>\$ 168,593,541</u>	<u>100</u>	<u>\$ 155,527,480</u>	<u>100</u>	<u>\$ 151,245,670</u>	<u>100</u>	<u>\$ 138,522,284</u>	<u>100</u>

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

Liabilities and Equity	Notes	June 30, 2013		December 31, 2012		June 30, 2012		January 1, 2012		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities										
2100	Short-term loans	6(12)	\$ 600,130	1	\$ 1,452,400	1	\$ 4,487,100	3	\$ 3,910,312	3
2120	Financial liabilities at fair value through profit or loss									
	- current		-	-	-	-	221	-	255,246	-
2170	Accounts payable		5,587,979	3	4,326,591	3	5,916,233	4	4,569,133	4
2180	Accounts payable - related parties	7	278,299	-	687,299	-	119,100	-	77,701	-
2200	Other payables		11,044,214	7	11,048,052	7	11,463,023	8	9,734,956	7
2220	Other payables - related parties	7	99,312	-	113,223	-	721,647	-	148,623	-
2230	Current income tax liabilities		163,837	-	84,948	-	136,724	-	184,138	-
2300	Other current liabilities	6(13) and 7	17,413,590	10	12,520,736	8	13,622,240	9	9,542,277	7
21XX	Current Liabilities		<u>35,187,361</u>	<u>21</u>	<u>30,233,249</u>	<u>19</u>	<u>36,466,288</u>	<u>24</u>	<u>28,422,386</u>	<u>21</u>
Non-current liabilities										
2530	Corporate bonds payable	6(14)	3,554,776	2	3,548,791	2	3,000,000	2	-	-
2540	Long-term loans	6(15)	48,913,095	29	41,534,538	27	43,599,193	29	37,863,525	27
2570	Deferred income tax liabilities		1,282,924	1	1,392,139	1	1,301,132	1	1,407,704	1
2600	Other non-current liabilities	6(16)	19,879,290	12	18,059,514	12	7,214,229	5	7,052,078	5
25XX	Non-current liabilities		<u>73,630,085</u>	<u>44</u>	<u>64,534,982</u>	<u>42</u>	<u>55,114,554</u>	<u>37</u>	<u>46,323,307</u>	<u>33</u>
2XXX	Total Liabilities		<u>108,817,446</u>	<u>65</u>	<u>94,768,231</u>	<u>61</u>	<u>91,580,842</u>	<u>61</u>	<u>74,745,693</u>	<u>54</u>
Equity attributable to owners of parent										
Capital										
3110	Common stock	6(18)	34,749,523	21	34,749,407	22	34,749,407	23	34,734,581	25
Capital surplus										
3200	Capital surplus	6(19)	7,271,957	4	7,271,879	5	7,271,805	5	7,262,380	5
Retained earnings										
3310	Legal reserve	6(20)	9,115,638	5	9,102,785	6	9,102,785	6	9,102,785	7
3320	Special reserve		5,814,993	3	3,593,280	2	3,593,280	2	4,579,324	3
3350	Undistributed earnings		647,918	-	5,121,929	3	2,708,191	2	4,074,031	3
Other equity										
3400	Other equity	6(21)	(1,112,236)	-	(2,347,076)	(1)	(1,266,483)	(1)	(342,989)	-
31XX	Equity attributable to owners of the parent		<u>56,487,793</u>	<u>33</u>	<u>57,492,204</u>	<u>37</u>	<u>56,158,985</u>	<u>37</u>	<u>59,410,112</u>	<u>43</u>
36XX	Non-controlling interest		<u>3,288,302</u>	<u>2</u>	<u>3,267,045</u>	<u>2</u>	<u>3,505,843</u>	<u>2</u>	<u>4,366,479</u>	<u>3</u>
3XXX	Total equity		<u>59,776,095</u>	<u>35</u>	<u>60,759,249</u>	<u>39</u>	<u>59,664,828</u>	<u>39</u>	<u>63,776,591</u>	<u>46</u>
Total liabilities and equity			<u>\$ 168,593,541</u>	<u>100</u>	<u>\$ 155,527,480</u>	<u>100</u>	<u>\$ 151,245,670</u>	<u>100</u>	<u>\$ 138,522,284</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 13, 2013.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan Dollars, except (loss) earnings per share)
(Reviewed, Not Audited)

	Items	Notes	For the three-month period ended June 30				For the six-month period ended June 30			
			2013		2012		2013		2012	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(22) and 7	\$ 36,495,731	100	\$ 37,448,892	100	\$ 69,877,430	100	\$ 63,476,109	100
5000	Operating costs	6(26)(27) and 7	(35,642,834)	(97)	(35,426,819)	(95)	(69,935,999)	(100)	(63,017,332)	(100)
5950	Gross profit (loss)		<u>852,897</u>	<u>3</u>	<u>2,022,073</u>	<u>5</u>	<u>(58,569)</u>	<u>-</u>	<u>458,777</u>	<u>-</u>
	Operating expenses	6(26)(27) and 7								
6200	General and administrative expenses		(1,388,617)	(4)	(1,342,787)	(3)	(2,702,742)	(4)	(2,587,006)	(4)
6900	Operating profit (loss)		<u>(535,720)</u>	<u>(1)</u>	<u>679,286</u>	<u>2</u>	<u>(2,761,311)</u>	<u>(4)</u>	<u>(2,128,229)</u>	<u>(4)</u>
	Non-operating income and expenses									
7010	Other income	6(23)	152,225	-	243,841	-	310,708	1	559,837	1
7020	Other gains and losses	6(2)(24)	286,801	1	625,630	2	735,788	1	675,366	1
7050	Finance costs	6(25)	(99,259)	-	(106,671)	-	(191,148)	-	(281,957)	-
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method		(250,277)	(1)	(516,748)	(2)	(517,161)	(1)	(1,748,701)	(3)
7000	Total non-operating income and expenses		<u>89,490</u>	<u>-</u>	<u>246,052</u>	<u>-</u>	<u>338,187</u>	<u>1</u>	<u>(795,455)</u>	<u>(1)</u>
7900	Income (loss) before income tax		(446,230)	(1)	925,338	2	(2,423,124)	(3)	(2,923,684)	(5)
7950	Income tax (expense) benefit	6(28)	(123,070)	(1)	(5,710)	-	(103,031)	-	(68,872)	-
8000	Net income (loss) for the period from continuing operations		<u>(569,300)</u>	<u>(2)</u>	<u>919,628</u>	<u>2</u>	<u>(2,526,155)</u>	<u>(3)</u>	<u>(2,854,812)</u>	<u>(5)</u>
8200	Net income (loss) for the period		<u>(\$ 569,300)</u>	<u>(2)</u>	<u>\$ 919,628</u>	<u>2</u>	<u>(\$ 2,526,155)</u>	<u>(3)</u>	<u>(\$ 2,854,812)</u>	<u>(5)</u>
	Other comprehensive income (loss)									
8310	Exchange differences on translating the financial statements of foreign operations		\$ 596,669	2	(\$ 739,785)	(2)	\$ 1,529,368	2	(\$ 988,571)	(2)
8325	Unrealized loss on valuation of available-for-sale financial assets		(100,562)	-	(97,529)	-	(14,291)	-	(21,695)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for under the equity method		(156,460)	(1)	344,522	1	27,995	-	(270,936)	-
8399	Income tax relating to the components of other comprehensive income		39	-	-	-	39	-	-	-
8300	Other comprehensive income (loss) for the period, net of income tax		<u>\$ 339,686</u>	<u>1</u>	<u>(\$ 492,792)</u>	<u>(1)</u>	<u>\$ 1,543,111</u>	<u>2</u>	<u>(\$ 1,281,202)</u>	<u>(2)</u>
8500	Total comprehensive income (loss) for the period		<u>(\$ 229,614)</u>	<u>(1)</u>	<u>\$ 426,836</u>	<u>1</u>	<u>(\$ 983,044)</u>	<u>(1)</u>	<u>(\$ 4,136,014)</u>	<u>(7)</u>
	Profit (loss), attributable to:									
8610	Owners of the parent		<u>(\$ 400,537)</u>	<u>(1)</u>	<u>\$ 784,559</u>	<u>2</u>	<u>(\$ 2,239,212)</u>	<u>(3)</u>	<u>(\$ 2,351,884)</u>	<u>(4)</u>
8620	Non-controlling interest		<u>(\$ 168,763)</u>	<u>-</u>	<u>\$ 135,069</u>	<u>-</u>	<u>(\$ 286,943)</u>	<u>-</u>	<u>(\$ 502,928)</u>	<u>(1)</u>
	Comprehensive income (loss) attributable to:									
8710	Owners of the parent		<u>(\$ 438,986)</u>	<u>(1)</u>	<u>\$ 476,052</u>	<u>1</u>	<u>(\$ 1,004,372)</u>	<u>(1)</u>	<u>(\$ 3,275,378)</u>	<u>(5)</u>
8720	Non-controlling interest		<u>\$ 209,372</u>	<u>1</u>	<u>(\$ 49,216)</u>	<u>-</u>	<u>\$ 21,328</u>	<u>-</u>	<u>(\$ 860,636)</u>	<u>(1)</u>
	(Loss) earnings per share	6(29)								
9750	Basic (loss) earnings per share		<u>(\$ 0.12)</u>		<u>\$ 0.23</u>		<u>(\$ 0.64)</u>		<u>(\$ 0.68)</u>	
9850	Diluted (loss) earnings per share		<u>(\$ 0.12)</u>		<u>\$ 0.22</u>		<u>(\$ 0.64)</u>		<u>(\$ 0.68)</u>	

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 13, 2013.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity attributable to owners of the parent										
	Retained Earnings					Other equity					
	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Hedging instrument gain (loss) on effective hedge of cash flow hedges	Total	Non-controlling interest	Total equity
For the six-month period ended June 30, 2012											
Balance at January 1, 2012	\$ 34,734,581	\$ 7,262,380	\$ 9,102,785	\$ 4,579,324	\$ 4,074,031	\$ -	(\$ 362,353)	\$ 19,364	\$ 59,410,112	\$ 4,366,479	\$ 63,776,591
Appropriations of 2011 earnings											
Special reserve	-	-	-	(986,044)	986,044	-	-	-	-	-	-
Conversion of convertible bonds into common stock	14,826	12,038	-	-	-	-	-	-	26,864	-	26,864
Stock warrants of convertible bonds	-	(2,613)	-	-	-	-	-	-	(2,613)	-	(2,613)
Net loss for the period	-	-	-	-	(2,351,884)	-	-	-	(2,351,884)	(502,928)	(2,854,812)
Other comprehensive loss for the period	-	-	-	-	-	(717,061)	(166,182)	(40,251)	(923,494)	(357,708)	(1,281,202)
Balance at June 30, 2012	<u>\$ 34,749,407</u>	<u>\$ 7,271,805</u>	<u>\$ 9,102,785</u>	<u>\$ 3,593,280</u>	<u>\$ 2,708,191</u>	<u>(\$ 717,061)</u>	<u>(\$ 528,535)</u>	<u>(\$ 20,887)</u>	<u>\$ 56,158,985</u>	<u>\$ 3,505,843</u>	<u>\$ 59,664,828</u>
For the six-month period ended June 30, 2013											
Balance at January 1, 2013	\$ 34,749,407	\$ 7,271,879	\$ 9,102,785	\$ 3,593,280	\$ 5,121,929	(\$ 1,867,455)	(\$ 489,910)	\$ 10,289	\$ 57,492,204	\$ 3,267,045	\$ 60,759,249
Appropriations of 2012 earnings											
Legal reserve	-	-	12,853	-	(12,853)	-	-	-	-	-	-
Special reserve	-	-	-	2,221,713	(2,221,713)	-	-	-	-	-	-
Conversion of convertible bonds into common stock	116	99	-	-	-	-	-	-	215	-	215
Stock warrants of convertible bonds	-	(21)	-	-	-	-	-	-	(21)	-	(21)
Adjustments to share of changes in equity of associates and joint ventures	-	-	-	-	(233)	-	-	-	(233)	(71)	(304)
Net loss for the period	-	-	-	-	(2,239,212)	-	-	-	(2,239,212)	(286,943)	(2,526,155)
Other comprehensive income (loss) for the period	-	-	-	-	-	1,303,615	(54,415)	(14,360)	1,234,840	308,271	1,543,111
Balance at June 30, 2013	<u>\$ 34,749,523</u>	<u>\$ 7,271,957</u>	<u>\$ 9,115,638</u>	<u>\$ 5,814,993</u>	<u>\$ 647,918</u>	<u>(\$ 563,840)</u>	<u>(\$ 544,325)</u>	<u>(\$ 4,071)</u>	<u>\$ 56,487,793</u>	<u>\$ 3,288,302</u>	<u>\$ 59,776,095</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 13, 2013.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the six-month period ended June 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated loss before tax for the period	(\$ 2,423,124)	(\$ 2,923,684)
Adjustments		
Income and expenses having no effect on cash flows		
Financial assets and liabilities at fair value through profit or loss	(15,605)	43,123
Depreciation	3,051,378	2,717,736
Reclassification of depreciation of loading and unloading equipment to others	78,811	118,023
Amortization	6,711	2,247
Reclassify amortization expense to others	1,993	1,142
Interest income	(114,310)	(110,636)
Interest expense	191,148	281,957
Gain on disposal of available-for-sale financial assets	-	(20,889)
Gain on disposal of investments accounted for under the equity method	-	94,608
Dividends from investments accounted for under the equity method	254,677	253,593
Share of loss of associates and joint ventures accounted for under the equity method	517,160	1,748,701
Amortization of bond discounts	6,179	97,616
Net gain on disposal of property, plant and equipment	(477,230)	(671,750)
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Financial assets at fair value through profit or loss	126,062	(636,564)
Notes receivable, net	25,138	(44,891)
Accounts receivable, net	228,460	(5,477,091)
Accounts receivable, net - related parties	(139,126)	(2,673)
Other receivables	(270,814)	533,114
Other receivables - related parties	(216,537)	80,216
Inventories	(178,397)	(141,419)
Prepayments	(31,754)	(82,763)
Other current assets	(379,300)	(3,492)
Other non-current assets	21,791	(1,610)
Net changes in liabilities relating to operating activities		
Accounts payable	1,154,475	1,383,577
Accounts payable - related parties	(430,718)	42,182
Other payables	(319,998)	1,685,117
Other current liabilities	1,122,535	3,378,441
Other non-current liabilities	(22,805)	(45,037)
Cash provided by generated from operations	1,766,800	2,298,894
Interest received	114,310	110,636
Interest paid	(308,966)	(306,941)
Income tax paid	(133,971)	(192,136)
Net cash provided by operating activities	<u>1,438,173</u>	<u>1,910,453</u>

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the six-month period ended June 30,	
	2013	2012
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Financial assets at fair value through profit or loss	\$ -	(\$ 245,286)
Proceeds from disposal of available-for-sale financial assets	-	22,412
Proceeds from sale of held-to-maturity financial assets	-	949,570
Proceeds from capital reduction of investments accounted for under the equity method	-	366,551
Acquisition of investments accounted for under the equity method	(1,727,348)	(1,848,781)
Acquisition of property, plant and equipment	(10,381,220)	(1,201,359)
Proceeds from disposal of property, plant and equipment	1,079,400	1,263,138
Acquisition of intangible assets	(4,260)	(5,878)
Other non-current assets	(5,197,580)	(8,215,305)
Net cash used in investing activities	(16,231,008)	(8,914,938)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term loans	2,744,474	1,933,645
Decrease in short-term loans	(3,644,669)	(1,310,039)
Other payables	(10,696)	622,965
Increase in long-term loans	14,111,992	14,478,421
Decrease in long-term loans	(3,823,651)	(7,548,580)
Corporate bonds payable	-	2,710,000
Other non-current liabilities	1,342,274	277,603
Net change in non-controlling interest	308,200	(357,708)
Net cash provided by financing activities	11,027,924	10,806,307
Effect of exchange rate changes	805,164	(662,421)
(Decrease) increase in cash and cash equivalents	(2,959,747)	3,139,401
Cash and cash equivalents at beginning of period	31,984,708	23,006,258
Cash and cash equivalents at end of period	\$ 29,024,961	\$ 26,145,659
<u>FINANCING ACTIVITIES NOT AFFECTING CASH FLOWS</u>		
Long-term liabilities - current portion	\$ 10,112,371	\$ 7,853,644
Conversion of convertible bonds into common stock	\$ 200	\$ 25,500

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 13, 2013.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of New Taiwan Dollars, except as otherwise indicated)
(Reviewed, Not Audited)

1. HISTORY AND ORGANIZATION

Evergreen Marine Corporation (Taiwan) Ltd. (the “Company”) was established in the Republic of China, the Company and its subsidiaries (the “Group”) are mainly engaged in domestic and international marine transportation, shipping agency services, and the distribution of containers. The Company was approved by the Securities and Futures Bureau (SFB), Financial Supervisory Commission, Executive Yuan, R.O.C. to be a public company on November 2, 1982 and was further approved by the SFB to be a listed company on July 6, 1987. The Company’s shares have been publicly traded on the Taiwan Stock Exchange since September 21, 1987.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on August 13, 2013.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

Not applicable as it is the first-time adoption of IFRSs by the Group this year.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

IFRS 9, ‘Financial Instruments’: Classification and measurement of financial instruments

A.The International Accounting Standards Board (“IASB”) published IFRS 9, ‘Financial Instruments’, in November, 2009, which will take effect on January 1, 2015 with early application permitted. Although the FSC has endorsed IFRS 9, FSC does not permit early application of IFRS 9 when IFRSs are adopted in R.O.C. in 2013. Instead, enterprises should apply International Accounting Standard No. 39 (“IAS 39”), ‘Financial Instruments: Recognition and Measurement’ reissued in 2009.

B.IFRS 9 was issued as the first step to replace IAS 39. IFRS 9 outlines the new classification and measurement requirements for financial instruments, which might affect the accounting treatments for financial instruments of the Group.

C.The Group has not evaluated the overall effect of the IFRS 9 adoption. However, based on preliminary evaluation, it was noted that the IFRS 9 adoption might have an impact on those instruments classified as ‘available-for-sale financial assets’ held by the Group, as IFRS 9 specifies that the fair value changes in the equity instruments that meet certain criteria may be reported in other comprehensive income, and such amount that has been recognized in other

comprehensive income should not be reclassified to profit or loss when such assets are derecognized. The Group recognized gain on equity instruments amounting to \$54,415 in other comprehensive income for the six-month period ended June 30, 2013.

(3) Effect of IFRSs issued by IASB but not yet endorsed by the FSC

The following are the assessment of new standards, interpretations and amendments issued by IASB that are effective but not yet endorsed by the FSC and have not been adopted by the Group (application of the new standards, interpretations and amendments should follow the regulations of the FSC):

<u>New Standards, Interpretations and Amendments</u>	<u>Main Amendments</u>	<u>Effective Date Issued by IASB</u>
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment to IFRS 1)	The amendment provides first-time adopters of IFRSs with the same transition relief that existing IFRS preparers received in IFRS 7, 'Financial Instruments: Disclosures' and exempts first-time adopters from providing the additional comparative disclosures.	July 1, 2010
Improvements to IFRSs 2010	Amendments to IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 34 and IFRIC 13.	January 1, 2011
IFRS 9, 'Financial instruments: Classification and measurement of financial liabilities'	IFRS 9 requires gains and losses on financial liabilities designated at fair value through profit or loss to be split into the amount of change in the fair value that is attributable to changes in the credit risk of the liability, which shall be presented in other comprehensive income, and cannot be reclassified to profit or loss when derecognizing the liabilities; and all other changes in fair value are recognized in profit or loss. The new guidance allows the recognition of the full amount of change in the fair value in the profit or loss only if there is reasonable evidence showing on initial recognition that the recognition of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch (inconsistency) in profit or loss. (That determination is made at initial recognition and is not reassessed subsequently.)	January 1, 2015

<u>New Standards, Interpretations and Amendments</u>	<u>Main Amendments</u>	<u>Effective Date Issued by IASB</u>
Disclosures - transfers of financial assets (amendment to IFRS 7)	The amendment enhances qualitative and quantitative disclosures for all transferred financial assets that are not derecognized and for any continuing involvement in transferred assets, existing at the reporting date.	July 1, 2011
Severe hyperinflation and removal of fixed dates for first-time adopters (amendment to IFRS 1)	When an entity's date of transition to IFRSs is on, or after, the functional currency normalization date, the entity may elect to measure all assets and liabilities held before the functional currency normalization date at fair value on the date of transition to IFRSs. First-time adopters are allowed to apply the derecognition requirements in IAS 39, 'Financial instruments: Recognition and measurement', prospectively from the date of transition to IFRSs, and they are allowed not to retrospectively recognize related gains on the date of transition to IFRSs.	July 1, 2011
Deferred tax: recovery of underlying assets (amendment to IAS 12)	The amendment gives a rebuttable presumption that the carrying amount of investment properties measured at fair value is recovered entirely by sale, unless there exists any evidence that could rebut this presumption. The amendment also replaces SIC 21, 'Income taxes—recovery of revalued non-depreciable assets'.	January 1, 2012
IFRS 10, 'Consolidated financial statements'	The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where it is difficult to assess.	January 1, 2013
IFRS 11, 'Joint arrangements'	Judgments applied when assessing the types of joint arrangements-joint operations and joint ventures, the entity should assess the contractual rights and obligations instead of the legal form only. The standard also prohibits the proportional consolidation for joint ventures.	January 1, 2013

<u>New Standards, Interpretations and Amendments</u>	<u>Main Amendments</u>	<u>Effective Date Issued by IASB</u>
IFRS 12, 'Disclosure of interests in other entities'	The standard requires the disclosure of interests in other entities including subsidiaries, joint arrangements, associates and unconsolidated structured entities.	January 1, 2013
IAS 27, 'Separate financial statements' (as amended in 2011)	The standard removes the requirements of consolidated financial statements from IAS 27 and those requirements are addressed in IFRS 10, 'Consolidated financial statements'.	January 1, 2013
IAS 28, 'Investments in associates and joint ventures' (as amended in 2011)	As consequential amendments resulting from the issuance of IFRS 11, 'Joint arrangements', IAS 28 (revised) sets out the requirements for the application of the equity method when accounting for investments in joint ventures.	January 1, 2013
IFRS 13, 'Fair value measurement'	IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.	January 1, 2013
IAS 19 revised, 'Employee benefits' (as amended in 2011)	The revised standard eliminates corridor approach and requires actuarial gains and losses to be recognized immediately in other comprehensive income. Past service costs will be recognized immediately in the period incurred. Net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability, replace the finance charge and expected return on plan assets. The return on plan assets, excluding net interest expense, is recognized in other comprehensive income.	January 1, 2013

<u>New Standards, Interpretations and Amendments</u>	<u>Main Amendments</u>	<u>Effective Date Issued by IASB</u>
Presentation of items of other comprehensive income (amendment to IAS 1)	The amendment requires profit or loss and other comprehensive income (OCI) to be presented separately in the statement of comprehensive income. Also, the amendment requires entities to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss subsequently.	July 1, 2012
IFRIC 20, ‘Stripping costs in the production phase of a surface mine’	Stripping costs that meet certain criteria should be recognized as the ‘stripping activity asset’. To the extent that the benefit from the stripping activity is realized in the form of inventory produced, the entity shall account for the costs of that stripping activity in accordance with IAS 2, ‘Inventories’.	January 1, 2013
Disclosures—Offsetting financial assets and financial liabilities (amendment to IFRS 7)	The amendment requires disclosures to include quantitative information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements.	January 1, 2013
Offsetting financial assets and financial liabilities (amendment to IAS 32)	The amendment clarifies criterion that an entity ‘currently has a legally enforceable right to set off the recognised amounts’ and ‘gross settlement mechanisms are effectively equivalent to net settlement’; they would therefore satisfy the IAS 32 criterion in these instances.	January 1, 2014
Mandatory effective date and transition disclosures (amendment to IFRS 7 and IFRS 9)	The mandatory effective date has been postponed to January 1, 2015.	January 1, 2015
Government loans (amendment to IFRS 1)	The amendment provides exception to first-time adopters to apply the requirements in IFRS 9, ‘Financial instruments’, and IAS 20, ‘Accounting for government grants and disclosure of government assistance’, prospectively to government loans that exist at the date of transition to IFRS.	January 1, 2013

<u>New Standards, Interpretations and Amendments</u>	<u>Main Amendments</u>	<u>Effective Date Issued by IASB</u>
Improvements to IFRSs 2009-2011	Amendments to IFRS 1 and IAS 1, IAS 16, IAS 32 and IAS 34.	January 1, 2013
Consolidated financial statements, joint arrangements and disclosure of interests in other Entities: Transition guidance (amendments to IFRS 10, IFRS 11 and IFRS 12)	The amendment clarifies that the date of initial application is the first day of the annual period in which IFRS 10, 11 and 12 is adopted.	January 1, 2013
Investment entities (amendments to IFRS 10, IFRS 12 and IAS 27)	The amendments define 'Investment Entities' and their characteristics. The parent company that meets the definition of investment entities should measure its subsidiaries using fair value through profit or loss instead of consolidating them.	January 1, 2014
IFRIC 21, 'Levies'	The interpretation addresses the accounting for levies imposed by governments in accordance with legislation (other than income tax). A liability to pay a levy shall be recognized in accordance with IAS 37, 'Provisions, contingent liabilities and contingent assets'.	January 1, 2014
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	The amendments remove the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives that were not impaired.	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	The amendment states that the novation of a hedging instrument would not be considered an expiration or termination giving rise to the discontinuation of hedge accounting when the hedging instrument that is being novated complies with specified criteria.	January 1, 2014

The Group is assessing the potential impact of the new standards, interpretations and amendments above and has not yet been able to reliably estimate their impact on the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. These consolidated financial statements are the first second-quarter consolidated financial statements prepared by the Group in accordance with the “Regulations Governing the Preparation of Financial Statements by Securities Issuers”, IAS 34, ‘Interim Financial Reporting’, and IFRS 1, ‘First-time Adoption of International Financial Reporting Standards’, as endorsed by the FSC.
- B. In the preparation of the balance sheet of January 1, 2012 (the Group’s date of transition to IFRSs) (“the opening IFRSs balance sheet”), the Group has adjusted the amounts that were reported in the consolidated financial statements in accordance with previous R.O.C. GAAP. Please refer to Note 15 for the impact of transitioning from R.O.C. GAAP to the International Financial Reporting Standards, International Accounting Standards, and Interpretations/bulletins as endorsed by the FSC (collectively referred herein as the “IFRSs”) on the Group’s financial position, operating results and cash flows.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Available-for-sale financial assets measured at fair value.
 - (c) Liabilities on cash-settled share-based payment arrangements measured at fair value.
 - (d) Defined benefit liabilities recognized based on the net amount of pension fund assets plus unrecognized prior period’s service cost and unrecognized actuarial losses, and less unrecognized actuarial gains and present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies. In general, control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. The existence and effect of potential voting rights that are currently exercisable or

convertible have been considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

- (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (d) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

<u>Investor</u>	<u>Subsidiary</u>	<u>Main activities</u>	<u>Ownership (%)</u>		<u>Description</u>
			<u>June 30, 2013</u>	<u>December 31, 2012</u>	
The Company	TTSC	Cargo loading and discharging	55.00	55.00	
"	Peony	Investments in transport-related business	100.00	100.00	
"	ETS	Terminal Services	100.00	100.00	
Peony	GMS	Container Shipping	100.00	100.00	
"	Clove	Investments in container yards and port terminals	100.00	100.00	
"	Vigor	Investments in container manufacturing	100.00	100.00	
"	EMU	Container shipping	51.00	51.00	
"	EHIC(M)	Manufacturing of dry steel containers and container parts	84.44	84.44	
"	Armand N.V	Investments in container yards and port terminals	70.00	70.00	
"	KTIL	Loading, discharging, storage, repairs and cleaning	20.00	20.00	
"	MBPI	Containers storage and inspections of containers at the customs house	95.03	95.03	
"	MBT	Inland transportation, repairs and cleaning of containers	17.39	17.39	

<u>Investor</u>	<u>Subsidiary</u>	<u>Main activities</u>	<u>Ownership (%)</u>		<u>Description</u>
			<u>June 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>	
Peony	EGS	Agency services dealing with port formalities	51.00	51.00	
"	EGK	"	100.00	100.00	
"	EMI	"	51.00	51.00	
"	EGT	"	51.00	51.00	
"	EGI	"	99.99	99.99	
"	EMA	"	67.50	67.50	
"	EIT	"	55.00	55.00	
"	EES	"	55.00	55.00	
"	ERU	"	51.00	51.00	
"	EGD	"	100.00	100.00	
"	EGUD	"	100.00	100.00	
"	EGD-WWX	"	100.00	100.00	
"	EGF	"	100.00	100.00	
"	EGN	"	100.00	100.00	
"	EGV	"	51.00	51.00	
"	ESA	"	55.00	55.00	

<u>Investor</u>	<u>Subsidiary</u>	<u>Main activities</u>	<u>Ownership (%)</u>		<u>Description</u>
			<u>June 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>	
Peony	EGB	Real estate leasing	95.00	95.00	
EMU	Island	Investments in operating machinery and equipment of port terminals	15.00	15.00	
"	KTIL	Loading, discharging, storage, repairs and cleaning	20.00	20.00	
"	EGU	Agency services dealing with port formalities	100.00	100.00	
EGD	EGDL	"	100.00	100.00	
	EGDV	"	100.00	100.00	
Clove	Island	Investments in operating machinery and equipment of port terminals	36.00	36.00	
Armand N.V.	Armand B.V.	Investments in container yards and port terminals	100.00	100.00	
Island	Whitney	Investments and leases of operating machinery and equipment of port terminals	100.00	100.00	
"	Hemlock	"	100.00	100.00	
MBPI	MBT	Inland transportation, repairs and cleaning of containers	72.95	72.95	

<u>Investor</u>	<u>Subsidiary</u>	<u>Main activities</u>	<u>Ownership (%)</u>		<u>Description</u>
			<u>June 30, 2012</u>	<u>January 1, 2012</u>	
The Company	TTSC	Cargo loading and discharging	55.00	55.00	
"	Peony	Investments in transport-related business	100.00	100.00	
"	ETS	Terminal Services	100.00	100.00	
Peony	GMS	Container Shipping	100.00	100.00	
"	Clove	Investments in container yards and port terminals	100.00	100.00	
"	Vigor	Investments in container manufacturing	100.00	100.00	
"	EMU	Container shipping	51.00	51.00	
"	EHIC(M)	Manufacturing of dry steel containers and container parts	84.44	84.44	
"	Armand N.V	Investments in container yards and port terminals	70.00	70.00	
"	SGTC	Loading, discharging, storage, repairs, cleaning and inland transportation of containers	-	55.00	(a)
"	KTIL	Loading, discharging, storage, repairs and cleaning	20.00	20.00	
"	MBPI	Containers storage and inspections of containers at the customs house	95.03	95.03	

<u>Investor</u>	<u>Subsidiary</u>	<u>Main activities</u>	<u>Ownership (%)</u>		<u>Description</u>
			<u>June 30, 2012</u>	<u>January 1, 2012</u>	
Peony	MBT	Inland transportation, repairs and cleaning of containers	17.39	17.39	
"	EGS	Agency services dealing with port formalities	51.00	51.00	
"	EGK	"	100.00	100.00	
"	EMI	"	51.00	51.00	
"	EGT	"	51.00	51.00	
"	EGI	"	99.99	99.99	
"	EMA	"	67.50	67.50	
"	EIT	"	55.00	55.00	
"	EES	"	55.00	55.00	
"	ERU	"	51.00	51.00	
"	EGD	"	100.00	100.00	
"	EGUD	"	100.00	100.00	
"	EGD-WWX	"	100.00	100.00	
"	EGF	"	100.00	100.00	
"	EGN	"	100.00	100.00	
"	EGV	"	51.00	51.00	
"	ESA	"	55.00	55.00	

<u>Investor</u>	<u>Subsidiary</u>	<u>Main activities</u>	<u>Ownership (%)</u>		<u>Description</u>
			<u>June 30, 2012</u>	<u>January 1, 2012</u>	
Peony	EGB	Real estate leasing	95.00	95.00	
EMU	Island	Investments in operating machinery and equipment of port terminals	15.00	15.00	
"	KTIL	Loading, discharging, storage, repairs and cleaning	20.00	20.00	
"	EGU	Agency services dealing with port formalities	100.00	100.00	
EGD	EGDL	"	100.00	100.00	
	EGDV	"	100.00	100.00	
Clove	Island	Investments in operating machinery and equipment of port terminals	36.00	36.00	
Clove	Ample	Investments in container yards and port terminals	90.00	90.00	(b)
Armand N.V.	Armand B.V.	"	100.00	100.00	
Island	Whitney	Investments and leases of operating machinery and equipment of port terminals	100.00	100.00	
"	Hemlock	"	100.00	100.00	
MBPI	MBT	Inland transportation, repairs and cleaning of containers	72.95	72.95	

(a)The indirect subsidiary, SGTC, initiated the liquidation procedures on October 30, 2009, as resolved by the Board of Directors, and completed the procedures on May 31, 2012.

(b)The indirect subsidiary, Ample, initiated the liquidation procedures on December 28, 2012, as resolved by the Board of Directors, and completed the procedures on December 31, 2012.

C.Subsidiary not included in the consolidated financial statements: None.

D.Adjustments for subsidiaries with different balance sheet dates: None.

E.Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A.Foreign currency transactions and balances

(a)Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b)Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c)Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d)All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B.Translation of foreign operations

(a)The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or jointly controlled entity, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group still retains partial interest in the former foreign associate or jointly controlled entity after losing significant influence over the former foreign associate, or losing joint control of the former jointly controlled entity, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be paid off within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be paid off within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets held for trading or financial assets designated as at fair value through profit or loss on initial recognition. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges. Financial assets that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

- a) Hybrid (combined) contracts; or
- b) They eliminate or significantly reduce a measurement or recognition inconsistency; or
- c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. Financial assets at fair value through profit or loss are initially recognized at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss.

(8) Available-for-sale financial assets

A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

B. On a regular way purchase or sale basis, available-for-sale financial assets are recognized and derecognized using trade date accounting.

C. Available-for-sale financial assets are initially recognized at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets carried at cost'.

(9) Held-to-maturity financial assets

- A. Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity date that the Group has the positive intention and ability to hold to maturity other than those that meet the definition of loans and receivables and those that are designated as at fair value through profit or loss or as available-for-sale on initial recognition.
- B. On a regular way purchase or sale basis, held-to-maturity financial assets are recognized and derecognized using trade date accounting.
- C. Held-to-maturity financial assets are initially recognized at fair value on the trade date plus transaction costs and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Amortization of a premium or a discount on such assets is recognized in profit or loss.

(10) Notes, accounts and other receivables

Notes and accounts receivable are claims resulting from the sale of goods or services. Receivables arising from transactions other than the sale of goods or services are classified as other receivables. Notes, accounts and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(11) Impairment of financial assets

- A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
- B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:
- (a) Significant financial difficulty of the issuer or debtor;
 - (b) A breach of contract, such as a default or delinquency in interest or principal payments;
 - (c) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;
 - (d) It becomes probable that the borrower will enter bankruptcy or other financial reorganization;
 - (e) The disappearance of an active market for that financial asset because of financial difficulties;

- (f)Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;
- (g)Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or
- (h)A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(a) Financial assets measured at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss. Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(b) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, then such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

- A. The cash flows from the financial asset have been received.
- B. The contractual rights to receive cash flows from the financial asset expire.
- C. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

D.The contractual rights to receive cash flows from the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Inventories

Inventories refer to fuel inventories and steel inventories. Fuel inventories are physically measured by the crew of each ship and reported back to the Head Office through telegraph for recording purposes at balance sheet date. Valuation of inventories is based on the exchange rate prevailing at balance sheet date.

The perpetual inventory system is adopted for steel inventory recognition. Steel inventories are stated at cost. The cost is determined using the weighted-average method. At the end of period, inventories are evaluated at the lower of cost or net realizable value, and the individual item approach is used in the comparison of cost and net realizable value. The calculation of net realizable value should be based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses.

(14) Investments accounted for under the equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss arising through subsequent assessments.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity that are not recognized in profit or loss or other comprehensive income of the associate and such changes not affecting the Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

D. Unrealized gains and loss on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and

'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

G. When the Group disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it still retains significant influence over this associate, then the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates

and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are 3 ~ 55 years except for ships, the estimated useful life of which is 25 years.

(16) Leased assets/ leases (lessee)

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the Group assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(a) A finance lease is recognized as an asset and a liability at the lease's commencement at the lower of the fair value of the leased asset or the present value of the minimum lease payments.

(b) The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are allocated to each period over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(c) Property, plant and equipment held under finance leases are depreciated over their estimated useful lives. If there is no reasonable certainty that the Group will obtain ownership at the end of the lease, the asset shall be depreciated over the shorter of the lease term and its useful life.

B. Payments made under an operating lease (net of any incentives received from the lessor) are recognized in profit or loss on a straight-line basis over the lease term.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 55 years.

(18) Intangible assets

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 years.

(19) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(20) Loans

A. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the

borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

(21) Accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(22) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(23) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(24) Financial liabilities and equity instruments

A. Ordinary corporate bonds issued by the Group are initially recognized at fair value, net of transaction costs incurred. Ordinary corporate bonds are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortized in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

B. Convertible corporate bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial asset, a financial liability or an equity instrument. Convertible corporate bonds are accounted for as follows:

(a) Call options and put options embedded in convertible corporate bonds are recognized initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognized as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

- (b) Bonds payable of convertible corporate bonds is initially recognized at fair value and subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortized in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.
- (c) Conversion options embedded in convertible corporate bonds issued by the Group, which meet the definition of an equity instrument, are initially recognized in 'capital surplus—stock warrants' at the residual amount of total issue price less amounts of 'financial assets or financial liabilities at fair value through profit or loss' and 'bonds payable—net' as stated above. Conversion options are not subsequently remeasured.
- (d) Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.
- (e) When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable' and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the above-mentioned liability component plus the book value of capital surplus - stock warrants.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i.) Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past service costs. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds

that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

- ii.) Actuarial gains and losses arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and adjust to undistributed earnings.
- iii.) Past service costs are recognised immediately in profit or loss if vested immediately; if not, the past service costs are amortised on a straight-line basis over the vesting period.
- iv.) Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes termination benefits when it is demonstrably committed to a termination, when it has a detailed formal plan to terminate the employment of current employees and when it can no longer withdraw the plan. In the case of an offer made by the Group to encourage voluntary termination of employment, the termination benefits are recognized as expenses only when it is probable that the employees are expected to accept the offer and the number of the employees taking the offer can be reliably estimated. Benefits falling due more than 12 months after balance sheet date are discounted to their present value.

D. Employees' bonus and directors' and supervisors' remuneration

Employees' bonus and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognized based on the accounting for changes in estimates. The Group calculates the number of shares of employees' stock bonus based on the fair value per share at the previous day of the stockholders' meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

(26) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. Tax preference given for expenditures incurred on acquisitions of equipment or technology, research and development, employees' training and equity investments is recorded using the income tax credits accounting.

G. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) Revenue recognition

A. Sales of goods

Revenue is measured at the fair value of the consideration received or receivable taking into account of value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods should be recognized when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

B. Sales of services

Revenue from delivering services is recognized under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed. If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognized only to the extent that contract costs incurred are likely to be recoverable.

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The above information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

A. Financial assets—impairment of equity investments

The Group follows the guidance of IAS 39 to determine whether a financial asset—equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an equity investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If the decline of the fair value of an individual equity investment below cost was considered significant or prolonged, the Group would transfer the accumulated fair value adjustments recognized in other comprehensive income on the impaired available-for-sale financial assets to profit or loss or being the recognition of the impairment loss on the impaired financial assets measured at cost in profit or loss. For the six-month period ended June 30, 2013, the Group did not recognize any impairment loss on financial assets-equity investment.

B. Investment property

The Group uses part of the property for its own use and part to earn rentals or for capital appreciation. When the portions cannot be sold separately and cannot be leased separately under finance lease, the property is classified as investment property only if the own-use portion accounts for less than 20% of the property.

(2) Critical accounting estimates and assumptions

A. Revenue recognition

Revenue from delivering services and related costs are recognized under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed.

B. Impairment assessment of tangible and intangible assets (excluding goodwill)

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilized and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

C. Impairment assessment of investments accounted for under the equity method

The Group assesses the impairment of an investment accounted for under the equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recoverable. The Group assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Group's share of expected future cash flows of the investee, and analyzes the reasonableness of related assumptions.

D. Realisability of deferred income tax assets

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Assessment of the realisability of deferred income tax assets involves critical accounting judgements and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, tax exempt duration, available tax credits, tax planning, etc. Any variations in global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred income tax assets.

As of June 30, 2013, the Group recognized deferred income tax assets amounting to \$623,558.

E. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of June 30, 2013, the carrying amount of inventories was \$5,568,730.

F. Calculation of accrued pension obligations

When calculating the present value of defined pension obligations, the Group must apply judgements and estimates to determine the actuarial assumptions on balance sheet date, including discount rates and expected rate of return on plan assets. Any changes in these assumptions could significantly impact the carrying amount of defined pension obligations.

As of June 30, 2013, the carrying amount of accrued pension obligations was \$2,783,594.

G. Financial assets—fair value measurement of unlisted stocks without active market

The fair value of unlisted stocks held by the Group that are not traded in an active market is determined considering those companies' recent funding raising activities, fair value assessment of other companies of the same type, market conditions and other economic indicators existing on balance sheet date. Any changes in these judgements and estimates will impact the fair value measurement of these unlisted stocks. Please refer to Note 12(3) for the financial instruments fair value information.

As of June 30, 2013, the carrying amount of unlisted stocks was \$264,833.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Cash on hand and petty cash	\$ 26,315	\$ 20,914
Checking accounts and demand deposits	5,435,825	5,120,416
Time deposits	23,562,821	26,044,441
Cash equivalents	-	798,937
	<u>\$ 29,024,961</u>	<u>\$ 31,984,708</u>
	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Cash on hand and petty cash	\$ 25,022	\$ 23,024
Checking accounts and demand deposits	4,340,334	5,307,615
Time deposits	20,871,953	17,375,955
Cash equivalents	908,350	299,664
	<u>\$ 26,145,659</u>	<u>\$ 23,006,258</u>

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The Group's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

<u>Items</u>	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Current items:		
Financial assets held for trading		
Listed (TSE and OTC) stocks	\$ 290	\$ 290
Beneficiary certificates	1,272,076	1,398,138
Embedded derivatives	4,434	3,923
	<u>1,276,800</u>	<u>1,402,351</u>
Valuation adjustment of financial assets held for trading	7,110	5,638
	<u>\$ 1,283,910</u>	<u>\$ 1,407,989</u>

Items	June 30, 2013	December 31, 2012
Non-current items:		
Financial assets designated as at fair value through profit or loss on initial recognition		
Corporate bonds	\$ 100,000	\$ 100,000
Valuation adjustment of financial assets designated as at fair value through profit or loss on initial recognition	(9,728)	(23,352)
	<u>\$ 90,272</u>	<u>\$ 76,648</u>
Items	June 30, 2012	January 1, 2012
Current items:		
Financial assets held for trading		
Listed (TSE and OTC) stocks	\$ 290	\$ 10,292
Beneficiary certificates	2,956,377	2,366,704
Cross currency swap	-	1,824
Embedded derivatives	7,903	-
	<u>2,964,570</u>	<u>2,378,820</u>
Valuation adjustment of financial assets held for trading	(139,187)	(146,142)
	<u>\$ 2,825,383</u>	<u>\$ 2,232,678</u>
Non-current items:		
Financial assets designated as at fair value through profit or loss on initial recognition		
Corporate bonds	\$ 100,000	\$ 100,000
Valuation adjustment of financial assets designated as at fair value through profit or loss on initial recognition	(39,825)	(37,041)
	<u>\$ 60,175</u>	<u>\$ 62,959</u>

A. The Group recognized net loss of \$13,310, net gain of \$277, \$1,981 and \$15,665 on financial assets held for trading for the three-month and six-month periods ended June 30, 2013 and 2012, respectively, and recognized net loss of \$214, \$7,515, net gain of \$13,624 and net loss of \$2,784 on financial assets designated as at fair value through profit or loss on initial recognition for the three-month and six-month periods ended June 30, 2013 and 2012, respectively.

B. The counterparties of the Group's debt instrument investments have good credit quality. The maximum exposure to credit risk at balance sheet date is the carrying amount of financial assets at fair value through profit or loss—debt instruments.

C. Hedge accounting for these derivative instruments held for hedging activities was not adopted.

D. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Available-for-sale financial assets

Items	June 30, 2013	December 31, 2012
Non-current items:		
Listed (TSE and OTC) stocks	\$ 490,801	\$ 490,801
Emerging stocks	1,250,000	1,250,000
Unlisted stocks	259,764	257,022
	2,000,565	1,997,823
Valuation adjustment of available-for-sale financial assets	(472,498)	(457,847)
Accumulated impairment- available-for-sale financial assets	(1,844)	(1,844)
	\$ 1,526,223	\$ 1,538,132
Items	June 30, 2012	January 1, 2012
Non-current items:		
Listed (TSE and OTC) stocks	\$ 490,801	\$ 492,324
Emerging stocks	1,250,000	1,250,000
Unlisted stocks	259,889	261,970
	2,000,690	2,004,294
Valuation adjustment of available-for-sale financial assets	(527,891)	(506,196)
Accumulated impairment- available-for-sale financial assets	-	-
	\$ 1,472,799	\$ 1,498,098

A. The Group recognized \$100,562, \$97,529, \$14,291 and \$21,695 in other comprehensive income for fair value change for the three-month and six-month periods ended June 30, 2013 and 2012, respectively.

B. The Group recognized impairment loss of \$1,844 for the year ended December 31, 2012.

(4) Held-to-maturity financial assets

Items	June 30, 2013	December 31, 2012
Non-current items:		
Financial bonds	\$ 370,000	\$ 370,000
Items	June 30, 2012	January 1, 2012
Current items:		
Financial bonds	\$ -	\$ 951,382
Non-current items:		
Financial bonds	\$ 370,000	\$ 370,000

A. The Group recognized interest income of \$2,578, \$3,753, \$5,112 and \$7,664 in profit or loss for amortized cost for the three-month and six-month periods ended June 30, 2013 and 2012, respectively.

B. The counterparties of the Group's investments have good credit quality. The maximum exposure to credit risk at balance sheet date is the carrying amount of held-to-maturity financial assets.

C. As of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012, no held-to-maturity financial assets held by the Group were pledged to others.

(5) Accounts receivable

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Accounts receivable	\$ 13,178,599	\$ 13,019,807
Less: allowance for bad debts	(21,169)	(35,713)
	<u>\$ 13,157,430</u>	<u>\$ 12,984,094</u>
	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Accounts receivable	\$ 13,255,213	\$ 7,854,490
Less: allowance for bad debts	(28,111)	(18,887)
	<u>\$ 13,227,102</u>	<u>\$ 7,835,603</u>

A. The credit quality of accounts receivable that were neither past due nor impaired was in the following categories based on the Group's credit quality control policy.

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Group 1	\$ 923,946	\$ 520,804
Group 2	9,259,305	9,628,270
	<u>\$ 10,183,251</u>	<u>\$ 10,149,074</u>
	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Group 1	\$ 817,438	\$ 509,311
Group 2	10,219,962	5,910,740
	<u>\$ 11,037,400</u>	<u>\$ 6,420,051</u>

Note:

Group 1: Medium and low risk: The Group's ten largest customers, with sound performance and high transparency of financial information, are approved based on the Group's credit quality control policy.

Group 2: General risk: The Group has higher significant concentrations of credit risk than Group 1.

B. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Up to 30 days	\$ 2,610,851	\$ 2,576,455
31 to 180 days	363,328	258,565
	<u>\$ 2,974,179</u>	<u>\$ 2,835,020</u>
	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Up to 30 days	\$ 2,072,980	\$ 1,306,365
31 to 180 days	116,722	109,187
	<u>\$ 2,189,702</u>	<u>\$ 1,415,552</u>

C.Movement analysis of financial assets that were impaired is as follows:

(a)As of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012, the Group's accounts receivable that were impaired amounted to \$21,169, \$35,713, \$28,111 and \$18,887, respectively.

(b)Movements on the Group provision for impairment of accounts receivable are as follows:

	2013		
	Individual provision	Group provision	Total
At January 1	(\$ 35,713)	\$ -	(\$ 35,713)
Reversal of impairment	12,858	-	12,858
Provision for impairment	(827)	-	(827)
Write-offs during the period	1,153	-	1,153
Net exchange differences	1,360	-	1,360
At June 30	<u>(\$ 21,169)</u>	<u>\$ -</u>	<u>(\$ 21,169)</u>
	2012		
	Individual provision	Group provision	Total
At January 1	(\$ 18,887)	\$ -	(\$ 18,887)
Reversal of impairment	10,611	-	10,611
Provision for impairment	(21,375)	-	(21,375)
Write-offs during the period	845	-	845
Net exchange differences	695	-	695
At June 30	<u>(\$ 28,111)</u>	<u>\$ -</u>	<u>(\$ 28,111)</u>

D.The maximum exposure to credit risk at June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012 was the carrying amount of each class of accounts receivable.

E.The Group does not hold any collateral as security.

(6) Inventories

	June 30, 2013		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 5,121,676	\$ -	\$ 5,121,676
Steel and others	447,054	-	447,054
	<u>\$ 5,568,730</u>	<u>\$ -</u>	<u>\$ 5,568,730</u>

December 31, 2012			
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 4,614,510	\$ -	\$ 4,614,510
Steel and others	618,516	-	618,516
	<u>\$ 5,233,026</u>	<u>\$ -</u>	<u>\$ 5,233,026</u>
June 30, 2012			
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 4,170,632	\$ -	\$ 4,170,632
Steel and others	732,030	-	732,030
	<u>\$ 4,902,662</u>	<u>\$ -</u>	<u>\$ 4,902,662</u>
January 1, 2012			
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 3,688,168	\$ -	\$ 3,688,168
Steel and others	1,126,618	-	1,126,618
	<u>\$ 4,814,786</u>	<u>\$ -</u>	<u>\$ 4,814,786</u>
(7) <u>Other current assets</u>			
	June 30, 2013	December 31, 2012	
Shipowner's accounts	\$ 1,092,559	\$	595,071
Agent accounts	513,400		451,962
Other financial assets	490,339		550,214
Temporary debits	358,395		425,631
	<u>\$ 2,454,693</u>	<u>\$</u>	<u>2,022,878</u>
	June 30, 2012	January 1, 2012	
Shipowner's accounts	\$ 2,442,633	\$	1,437,158
Agent accounts	799,991		928,886
Other financial assets	543,745		520,132
Temporary debits	203,173		1,137,404
	<u>\$ 3,989,542</u>	<u>\$</u>	<u>4,023,580</u>

(8) Investments accounted for under the equity method

A. Details of long-term equity investments accounted for under the equity method are set forth below:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Charng Yang Development Co., Ltd.	\$ 650,184	\$ 645,914
Evergreen International Storage and Transport Corporation	7,719,391	7,634,799
EVA Airways Corporation	6,580,545	6,831,509
Taipei Port Container Terminal Corporation	1,484,549	1,195,822
Luanta Investment (Netherlands) N.V.	2,540,757	2,483,511
Balsam Investment (Netherlands) N.V.	2,133,225	1,791,291
Colon Container Terminal S.A.	2,452,896	2,292,442
Others	713,368	693,225
	<u>\$ 24,274,915</u>	<u>\$ 23,568,513</u>
	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Charng Yang Development Co., Ltd.	\$ 615,086	\$ 609,794
Evergreen International Storage and Transport Corporation	7,700,716	7,747,732
EVA Airways Corporation	6,631,681	6,991,081
Taipei Port Container Terminal Corporation	1,208,358	1,217,063
Luanta Investment (Netherlands) N.V.	2,467,176	2,522,258
Balsam Investment (Netherlands) N.V.	1,365,687	1,434,079
Colon Container Terminal S.A.	2,254,004	2,195,475
Others	606,831	640,329
	<u>\$ 22,849,539</u>	<u>\$ 23,357,811</u>

B. The fair value of the Group's associates which have quoted market price was as follows:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Evergreen International Storage and Transport Corporation	\$ 7,887,559	\$ 8,544,856
EVA Airways Corporation	10,795,637	10,701,215
	<u>\$ 18,683,196</u>	<u>\$ 19,246,071</u>
	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Evergreen International Storage and Transport Corporation	\$ 6,276,122	\$ 6,000,482
EVA Airways Corporation	11,425,121	12,086,078
	<u>\$ 17,701,243</u>	<u>\$ 18,086,560</u>

C. On July 23, 2009, the Company issued its first domestic secured exchangeable bonds based on the resolution by the Board of Directors. Pursuant to the terms of issuance, the bondholders may exchange the exchangeable bonds into the common stocks of Evergreen International Storage and Transport Corporation (EITC) during the period from one month after the exchangeable bonds are issued to 10 days before the maturity of the exchangeable bonds. The Company has already appropriated 86,595 thousand shares of common stock of Evergreen International Storage and Transport Corporation to the account in Taiwan Depository and Clearing Corporation, for the use of exchange from exchangeable bonds to common stock of EITC. (For details of the issuance terms of the exchangeable bonds, please refer to Note 6(14)).

D. The Company and its indirect subsidiary Armand Estate B.V. (The Company's percentage of ownership was 70%) planned to participate directly in the issuance of new shares by TPCT for cash at the meeting of Board of Directors on March 26, 2013 and May 10, 2013, with the additional cash of NT\$ 210,342 and USD 3,222, respectively. The Company's percentage of ownership in TPCT was 21.03% and 9.73%, respectively, after the capital increase, and the percentage of combined holding was 27.85%.

E.The financial information of the Group's principal associates is summarized below:

	<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Profit/(Loss)</u>	<u>% Interest held</u>
June 30, 2013					
Charng Yang Development Co., Ltd.	\$ 1,746,259	\$ 120,798	\$ 125,261	\$ 81,677	40.00%
Evergreen International Storage and Transport Corporation	23,365,531	3,896,713	2,233,895	265,809	39.74%
EVA Airways Corporation	142,653,084	108,584,451	52,971,482	(1,095,715)	19.32%
Taipei Port Container Terminal Corporation	13,990,480	9,169,944	617,585	(57,704)	27.85%
Luanta Investment (Netherlands) N.V.	5,590,799	508,373	-	(145,832)	50.00%
Balsam Investment (Netherlands) N.V.	4,353,520	-	-	(1,101,941)	49.00%
Colon Container Terminal S.A.	8,085,786	1,953,546	869,876	209,562	40.00%
Others	2,919,598	886,398	1,549,542	272,376	-
	<u>\$ 202,705,057</u>	<u>\$ 125,120,223</u>	<u>\$ 58,367,641</u>	<u>(\$ 1,571,768)</u>	
December 31, 2012					
Charng Yang Development Co., Ltd.	\$ 1,937,215	\$ 322,431	\$ 247,930	\$ 157,648	40.00%
Evergreen International Storage and Transport Corporation	22,589,791	3,330,259	4,392,631	590,803	39.74%
EVA Airways Corporation	142,293,950	106,926,028	107,147,807	655,200	19.32%
Taipei Port Container Terminal Corporation	13,968,307	10,090,066	129,334	(68,977)	27.87%
Luanta Investment (Netherlands) N.V.	5,295,562	327,657	-	(275,772)	50.00%
Balsam Investment (Netherlands) N.V.	3,655,696	-	-	(2,842,314)	49.00%
Colon Container Terminal S.A.	7,840,932	2,109,824	1,802,102	563,005	40.00%
Others	2,831,067	870,675	2,591,426	443,979	-
	<u>\$ 200,412,520</u>	<u>\$ 123,976,940</u>	<u>\$ 116,311,230</u>	<u>(\$ 776,428)</u>	

	<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Profit/(Loss)</u>	<u>% Interest held</u>
June 30, 2012					
Charng Yang Development Co., Ltd.	\$ 1,945,411	\$ 407,695	\$ 124,187	\$ 80,580	40.00%
Evergreen International Storage and Transport Corporation	22,919,016	3,490,018	2,137,313	350,667	39.74%
EVA Airways Corporation	146,826,121	112,492,747	51,976,579	(959,827)	19.32%
Taipei Port Container Terminal Corporation	13,903,040	9,984,090	579,181	(28,267)	27.87%
Luanta Investment (Netherlands) N.V.	5,110,785	176,433	-	(153,633)	50.00%
Balsam Investment (Netherlands) N.V.	2,787,117	-	-	(3,698,288)	49.00%
Colon Container Terminal S.A.	7,835,145	2,200,136	782,139	210,155	36.00%
Others	2,717,494	1,000,199	1,071,893	213,016	-
	<u>\$ 204,044,129</u>	<u>\$ 129,751,318</u>	<u>\$ 56,671,292</u>	<u>(\$ 3,985,597)</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Profit/(Loss)</u>	<u>% Interest held</u>
January 1, 2012					
Charng Yang Development Co., Ltd.	\$ 1,951,396	\$ 426,910	\$ -	\$ -	40.00%
Evergreen International Storage and Transport Corporation	22,717,818	3,166,917	-	-	39.74%
EVA Airways Corporation	143,059,766	106,865,713	-	-	19.32%
Taipei Port Container Terminal Corporation	13,906,542	9,959,325	-	-	27.87%
Luanta Investment (Netherlands) N.V.	5,059,494	14,058	-	-	50.00%
Balsam Investment (Netherlands) N.V.	2,926,694	-	-	-	49.00%
Colon Container Terminal S.A.	7,947,902	2,459,218	-	-	36.00%
Others	2,541,456	746,728	-	-	-
	<u>\$ 200,111,068</u>	<u>\$ 123,638,869</u>	<u>\$ -</u>	<u>\$ -</u>	

(9) Property, plant and equipment

	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Lease assets	Leasehold improvement	Total
At January 1, 2013											
Cost	\$ 749,419	\$ 1,840,389	\$ 706,861	\$ 6,408,130	\$ 333,742	\$ 22,581,661	\$ 55,425,994	\$ 551,708	\$ 17,097,881	\$ 304,995	\$ 106,000,780
Accumulated depreciation	-	(936,919)	(578,148)	(4,788,983)	(272,993)	(14,062,342)	(25,986,103)	(441,122)	(1,083,157)	(106,446)	(48,256,213)
	<u>\$ 749,419</u>	<u>\$ 903,470</u>	<u>\$ 128,713</u>	<u>\$ 1,619,147</u>	<u>\$ 60,749</u>	<u>\$ 8,519,319</u>	<u>\$ 29,439,891</u>	<u>\$ 110,586</u>	<u>\$ 16,014,724</u>	<u>\$ 198,549</u>	<u>\$ 57,744,567</u>
<u>Six-month period ended June 30, 2013</u>											
Opening net book amount	\$ 749,419	\$ 903,470	\$ 128,713	\$ 1,619,147	\$ 60,749	\$ 8,519,319	\$ 29,439,891	\$ 110,586	\$ 16,014,724	\$ 198,549	\$ 57,744,567
Additions	-	2,715	330	124,500	9,023	4,907,131	106,655	5,214	5,212,824	4,128	10,372,520
Disposals	-	-	-	(356)	(527)	(598,172)	-	(200)	(7,610)	-	(606,865)
Reclassifications	-	-	-	1,071	(624)	-	6,323,658	(11)	68,034	(69,105)	6,323,023
Depreciation charge	-	(31,558)	(10,018)	(136,193)	(12,458)	(1,159,647)	(1,257,586)	(17,943)	(482,113)	(12,605)	(3,120,121)
Net exchange differences	2,165	7,874	(561)	44,028	(344)	198,041	813,008	601	587,849	(542)	1,652,119
Closing net book amount	<u>\$ 751,584</u>	<u>\$ 882,501</u>	<u>\$ 118,464</u>	<u>\$ 1,652,197</u>	<u>\$ 55,819</u>	<u>\$ 11,866,672</u>	<u>\$ 35,425,626</u>	<u>\$ 98,247</u>	<u>\$ 21,393,708</u>	<u>\$ 120,425</u>	<u>\$ 72,365,243</u>
At June 30, 2013											
Cost	\$ 751,584	\$ 1,861,901	\$ 697,833	\$ 6,542,567	\$ 330,121	\$ 26,699,155	\$ 63,475,632	\$ 539,239	\$ 23,026,278	\$ 209,654	\$ 124,133,964
Accumulated depreciation	-	(979,400)	(579,369)	(4,890,370)	(274,302)	(14,832,483)	(28,050,006)	(440,992)	(1,632,570)	(89,229)	(51,768,721)
	<u>\$ 751,584</u>	<u>\$ 882,501</u>	<u>\$ 118,464</u>	<u>\$ 1,652,197</u>	<u>\$ 55,819</u>	<u>\$ 11,866,672</u>	<u>\$ 35,425,626</u>	<u>\$ 98,247</u>	<u>\$ 21,393,708</u>	<u>\$ 120,425</u>	<u>\$ 72,365,243</u>

	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Lease assets	Leasehold improvement	Total
At January 1, 2012											
Cost	\$ 763,389	\$ 1,938,569	\$ 724,076	\$ 6,420,851	\$ 319,673	\$ 25,093,249	\$ 53,534,978	\$ 544,571	\$ 4,522,104	\$ 336,496	\$ 94,197,956
Accumulated depreciation	-	(906,808)	(572,786)	(4,535,733)	(262,468)	(13,815,039)	(25,046,462)	(413,170)	(494,921)	(126,932)	(46,174,319)
	<u>\$ 763,389</u>	<u>\$ 1,031,761</u>	<u>\$ 151,290</u>	<u>\$ 1,885,118</u>	<u>\$ 57,205</u>	<u>\$ 11,278,210</u>	<u>\$ 28,488,516</u>	<u>\$ 131,401</u>	<u>\$ 4,027,183</u>	<u>\$ 209,564</u>	<u>\$ 48,023,637</u>
<u>Six-month period ended June 30, 2012</u>											
Opening net book amount	\$ 763,389	\$ 1,031,761	\$ 151,290	\$ 1,885,118	\$ 57,205	\$ 11,278,210	\$ 28,488,516	\$ 131,401	\$ 4,027,183	\$ 209,564	\$ 48,023,637
Additions	-	218	85	38,293	23,530	421,316	114,223	23,469	592,960	8,911	1,223,005
Disposals	-	-	-	(3,763)	(155)	(618,149)	-	(761)	(1,762)	-	(624,590)
Reclassifications	-	(41,965)	(1,270)	30,194	-	-	-	2,663	(30,194)	-	(40,572)
Depreciation charge	-	(32,534)	(10,198)	(169,930)	(20,189)	(1,187,207)	(1,185,019)	(33,020)	(191,869)	(14,712)	(2,844,678)
Net exchange differences	(9,430)	(22,773)	(2,777)	(18,348)	(888)	(76,701)	(329,782)	(2,986)	(46,371)	(1,598)	(511,654)
Closing net book amount	<u>\$ 753,959</u>	<u>\$ 934,707</u>	<u>\$ 137,130</u>	<u>\$ 1,761,564</u>	<u>\$ 59,503</u>	<u>\$ 9,817,469</u>	<u>\$ 27,087,938</u>	<u>\$ 120,766</u>	<u>\$ 4,349,947</u>	<u>\$ 202,165</u>	<u>\$ 45,225,148</u>
At June 30, 2012											
Cost	\$ 753,959	\$ 1,836,137	\$ 703,629	\$ 6,449,333	\$ 329,097	\$ 23,933,146	\$ 53,053,509	\$ 556,517	\$ 5,051,380	\$ 302,374	\$ 92,969,081
Accumulated depreciation	-	(901,430)	(566,499)	(4,687,769)	(269,594)	(14,115,677)	(25,965,571)	(435,751)	(701,433)	(100,209)	(47,743,933)
	<u>\$ 753,959</u>	<u>\$ 934,707</u>	<u>\$ 137,130</u>	<u>\$ 1,761,564</u>	<u>\$ 59,503</u>	<u>\$ 9,817,469</u>	<u>\$ 27,087,938</u>	<u>\$ 120,766</u>	<u>\$ 4,349,947</u>	<u>\$ 202,165</u>	<u>\$ 45,225,148</u>

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(10) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2013</u>			
Cost	\$ 1,414,008	\$ 1,023,648	\$ 2,437,656
Accumulated depreciation	-	(397,401)	(397,401)
	<u>\$ 1,414,008</u>	<u>\$ 626,247</u>	<u>\$ 2,040,255</u>
<u>Six-month period ended June 30, 2013</u>			
Opening net book amount	\$ 1,414,008	\$ 626,247	\$ 2,040,255
Depreciation charge	-	(10,068)	(10,068)
Net exchange differences	-	(2,057)	(2,057)
Closing net book amount	<u>\$ 1,414,008</u>	<u>\$ 614,122</u>	<u>\$ 2,028,130</u>
<u>At June 30, 2013</u>			
Cost	\$ 1,414,008	\$ 1,020,919	\$ 2,434,927
Accumulated depreciation	-	(406,797)	(406,797)
	<u>\$ 1,414,008</u>	<u>\$ 614,122</u>	<u>\$ 2,028,130</u>
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2012</u>			
Cost	\$ 1,414,008	\$ 975,187	\$ 2,389,195
Accumulated depreciation	-	(366,611)	(366,611)
	<u>\$ 1,414,008</u>	<u>\$ 608,576</u>	<u>\$ 2,022,584</u>
<u>Six-month period ended June 30, 2012</u>			
Opening net book amount	\$ 1,414,008	\$ 608,576	\$ 2,022,584
Additions	-	71	71
Reclassifications	-	42,246	42,246
Depreciation charge	-	(10,151)	(10,151)
Net exchange differences	-	10	10
Closing net book amount	<u>\$ 1,414,008</u>	<u>\$ 640,752</u>	<u>\$ 2,054,760</u>
<u>At June 30, 2012</u>			
Cost	\$ 1,414,008	\$ 1,029,392	\$ 2,443,400
Accumulated depreciation	-	(388,640)	(388,640)
	<u>\$ 1,414,008</u>	<u>\$ 640,752</u>	<u>\$ 2,054,760</u>

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	<u>For the three-month period ended June 30, 2013</u>	<u>For the three-month period ended June 30, 2012</u>
Rental revenue from the lease of the investment property	\$ <u>28,081</u>	\$ <u>26,897</u>
Direct operating expenses arising from the investment property that generated rental income in the period	\$ <u>5,848</u>	\$ <u>5,341</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	\$ <u>393</u>	\$ <u>276</u>
	<u>For the six-month period ended June 30, 2013</u>	<u>For the six-month period ended June 30, 2012</u>
Rental revenue from the lease of the investment property	\$ <u>52,215</u>	\$ <u>52,369</u>
Direct operating expenses arising from the investment property that generated rental income in the period	\$ <u>11,110</u>	\$ <u>10,606</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	\$ <u>768</u>	\$ <u>514</u>

B. The fair value of the investment property held by the Group as at June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012 was \$3,302,584, \$3,305,726, \$2,619,323 and \$2,494,785, respectively. The fair value measurements were based on the market prices of recently sold properties in the immediate vicinity of a certain property.

(11) Other current assets

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Prepayments for equipment	\$ 12,952,196	\$ 13,725,227
Refundable deposits	106,981	117,260
Other long-term investments	312	312
Others	157,289	161,003
	<u>\$ 13,216,778</u>	<u>\$ 14,003,802</u>

	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Prepayments for equipment	\$ 24,723,350	\$ 16,523,249
Refundable deposits	120,510	118,412
Other long-term investments	312	312
Others	18,501	20,072
	<u>\$ 24,862,673</u>	<u>\$ 16,662,045</u>

Amount of borrowing costs capitalized as part of prepayment for equipment and the range of the interest rates for such capitalization are as follows:

	<u>For the six-month period ended June 30, 2013</u>	<u>For the six-month period ended June 30, 2012</u>
Amount capitalised	<u>\$ 98,344</u>	<u>\$ 123,743</u>
Interest rate	1.21%~2.31%	1.21%~2.54%

(12) Short-term loans

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Unsecured loans	\$ 600,130	\$ 1,452,400
Interest rate	1.37%	1.31%~2.31%

	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Unsecured loans	\$ 4,487,100	\$ 3,910,312
Interest rate	1.50%~2.34%	1.29%~2.50%

(13) Other current liabilities

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Receipt in advance	\$ 25,893	\$ 39,720
Long-term liabilities - current portion	10,112,371	6,540,126
Shipowner's accounts	1,672,308	1,287,478
Agency accounts	3,745,089	3,597,874
Receipts under custody	18,128	27,344
Long-term leases payable - current portion	1,839,801	1,028,194
	<u>\$ 17,413,590</u>	<u>\$ 12,520,736</u>

	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Receipt in advance	\$ 32,971	\$ 29,461
Long-term liabilities - current portion	7,853,644	7,102,812
Shipowner's accounts	1,919,576	328,195
Agency accounts	3,333,248	1,635,738
Receipts under custody	23,105	27,281
Long-term leases payable - current portion	459,696	418,790
	<u>\$ 13,622,240</u>	<u>\$ 9,542,277</u>

(14) Corporate bonds payable

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Domestic unsecured convertible bonds	\$ 568,400	\$ 568,600
Domestic secured corporate bonds	3,000,000	3,000,000
Less: Discount on corporate bonds	(13,624)	(19,809)
	<u>\$ 3,554,776</u>	<u>\$ 3,548,791</u>

	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Domestic unsecured convertible bonds	\$ 568,600	\$ 594,100
Domestic secured exchangeable bonds	2,210,000	2,500,000
Domestic secured corporate bonds	3,000,000	-
Less: discount on corporate bonds	(36,327)	(138,439)
	5,742,273	2,955,661
Less: current portion or exercise of put options	(2,742,273)	(2,955,661)
	<u>\$ 3,000,000</u>	<u>\$ -</u>

A. On July 23, 2009, the Company issued its first domestic secured exchangeable bonds (referred herein as the "Exchangeable Bonds") at face value, totaling \$2,500,000. The major terms of the issuance are set forth below:

- a) Period: 3 years (July 23, 2009 to July 23, 2012)
- b) Coupon rate: 0% per annum
- c) Principal repayment and interest payment

Unless the Exchangeable Bonds are redeemed, exchanged or deregistered before maturity, or other events occur due to regulatory reasons, the principal of the Exchangeable Bonds shall

be repaid in lump sum by cash at maturity based on the face value of the Bonds.

d) Collaterals

(a)The redemption of the Exchangeable Bonds are guaranteed by Bank Sinopac and Credit Agricole Corporate and Investment Bank, referred herein as the “Guarantors”. The guaranty period is from the issuance date of the Exchangeable Bonds to the date all the debts are paid off. Additionally, the portion the Guarantors insure includes principal plus accrued interest and debt ancillary to the main liability.

(b)If the bondholders files a claim with the Guarantors to redeem the Exchangeable Bonds, the Guarantors should pay within 14 days after being informed of the claim.

(c)During the guarantee period, if the Company is unable to repay the principal and interest on the bonds on schedule, violates the consignment contract with consigned bank or guaranty contract with the Guarantors, or violates events approved by official authority, to a certain extent that trespass on the bondholders’ rights and interests happens, all the Exchangeable Bonds are deemed to be at maturity effective immediately.

e) Object exchanged

Common stock of Evergreen International Storage and Transport Corporation (EITC) which belongs to the Company (Related information is stated in Note 6 (8)).

f) Redemption at the Company’s option

(a)During the period from one month after the issuance of the Exchangeable Bonds to 40 days before the maturity of the Exchangeable Bonds, if the closing price of common stock of EITC at the block trade market is equal to or more than 30% of the exchange price for a period of 30 consecutive trading days, the Company may redeem the outstanding bonds in cash at the face value of the Exchangeable Bonds within 30 trading days after the abovementioned 30 consecutive trading days.

(b)During the period from one month after the Exchangeable Bonds are issued to 40 days before the maturity of the Exchangeable Bonds, if the total amount of the Exchangeable Bonds outstanding is less than 10% of the total issued amount, the Company may redeem the outstanding bonds in cash at their face value any time during the 40 days before the maturity of the Exchangeable Bonds.

(c)When the Company issues its redemption notice, and the bondholders do not reply in written form before the effective redemption date, the Company may convert the bonds held by those bondholders into common stock at the exchange price in effect at the expiration of the notice period.

g) Terms of exchange

(a)Exchange period

The bondholders may exchange the Exchangeable Bonds into the common stock of EITC during the period from one month after the Exchangeable Bonds are issued to 10 days before the maturity of the Exchangeable Bonds.

The bondholders are prohibited from exercising their exchange right during the period from 3 trading days before the announcement of cash or stock dividends to the date of distribution of the cash or stock dividends.

(b) Exchange price

The base day for setting exchange price is July 15, 2009. The exchange price can be any of the three average closing prices of the common stock of EITC during the 1, 3 and 5 trading days before the base day multiplied by the number ranging from 101.00% to 110.00%. If any cash or stock dividends are distributed before the base day, the closing price used in the computation of the exchange price must be adjusted for the effect of the dividend distribution. If any cash or stock dividends are distributed during the period from the date on which the exchange price is set to the date on which the Exchangeable Bonds are issued, the exchange price is required to be adjusted in accordance with the adjusting formula specified in the bond agreement. The exchange price at the issuance of the Exchangeable Bonds was set at \$30.31(in dollars).

h) Entitlement to cash dividends or stock dividends

The bondholders who request to exchange the Exchangeable Bonds during the period from January 1 of the current year to any date which is more than 3 trading days before the announcement of cash or stock dividends are entitled to the cash or stock dividends resolved by the stockholders in the current year. Exchange of the Exchangeable Bonds is prohibited during the period from 3 trading days before the announcement of cash or stock dividends to the ex-dividend date. The bondholders who request to exchange the Exchangeable Bonds during the period from the date following the ex-dividend date to December 31 of the current year are not entitled to the cash or stock dividends resolved by the stockholders in the current year, but are entitled to the cash or stock dividends resolved by the stockholders in the following year.

B. On August 7, 2009, the Company issued its third domestic unsecured convertible bonds (referred herein as the "Third Bonds") at face value, totaling \$2,500,000. The major terms of the issuance are set forth below:

- a) Period: 5 years (August 7, 2009 to August 7, 2014)
- b) Coupon rate: 0% per annum
- c) Principal repayment and interest payment

Unless the Third Bonds are redeemed, repurchased, resold, converted or deregistered before maturity, or other events occur due to regulatory reasons, the principal of the Third Bonds shall be repaid in lump sum by cash at maturity based on the face value of the Bonds.

d) Collaterals

The Third Bonds are unsecured. However, if the Company subsequently issues other convertible bonds secured with collaterals, the rights of the holders of the Third Bonds to claim their credits and the collaterals are set at the same rank as the holders of the convertible

bonds issued subsequently.

e) Redemption at the Company's option

(a) During the period from one month after the issuance of the Third Bonds to 40 days before the maturity of the Third Bonds, if the closing price of the Company's common stock at the Taiwan Stock Exchange is equal to or more than 30% of the conversion price for a period of 30 consecutive trading days, the Company may redeem the outstanding bonds in cash at the face value of the Third Bonds within 30 trading days after the abovementioned 30 consecutive trading days.

(b) During the period from one month after the Third Bonds are issued to 40 days before the maturity of the Third Bonds, if the total amount of the Third Bonds outstanding after the conversion by the bondholders is less than \$250,000 (10% of the total issued amount), the Company may redeem the outstanding bonds at their face value any time during the 40 days before the maturity of the Third Bond.

(c) When the Company issues its redemption notice, if the bondholders do not reply before the effective redemption date, the Company may convert the bonds held by those bondholders into common stock at the conversion price in effect at the expiration of the notice period.

f) Redemption at the bondholders' option

During the period from 30 days before the 2-year maturity of the Third Bonds to the date of maturity, or from 30 days before the 3-year maturity of the Third Bonds to the date of maturity, the bondholders may require the Company to redeem their bonds in cash at the face value plus interest compensation. The redemption price for the former is 101.00% of the face value with a yield rate of 0.50% per annum, and 101.51% of the face value with a yield rate of 0.50% for the latter.

g) Terms of conversion

(a) Conversion period

The bondholders may convert the Third Bonds into the Company's common stock during the period from one month after the Third Bonds are issued to 10 days before the maturity of the Third Bonds.

The bondholders are prohibited from exercising their conversion right during the period from 3 trading days before the announcement of cash or stock dividends to the date of distribution of the cash or stock dividends.

(b) Conversion price

The base day for setting conversion price is July 30, 2009. The conversion price can be any of the three average closing prices of the Company's common stock during the 1, 3 and 5 trading days before the base day multiplied by 101.00%. If any cash or stock dividends are distributed before the base day, the closing price used in the computation of the conversion price must be adjusted for the effect of the dividend distribution. If any cash or stock dividends are distributed during the period from the date on which the conversion price is

set to the date on which the Third Bonds are issued, the conversion price is required to be adjusted in accordance with the adjusting formula specified in the bond agreement. The conversion price at the issuance of the Third Bonds was set at \$20.40 (in dollars). Until the report release date, the conversion price of the Convertible Bonds was set at \$17.20 (in dollars).

h) Entitlement to cash dividends or stock dividends

The bondholders who request to convert the Third Bonds during the period from January 1 of the current year to any date which is more than 3 trading days before the announcement of cash or stock dividends are entitled to the cash or stock dividends resolved by the stockholders in the current year. Conversion of the Third Bonds is prohibited during the period from 3 trading days before the announcement of cash or stock dividends to the ex-dividend date. The bondholders who request to convert the Third Bonds during the period from the date following the ex-dividend date to December 31 of the current year are not entitled to the cash or stock dividends resolved by the stockholders in the current year, but are entitled to the cash or stock dividends resolved by the stockholders in the following year.

- i) As of June 30, 2013, the Third Bond holders to request convertible bonds of the Company common stock, total convertible bonds face value was \$1,931,600. Convertible for the Third Bonds to increase conversion transaction capital surplus - paid-in capital in excess of par value of common stock \$1,017,095, and reduce the capital reserves from stock warrants \$197,954.

C. On April 26, 2012, the Company issued its twelfth domestic secured corporate bonds (referred herein as the “Twelfth Bonds”), totaling \$3,000,000. The Twelfth Bonds are categorized into Bond A and B, depending on the guarantee institution. Bond A totals \$2,000,000, and Bond B totals \$1,000,000. The major terms of the issuance are set forth below:

a) Period: 5 years (April 26, 2012 to April 26, 2017)

b) Coupon rate: 1.28% fixed per annum

c) Principal repayment and interest payment

Repayments for the Twelfth Bonds are paid annually on coupon rate, starting a year from the issuing date. The principal of the Twelfth Bonds shall be repaid in lump sum at maturity.

d) Collaterals

The Twelfth Bonds are secured. Bond A are guaranteed by Bank Sinopac, and Bond B are guaranteed by Far Eastern International Bank.

D. The conversion rights and debt component of the Third Bonds are recognized separately in accordance with IAS 39. The issuance cost of the Third Bonds is allocated to debt and equity components by the amount initially recognized. Accordingly, the account of “capital reserve from stock warrants” amounted to \$256,205.

The net value of the rights of repurchase and resold embedded in bonds payable was separated from bonds payable, and was recognized in “financial liabilities at fair value through profit or loss” in accordance with IAS 39.

(15) Long-term loans

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Secured bank loans	\$ 39,223,869	\$ 25,969,135
Unsecured bank loans	19,720,030	22,231,284
Add (Less): unrealized foreign exchange loss (gain)	115,259 (113,228)
Less: deferred expenses - hosting fee credit	(33,692)	(12,527)
	59,025,466	48,074,664
Less: current portion	(10,112,371)	(6,540,126)
	<u>\$ 48,913,095</u>	<u>\$ 41,534,538</u>
Interest rate	0.84%~5.2%	0.95%~6.72%

	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Secured bank loans	\$ 23,723,790	\$ 21,587,369
Unsecured bank loans	24,969,276	20,387,613
Add: unrealized foreign exchange loss	22,597	41,890
Less: deferred expenses - hosting fee credit	(5,099)	(6,196)
	<u>48,710,564</u>	<u>42,010,676</u>
Less: current portion	(5,111,371)	(4,147,151)
	<u>\$ 43,599,193</u>	<u>\$ 37,863,525</u>
Interest rate	0.95%~9.38%	0.95%~9.38%

Please refer to Note 8 for details of the collaterals pledged for the above long-term loans.

(16) Other non-current liabilities

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Long-term leases payable - non-current	\$ 16,600,331	\$ 14,772,436
Accrued pension liabilities	2,783,594	2,768,533
Guarantee deposits received	42,848	39,712
Deferred revenue	452,517	476,787
Other liabilities - other	-	2,046
	<u>\$ 19,879,290</u>	<u>\$ 18,059,514</u>

	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Long-term leases payable - non-current	\$ 3,534,753	\$ 3,279,671
Accrued pension liabilities	2,672,552	2,726,719
Guarantee deposits received	38,883	40,231
Deferred revenue	507,856	537,086
Other liabilities - other	460,185	468,371
	<u>\$ 7,214,229</u>	<u>\$ 7,052,078</u>

(17) Pension

A.(a) In accordance with the Labor Pension Act (“the Act”), effective July 1, 2005, which adopted a defined contribution scheme, employees of the Company and its subsidiary-TTSC may choose to be subject to either the Act, maintaining their seniority before the enforcement of the Act, or the pension mechanism of the Labor Standard Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its subsidiary-TTSC contribute monthly an amount equal to 15% of the employees’ monthly salaries and wages to the retirement fund deposited with the department of Trust of Bank of Taiwan under the name of the Labor Pension Fund Supervisory Committee.

(b)The amounts recognised in the balance sheet are determined as follows:

	<u>December 31, 2012</u>	<u>January 1, 2012</u>
Present value of funded obligations	(\$ 3,299,646)	(\$ 3,253,538)
Fair value of plan assets	<u>537,817</u>	<u>554,518</u>
	(2,761,829)	(2,699,020)
Present value of unfunded obligations	6,532	(7,186)
Unrecognised actuarial losses/(gains)	-	-
Unrecognised past service cost	(13,235)	(20,514)
Net liability in the balance sheet	<u>(\$ 2,768,532)</u>	<u>(\$ 2,726,720)</u>

(c)As of December 31, 2012 and January 1, 2012, cumulative actuarial losses/(gains) recognized in other comprehensive income were \$76,180 and \$0, respectively.

(d)The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiary-TTSC' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The constitution of fair value of plan assets as of June 30, 2013 and 2012 is given in the Annual Labor Retirement Fund Utilisation Report published by the government. Expected return on plan assets was a projection of overall return for the obligations period, which was estimated based on historical returns and by reference to the status of Labor Retirement Fund utilisation by the Labor Pension Fund Supervisory Committee and taking into account the effect that the Fund's minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks.

(e)The principal actuarial assumptions used were as follows:

	<u>2012</u>	<u>2011</u>
Discount rate	<u>1.50%~4.50%</u>	<u>1.75%~4.50%</u>
Future salary increases	<u>1.75%~4.50%</u>	<u>1.75%~4.50%</u>
Expected return on plan assets	<u>1.00%~5.00%</u>	<u>1.00%~4.76%</u>

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

B. Effective July 1, 2005, the Company and its domestic subsidiaries - TTSC have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiary-TTSC contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

C. The pension costs under defined contribution pension plans of the Group for the three-month and six-month period ended June 30, 2013 and 2012 were \$95,527, \$72,555, \$182,683 and \$175,989, respectively.

(18) Capital stock

A. As of June 30, 2013, the Company's authorized capital was \$36,000,000, and the paid-in capital was \$ 34,749,523, divided into 3,474,952 thousand shares of common stocks with a par value of \$10 (in dollars) per share.

B. Details of the common stock converted from the unsecured domestic convertible bonds issued by the Company for the six-month period ended June 30, 2013 and 2012 are set forth below:

	For the six-month period ended June 30,			
	2013		2012	
	No. of Shares (in 000's)	Amount	No. of Shares (in 000's)	Amount
Third unsecured convertible bonds	12	\$ 116	1,483	\$ 14,826

(19) Capital reserve

A. The Securities and Exchange Act requires that capital reserve shall be exclusively used to cover accumulated deficits or to increase capital and shall not be used for any other purpose. However, capital reserve arising from paid-in capital in excess of par value on issuance of common stock and donations can be capitalized once a year, provided that the Company has no accumulated deficits and the amount to be capitalized does not exceed 10% of the paid-in capital.

B. Information related to "capital reserve from stock warrants" is stated in Note 6(14).

(20) Retained earnings

A. According to the Company's Articles of Incorporation, if there is any profit for a fiscal year, the Company shall first make provision for income tax and cover prior years' losses, then appropriate 10% of the residual amount as legal reserve. Dividends shall be proposed by the Board of Directors and resolved by the stockholders. Bonuses paid to employees shall be at least 0.5% of the total distributed amount and the remuneration paid to the directors and supervisors shall not exceed 5% of the total distributed amount.

B.Dividend policy

The Company is currently at the stable growth stage. In order to facilitate future expansion plans, dividends to stockholders are distributed mutually in the form of both cash and stocks with the basic principle that the ratio of cash dividends to total stock dividends shall not be lower than 10%.

C.Legal reserve

Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

D.(a)In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b)The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

E.As of June 30, 2013 and 2012, the Company distributed no dividends to shareholders, bonus to employees, or remuneration to the directors and supervisors in order to facilitate future expansion plans.

For more information on the bonus allocation to employees and remuneration to the directors and supervisors of the Company as resolved by the Board of Directors and approved by the stockholders, please visit the "Market Observation Post System" website of the Taiwan Stock Exchange.

(21) Other equity items

	Hedging reserve	Available-for- sale investment	Currency translation	Total
At January 1, 2013	\$ 10,289	(\$ 489,910)	(\$ 1,867,455)	(\$ 2,347,076)
Revaluation – gross	-	(14,291)	-	(14,291)
Revaluation – tax	-	39	-	39
Revaluation – associates	-	(38,518)	-	(38,518)
Revaluation – associates – tax	-	(1,645)	-	(1,645)
Cash flow hedges:				
– Fair value gains in the period				
– associates	(17,302)	-	-	(17,302)
– associates-tax	2,942	-	-	2,942
Currency translation differences:				
–Group	-	-	1,221,097	1,221,097
–Associates	-	-	82,518	82,518
At June 30, 2013	<u>(\$ 4,071)</u>	<u>(\$ 544,325)</u>	<u>(\$ 563,840)</u>	<u>(\$ 1,112,236)</u>
	Hedging reserve	Available-for- sale investment	Currency translation	Total
At January 1, 2012	\$ 19,364	(\$ 362,353)	\$ -	(\$ 342,989)
Revaluation – gross	-	(21,695)	-	(21,695)
Revaluation – tax	-	-	-	-
Revaluation – associates	-	(144,374)	-	(144,374)
Revaluation – associates – tax	-	(113)	-	(113)
Cash flow hedges:				
– Fair value gains in the period				
– associates	(48,495)	-	-	(48,495)
– associates – tax	8,244	-	-	8,244
Currency translation differences:				
–Group	-	-	(630,863)	(630,863)
–Associates	-	-	(86,198)	(86,198)
At June 30, 2012	<u>(\$ 20,887)</u>	<u>(\$ 528,535)</u>	<u>(\$ 717,061)</u>	<u>(\$ 1,266,483)</u>

(22) Operating revenue

	For the three-month period ended June 30, 2013	For the three-month period ended June 30, 2012
Marine freight income	\$ 33,608,067	\$ 34,887,673
Ship rental income and slottage income	677,331	749,272
Commission income and agency service income	417,633	438,593
Container manufacturing income	777,785	663,628
Container income and others	1,014,915	709,726
	<u>\$ 36,495,731</u>	<u>\$ 37,448,892</u>

	For the six-month period ended June 30, 2013	For the six-month period ended June 30, 2012
Marine freight income	\$ 64,438,372	\$ 58,848,196
Ship rental income and slottage income	978,390	1,466,878
Commission income and agency service income	797,027	843,260
Container manufacturing income	1,511,727	1,019,877
Container income and others	2,151,914	1,297,898
	<u>\$ 69,877,430</u>	<u>\$ 63,476,109</u>

(23) Other income

	For the three-month period ended June 30, 2013	For the three-month period ended June 30, 2012
Rental revenue	\$ 24,319	\$ 28,976
Dividend income	29,740	440
Interest income:		
Interest income from bank deposits	54,305	51,136
Interest income from financial assets other than financial assets at fair value through profit or loss	2,578	3,753
Other interest income	998	998
Other income - other	40,285	158,538
	<u>\$ 152,225</u>	<u>\$ 243,841</u>

	For the six-month period ended June 30, 2013	For the six-month period ended June 30, 2012
Rental revenue	\$ 57,548	\$ 54,473
Dividend income	29,740	76,261
Interest income:		
Interest income from bank deposits	107,214	100,977
Interest income from financial assets other than financial assets at fair value through profit or loss	5,112	7,664
Other interest income	1,984	1,995
Other income - other	109,110	318,467
	<u>\$ 310,708</u>	<u>\$ 559,837</u>

(24) Other gains and losses

	For the three-month period ended June 30, 2013	For the three-month period ended June 30, 2012
Net losses on financial assets at fair value through profit or loss	(\$ 13,524)	(\$ 7,238)
Net losses on financial liabilities at fair value through profit or loss	-	(58,290)
Net currency exchange gains	27,623	171,880
Gains on disposal of property, plant and equipment	288,074	541,675
Gains (losses) on disposal of investments	5,929	(3,738)
Other non-operating expenses	(21,301)	(18,659)
	<u>\$ 286,801</u>	<u>\$ 625,630</u>
	For the six-month period ended June 30, 2013	For the six-month period ended June 30, 2012
Net gains on financial assets at fair value through profit or loss	\$ 15,605	\$ 12,881
Net losses on financial liabilities at fair value through profit or loss	-	(56,004)
Net currency exchange gains	285,622	63,209
Gains on disposal of property, plant and equipment	468,116	671,750
Gains on disposal of investments	6,645	21,548
Other non-operating expenses	(40,200)	(38,018)
	<u>\$ 735,788</u>	<u>\$ 675,366</u>

(25) Finance costs

	<u>For the three-month period ended June 30, 2013</u>	<u>For the three-month period ended June 30, 2012</u>
Interest expense:		
Bank loans	\$ 147,726	\$ 154,869
Corporate bonds	<u>12,672</u>	<u>55,221</u>
	160,398	210,090
Less: capitalisation of qualifying assets	(61,139)	(103,419)
Finance costs	<u>\$ 99,259</u>	<u>\$ 106,671</u>

	<u>For the six-month period ended June 30, 2013</u>	<u>For the six-month period ended June 30, 2012</u>
Interest expense:		
Bank loans	\$ 264,271	\$ 301,141
Corporate bonds	<u>25,221</u>	<u>104,559</u>
	289,492	405,700
Less: capitalisation of qualifying assets	(98,344)	(123,743)
Finance costs	<u>\$ 191,148</u>	<u>\$ 281,957</u>

(26) Expenses by nature

	<u>For the three-month period ended June 30, 2013</u>	<u>For the three-month period ended June 30, 2012</u>
Employee benefit expense	\$ 1,433,306	\$ 1,255,451
Depreciation charges on property, plant and equipment	1,542,167	1,383,577
Amortisation charges on intangible assets	3,257	1,220
Other operating costs and expenses	<u>34,052,721</u>	<u>34,129,358</u>
	<u>\$ 37,031,451</u>	<u>\$ 36,769,606</u>
	<u>For the six-month period ended June 30, 2013</u>	<u>For the six-month period ended June 30, 2012</u>
Employee benefit expense	\$ 2,838,737	\$ 2,524,405
Depreciation charges on property, plant and equipment	3,034,057	2,708,159
Amortisation charges on intangible assets	6,711	2,247
Other operating costs and expenses	<u>66,759,236</u>	<u>60,369,527</u>
	<u>\$ 72,638,741</u>	<u>\$ 65,604,338</u>

(27) Employee benefit expense

	For the three-month period ended June 30, 2013	For the three-month period ended June 30, 2012
Wages and salaries	\$ 1,187,200	\$ 1,050,065
Labor and health insurance fees	79,414	72,326
Pension costs	95,527	72,555
Other personnel expenses	71,165	60,505
	<u>\$ 1,433,306</u>	<u>\$ 1,255,451</u>
	For the six-month period ended June 30, 2013	For the six-month period ended June 30, 2012
Wages and salaries	\$ 2,354,214	\$ 2,083,703
Labor and health insurance fees	158,847	146,602
Pension costs	182,683	175,989
Other personnel expenses	142,993	118,111
	<u>\$ 2,838,737</u>	<u>\$ 2,524,405</u>

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the three-month period ended June 30, 2013	For the three-month period ended June 30, 2012
Current tax:		
Current tax on profits for the period	\$ 64,503	(\$ 21,767)
Adjustments in respect of prior years	38,492	85,740
Total current tax	<u>102,995</u>	<u>63,973</u>
Deferred tax:		
Origination and reversal of temporary differences	11,151	(64,364)
Fair value gains/losses on available-for-sale financial assets	39	-
Impact of foreign exchange rate	8,885	6,101
Total deferred tax	<u>20,075</u>	<u>(58,263)</u>
Income tax expense	<u>\$ 123,070</u>	<u>\$ 5,710</u>

	For the six-month period ended June 30, 2013	For the six-month period ended June 30, 2012
Current tax:		
Current tax on profits for the period	\$ 277,375	\$ 179,601
Adjustments in respect of prior years	(68,084)	(52,754)
Total current tax	<u>209,291</u>	<u>126,847</u>
Deferred tax:		
Origination and reversal of temporary differences	(114,081)	(200,898)
Fair value gains/losses on available-for-sale financial assets	39	-
Impact of foreign exchange rate	<u>7,782</u>	<u>5,179</u>
Total deferred tax	(106,260)	(195,719)
Income tax expense	<u>\$ 103,031</u>	<u>\$ 68,872</u>

(b)The tax expenses recognized in interim periods were calculated using estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The disclosure requirement of reconciliation between accounting income and taxable income is not applicable.

(c)The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	For the three-month period ended June 30, 2013	For the three-month period ended June 30, 2012
Fair value gains/losses on available-for-sale financial assets	<u>\$ 39</u>	<u>\$ -</u>
	For the six-month period ended June 30, 2013	For the six-month period ended June 30, 2012
Fair value gains/losses on available-for-sale financial assets	<u>\$ 39</u>	<u>\$ -</u>

B.The Company's income tax returns through 2009 have been assessed and approved by the Tax Authority.

C. Unappropriated retained earnings:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Earnings generated in and before 1997	\$ 647,918	\$ 1,673,273
Earnings generated in and after 1998	-	3,448,656
	<u>\$ 647,918</u>	<u>\$ 5,121,929</u>
	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Earnings generated in and before 1997	\$ 1,673,273	\$ 1,673,273
Earnings generated in and after 1998	1,034,918	2,400,758
	<u>\$ 2,708,191</u>	<u>\$ 4,074,031</u>

D. As of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012, the balance of the imputation tax credit account was \$1,069,389, \$1,059,125, \$1,032,525 and \$1,013,143, respectively. The creditable tax rate was 30.78% for 2011 and is estimated to be 31.01% for 2012. The estimated creditable tax rate for 2012 was calculated based on the proposed amendment rules of Income Tax Law.

(29) (Loss) earnings per share

	<u>For the three-month period ended June 30, 2013</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Loss per share (in dollars)</u>
<u>Basic loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 400,537)	3,474,946	(<u>\$ 0.12</u>)
<u>Diluted loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	(400,537)	3,474,946	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	<u>Note</u>	<u>Note</u>	
Net loss attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>(\$ 400,537)</u>	<u>3,474,946</u>	<u>(\$ 0.12)</u>

For the three-month period ended June 30, 2012			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 784,559	3,474,941	\$ <u>0.23</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	784,559	3,474,941	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	<u>3,030</u>	<u>33,058</u>	
Net income attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 787,589</u>	<u>3,507,999</u>	<u>\$ 0.22</u>
For the six-month period ended June 30, 2013			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Loss per share (in dollars)</u>
<u>Basic loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 2,239,212)	3,474,944	(\$ <u>0.64</u>)
<u>Diluted loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 2,239,212)	3,474,944	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	<u>Note</u>	<u>Note</u>	
Net loss attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>(\$ 2,239,212)</u>	<u>3,474,944</u>	<u>(\$ 0.64)</u>

	<u>For the six-month period ended June 30, 2012</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Loss per share (in dollars)</u>
<u>Basic loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 2,351,884)	3,474,208	(\$ <u>0.68</u>)
<u>Diluted loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 2,351,884)	3,474,208	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	<u>Note</u>	<u>Note</u>	
Net loss attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	(\$ <u>2,351,884</u>)	<u>3,474,208</u>	(\$ <u>0.68</u>)

Note:

According to IAS 33 “Earnings per share”, the potential common stock should not be considered in calculation of basic loss per share, due to net loss from continuing operation for the three-month period ended June 30, 2013, and the six-month period ended June 30, 2013 and 2012, which leads to anti-dilutive effect.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company is the ultimate controlling party.

(2) Significant related party transactions

A. Sales of Services:

	For the three-month period ended June 30, 2013	For the three-month period ended June 30, 2012
Sales of services:		
Associates	\$ 22,904	\$ 23,228
Other related parties	2,704,585	1,145,878
	<u>\$ 2,727,489</u>	<u>\$ 1,169,106</u>
	For the six-month period ended June 30, 2013	For the six-month period ended June 30, 2012
Sales of services:		
Associates	\$ 45,713	\$ 46,363
Other related parties	5,203,906	2,430,987
	<u>\$ 5,249,619</u>	<u>\$ 2,477,350</u>

The business terms on which the Group transacts with related parties are of no difference from those with non-related parties.

B. Purchases of goods and services:

	For the three-month period ended June 30, 2013	For the three-month period ended June 30, 2012
Purchases of services:		
Associates	\$ 142,271	\$ 134,038
Other related parties	2,440,035	1,253,056
	<u>\$ 2,582,306</u>	<u>\$ 1,387,094</u>
	For the six-month period ended June 30, 2013	For the six-month period ended June 30, 2012
Purchases of services:		
Associates	\$ 273,219	\$ 247,732
Other related parties	5,288,149	2,208,041
	<u>\$ 5,561,368</u>	<u>\$ 2,455,773</u>

Goods and services are bought from associates and an entity controlled by key management personnel on normal commercial terms and conditions.

C.Accounts receivable:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Receivables from related parties:		
Associates	\$ 22,685	\$ 20,915
Other related parties	290,459	151,411
	<u>\$ 313,144</u>	<u>\$ 172,326</u>
	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Receivables from related parties:		
Associates	\$ 22,615	\$ 22,889
Other related parties	131,075	128,381
	<u>\$ 153,690</u>	<u>\$ 151,270</u>

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

D.Accounts payable:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Payables to related parties:		
Associates	\$ 13,612	\$ 16,991
Other related parties	264,687	670,308
	<u>\$ 278,299</u>	<u>\$ 687,299</u>
	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Payables to related parties:		
Associates	\$ 21,152	\$ 10,611
Other related parties	97,948	67,090
	<u>\$ 119,100</u>	<u>\$ 77,701</u>

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

E.Other period-end balances:

(a)Other receivables from related parties:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Other receivables		
Associates	\$ 162,929	\$ 9,220
Other related parties	52,163	74,518
	<u>\$ 215,092</u>	<u>\$ 83,738</u>

	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Other receivables		
Associates	\$ 202,047	\$ 1,232
Other related parties	<u>152,287</u>	<u>77,292</u>
	<u>\$ 354,334</u>	<u>\$ 78,524</u>

(b) Other payables to related parties:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Other payables		
Associates	\$ -	\$ 831
Other related parties	<u>99,312</u>	<u>112,392</u>
	<u>\$ 99,312</u>	<u>\$ 113,223</u>

	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Other payables		
Other related parties	<u>\$ 721,647</u>	<u>\$ 148,623</u>

F. Agency accounts:

The Group entered into agency agreements with its related parties, whereby the related parties act as the Group's overseas agents to deal with foreign port formalities, such as arrival and departure of the Group's ships, cargo stevedoring and forwarding, freight collection, and payment of expenses incurred in foreign ports. The transactions are recorded as "agent accounts in other current assets (liabilities)". The balances of the accounts are as follows:

(a) Debit balance of agency accounts

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Debit balance of agency accounts:		
Associates	<u>\$ 32,722</u>	<u>\$ 34,039</u>

	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Debit balance of agency accounts:		
Associates	\$ 18,463	\$ -
Other related parties	<u>137,381</u>	<u>43,760</u>
	<u>\$ 155,844</u>	<u>\$ 43,760</u>

(b) Credit balance of agency accounts

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Credit balance of agency accounts:		
Other related parties	<u>\$ 43,220</u>	<u>\$ 141,046</u>

	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Credit balance of agency accounts:		
Associates	<u>\$ -</u>	<u>\$ 973</u>

G.Shipowner's accounts:

Temporary accounts, between the Group and other related parties – Evergreen International S.A., Gaining Enterprise S.A., Italia Marittima S.p.A., Evergreen Marine (Hong Kong) Ltd. and Evergreen Marine (Singapore) Pte. Ltd. incurred due to foreign port formalities and pier rental expenses are recognized as “shipowner's accounts in other current assets (liabilities)”. The balances of the accounts are as follows:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Debit balance of shipowner's accounts	\$ 936,604	\$ 436,301
Credit balance of shipowner's accounts	(\$ 1,033,280)	(\$ 578,316)
	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Debit balance of shipowner's accounts	\$ 2,304,849	\$ 1,112,104
Credit balance of shipowner's accounts	(\$ 679,077)	(\$ 328,195)

H.Loans to related parties:

(a)Receivables from related parties

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Associates	\$ 246,221	\$ 155,751
	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Associates	\$ 80,760	\$ 442,114

(b)Interest income

	<u>For the three-month period ended June 30, 2013</u>	<u>For the three-month period ended June 30, 2012</u>
Associates	\$ 815	\$ 266
	<u>For the six-month period ended June 30, 2013</u>	<u>For the six-month period ended June 30, 2012</u>
Associates	\$ 1,478	\$ 495

The loans to associates are carry interest at floating rates for the six-month period ended June 30, 2013 and 2012, respectively.

I.Endorsements and guarantees provided to related parties:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Associates	\$ 2,905,229	\$ 2,556,224
Other related parties	723,346	702,009
	<u>\$ 3,628,575</u>	<u>\$ 3,258,233</u>
	<u>June 30, 2012</u>	<u>January 1, 2012</u>
Associates	\$ 2,632,432	\$ 1,774,203
Other related parties	711,453	697,119
	<u>\$ 3,343,885</u>	<u>\$ 2,471,322</u>

(3) Key management compensation

	For the three-month period ended June 30, 2013	For the three-month period ended June 30, 2012
Salaries and other short-term employee benefits	\$ 33,195	\$ 36,502
Post-employment benefits	1,454	1,603
Other long-term benefits	-	30
	<u>\$ 34,649</u>	<u>\$ 38,135</u>
	For the six-month period ended June 30, 2013	For the six-month period ended June 30, 2012
Salaries and other short-term employee benefits	\$ 70,058	\$ 70,762
Post-employment benefits	1,454	1,603
Other long-term benefits	-	30
	<u>\$ 71,512</u>	<u>\$ 72,395</u>

8. PLEGGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged assets	Book value		Purpose
	June 30, 2013	December 31, 2012	
Other financial assets			Performance
- Pledged time deposits	\$ 490,339	\$ 550,214	guarantee
Refundable deposits			
- Pledged time deposits	2,000	2,000	"
Property, plant and equipment			
-Land	514,312	514,312	Long-term loan
-Buildings	221,496	225,166	
-Loading and unloading equipment	1,137,206	1,154,395	"
-Ships	23,759,925	17,541,412	"
-Transportation equipment	1,250,430	593,267	"
Investment property			
-Land	1,285,781	1,285,781	"
-Buildings	553,739	562,954	"
	<u>\$ 29,215,228</u>	<u>\$ 22,429,501</u>	

Pledged asset	Book value		Purpose
	June 30, 2012	January 1, 2012	
Other financial assets			Performance
- Pledged time deposits	\$ 543,745	\$ 520,132	guarantee
Refundable deposits			
- Pledged time deposits	2,000	2,000	"
Property, plant and equipment			
-Land	514,312	514,312	Long-term loan
-Buildings	228,859	232,528	"
-Loading and unloading equipment	1,287,408	1,337,866	"
-Ships	12,835,064	13,362,686	"
-Transportation equipment	641,552	1,642,626	"
Investment property			
-Land	1,285,781	1,285,781	"
-Buildings	572,146	581,361	"
Investments accounted for under the equity method - EITC			Exchange corporate bonds payable as subject
	1,620,356	1,631,851	
	<u>\$ 19,531,223</u>	<u>\$ 21,111,143</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

- A.As of June 30, 2013, the Company had delegated ANZ Bank to issue Standby Letter of Credit amounting to USD 5,000.
- B.A former stockholder of the Company sold some of its shares through issuance of global depository receipts (GDRs). The issuance of GDRs was approved by the SEC on June 19, 1996 as per Letter (85) Tai-Cai-Zheng (1) No. 35410. On August 2, 1996, the GDRs were approved by the UK governing authority to be listed on the London Stock Exchange and were issued in Asia, Europe and the US. The initial number of units issued was 5,449,592, representing 54,495,920 shares of the Company's common stock at \$50.50 (in dollars) per share, and the number of supplementary units issued was 817,438. In total, the number of units issued was 6,267,030, representing 62,670,300 shares of the Company's common stock at \$50.50 (in dollars) per share, and the GDRs issued amounted to USD115,000. Another 2,085,856 units, representing 20,858,634 shares of the Company's common stock, were issued during the period from 1997 to June 30, 2013. As of June 30, 2013, 8,013,574 units were redeemed and 339,312 units were outstanding, representing 3,393,194 shares of the Company's common stock.
- C.As of June 30, 2013, the long-term and medium-term loan facilities granted by the financial institutions with the resolution from the Board of Directors to finance the Group's purchase of new ships and general working capital requirement amounted to \$73,630,848 and the unutilized credits was \$31,314,566.

D. Operating lease

The estimated amount of charter expense in the following years under long-term contracts is set forth as follows:

	<u>June 30, 2013</u>		<u>December 31, 2012</u>	
Within 1 year	USD	143,440	USD	180,943
1~5 years		<u>203,001</u>		<u>105,869</u>
	USD	<u>346,441</u>	USD	<u>286,812</u>
	<u>June 30, 2012</u>		<u>January 1, 2012</u>	
Within 1 year	USD	243,658	USD	208,982
1~5 years		195,447		260,089
Over 5 years		<u>51,322</u>		<u>82,794</u>
	USD	<u>490,427</u>	USD	<u>551,865</u>

E. As of June 30, 2013, the amount of guaranteed notes issued by the Company for loans borrowed was \$28,214,897.

F. To meet operational needs, the Group signed the shipbuilding contracts with Samsung Heavy Industries Co., Ltd. As of June 30, 2013, the total price of shipbuilding contracts amounted to USD1,339,000, USD226,600 of which remain unpaid.

G. To meet operational needs, the Group signed the shipbuilding contracts with Taiwan Shipbuilding Co., Ltd. As of June 30, 2013, the total price of shipbuilding contracts amounted to USD721,000, USD587,100 of which remain unpaid.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares to maintain an optimal capital.

(2) Financial instruments

A. Fair value information of financial instruments

Except those listed in the table below, the book value of cash and cash equivalents and financial instruments measured at amortized cost (including notes receivable, accounts receivable, other receivables, other financial assets, refundable deposits, guarantee deposits received, held-to-maturity financial assets, short-term loans, accounts payable and other payables) approximate to their fair value. The fair value information of financial instruments measured at fair value is provided in Note 12(3).

	June 30, 2013	
	<u>Book value</u>	<u>Fair value</u>
Financial liabilities:		
Bonds payable	\$ 3,554,776	\$ 3,582,364
Long-term loans (including current portion)	<u>59,025,466</u>	<u>58,996,404</u>
	<u>\$ 62,580,242</u>	<u>\$ 62,578,768</u>
	December 31, 2012	
	<u>Book value</u>	<u>Fair value</u>
Financial liabilities:		
Bonds payable	\$ 3,548,791	\$ 3,624,052
Long-term loans (including current portion)	<u>48,074,664</u>	<u>48,058,358</u>
Total	<u>\$ 51,623,455</u>	<u>\$ 51,682,410</u>
	June 30, 2012	
	<u>Book value</u>	<u>Fair value</u>
Financial liabilities:		
Bonds payable (including current portion)	\$ 5,742,273	\$ 5,781,209
Long-term loans (including current portion)	<u>48,710,564</u>	<u>48,698,525</u>
	<u>\$ 54,452,837</u>	<u>\$ 54,479,734</u>
	January 1, 2012	
	<u>Book value</u>	<u>Fair value</u>
Financial liabilities:		
Bonds payable (including current portion)	\$ 2,955,661	\$ 2,955,661
Long-term loans (including current portion)	<u>42,010,676</u>	<u>41,979,172</u>
	<u>\$ 44,966,337</u>	<u>\$ 44,934,833</u>

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

(b) Risk management is carried out by the Group's Finance Department under policies approved by the Board of Directors. The Group's Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Group's Operating Department. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, RMB and EUR. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.
- The Group's management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group's Finance Department. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with Group's Finance Department. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a foreign currency that is not the entity's functional currency.
- The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, EUR and others). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30, 2013			
	Foreign currency amount		Book value
	(In Thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 151,493	30.0065	\$ 4,545,775
RMB:NTD	37,307	4.8799	182,054
EUR:USD	3,675	1.3080	144,238
GBP:USD	748	1.5249	34,226
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 315,911	30.0065	\$ 9,479,383
EUR:USD	160	1.3080	6,280
GBP:USD	95,326	1.5249	4,361,823
December 31, 2012			
	Foreign currency amount		Book value
	(In Thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 79,756	29.0480	\$ 2,316,752
RMB:NTD	11,364	4.6581	52,935
GBP:USD	6,745	1.6111	315,661
RMB:USD	7,067	0.1604	32,927
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 228,923	29.0480	\$ 6,649,755
EUR:NTD	321	38.4741	12,350
GBP:USD	96,803	1.6111	4,530,306

June 30, 2012			
	Foreign currency amount		Book value
	(In Thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 128,884	29.9140	\$ 3,855,436
EUR:NTD	2,123	37.2489	79,079
EUR:USD	2,000	1.2590	75,323
GBP:USD	633	1.5533	29,413
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 205,548	29.9140	\$ 6,148,763
EUR:NTD	1,203	37.2489	44,810
EUR:USD	445	1.2590	16,759
GBP:USD	97,946	1.5533	4,551,102
January 1, 2012			
	Foreign currency amount		Book value
	(In Thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 61,503	30.2765	\$ 1,862,096
RMB:NTD	9,041	4.7913	43,318
RMB:USD	17,014	0.1583	81,544
EUR:USD	2,316	1.2938	90,722
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 103,527	30.2765	\$ 3,134,435
GBP:USD	193,525	1.5406	9,026,775

For the six-month period ended June 30, 2013

Sensitivity analysis

	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 45,458	\$ -
RMB:NTD	1%	1,821	-
EUR:USD	1%	1,442	-
GBP:USD	1%	342	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 94,794	\$ -
EUR:USD	1%	63	-
GBP:USD	1%	43,618	-

For the six-month period ended June 30, 2012

Sensitivity analysis

	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 38,554	\$ -
RMB:NTD	1%	791	-
EUR:USD	1%	753	-
GBP:USD	1%	294	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 61,488	\$ -
EUR:NTD	1%	448	-
EUR:USD	1%	168	-
GBP:USD	1%	45,511	-

Price risk

- The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2013 and 2012 would have increased/decreased by \$2 and \$2, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$15,262 and \$14,728, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

Interest rate risk

- The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the six-month periods ended June 30, 2013 and 2012, the Group's borrowings at floating rate were denominated in the NTD and USD .
- At June 30, 2013 and 2012, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2013 and 2012 would have been \$548,593 and \$482,040 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b)Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and

financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

ii.No credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

iii.For credit quality information of financial assets that are neither past due nor impaired, please refer to Note 6(5).

(c)Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii.The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities.

Non-derivative financial liabilities:

June 30, 2013	Less than 3 months	Between 3	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		months and 1 year				
Short-term loans	\$ -	\$ 600,130	\$ -	\$ -	\$ -	\$ 600,130
Accounts payable	5,585,852	1,997	22	9	99	5,587,979
Accounts payable - related parties	278,299	-	-	-	-	278,299
Other payables	10,794,208	235,606	8,948	774	4,678	11,044,214
Other payables - related	190	99,122	-	-	-	99,312
Bonds payable	-	38,400	593,176	3,076,800	-	3,708,376
Long-term loans (including current portion)	579,769	9,575,916	12,607,364	20,342,264	16,008,338	59,113,651
Guarantee deposits received	525	5,333	6,393	857	29,740	42,848

Non-derivative financial liabilities:

December 31, 2012	Less than 3 months	Between 3	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		months and 1 year				
Short-term loans	\$ -	\$ 1,452,400	\$ -	\$ -	\$ -	\$ 1,452,400
Accounts payable	4,332,325	4,167	99	-	-	4,336,591
Accounts payable - related parties	687,299	-	-	-	-	687,299
Other payables	10,525,440	441,136	77,175	4,761	-	11,048,512
Other payables - related parties	113,223	-	-	-	-	113,223
Bonds payable	-	38,400	587,191	3,115,200	-	3,740,791
Long-term loans (including current portion)	743,628	5,841,600	10,062,914	20,985,935	10,551,620	48,185,697
Guarantee deposits received	4,061	19	6,335	-	29,297	39,712

Non-derivative financial liabilities:

June 30, 2012	Less than 3 months	Between 3			Over 5 years	Total
		months and 1 year	Between 1 and 2 years	Between 2 and 5 years		
Short-term loans	\$ -	\$ 4,487,100	\$ -	\$ -	\$ -	\$ 4,487,100
Accounts payable	5,914,325	1,800	9	-	99	5,916,233
Accounts payable - related parties	119,100	-	-	-	-	119,100
Other payables	10,353,686	1,101,619	3,199	85	4,434	11,463,023
Other payables - related parties	76,766	614,967	29,914	-	-	721,647
Bonds payable	-	2,780,673	38,400	3,115,200	-	5,934,273
Long-term loans (including current portion)	1,656,054	3,501,328	9,708,099	24,703,041	9,276,239	48,844,761
Guarantee deposits received	602	2,824	5,929	990	28,538	38,883

Non-derivative financial liabilities:

January 1, 2012	Less than 3 months	Between 3			Over 5 years	Total
		months and 1 year	Between 1 and 2 years	Between 2 and 5 years		
Short-term loans	\$ 277,380	\$ 3,632,932	\$ -	\$ -	\$ -	\$ 3,910,312
Accounts payable	4,568,855	-	278	-	-	4,569,133
Accounts payable - related parties	77,701	-	-	-	-	77,701
Other payables	9,287,347	440,317	2,716	4,576	-	9,734,956
Other payables - related parties	148,623	-	-	-	-	148,623
Bonds payable	-	2,955,661	-	-	-	2,955,661
Long-term loans (including current portion)	280,905	3,888,226	6,422,597	24,816,513	6,681,207	42,089,448
Guarantee deposits received	10,288	19	-	25	29,899	40,231

Derivative financial liabilities:

June 30, 2012	Less than 3 months	Between 3			Over 5 years	Total
		months and 1 year	Between 1 and 2 years	Between 2 and 5 years		
Embedded derivatives	\$ -	\$ 221	\$ -	\$ -	\$ -	\$ 221

January 1, 2012	Less than 3 months	Between 3			Over 5 years	Total
		months and 1 year	Between 1 and 2 years	Between 2 and 5 years		
Interest rate swap	\$ 250,083	\$ -	\$ -	\$ -	\$ -	\$ 250,083
Embedded derivatives	-	5,163	-	-	-	5,163

(3) Fair value estimation

A. The table below analyses financial instruments measured at fair value, by valuation method.

The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The following table presents the Group's financial assets and liabilities that are measured at fair value at June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012:

June 30, 2013	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	\$ 240	\$ -	\$ -	\$ 240
Debt securities	-	-	90,272	90,272
Beneficiary certificates	1,279,236	-	-	1,279,236
Embedded derivatives	-	-	4,434	4,434
Available-for-sale financial assets				
Equity securities	<u>1,261,390</u>	<u>-</u>	<u>264,833</u>	<u>1,526,223</u>
	<u>\$ 2,540,866</u>	<u>\$ -</u>	<u>\$ 359,539</u>	<u>\$ 2,900,405</u>
December 31, 2012	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	\$ 243	\$ -	\$ -	\$ 243
Debt securities	-	-	76,648	76,648
Beneficiary certificates	1,403,823	-	-	1,403,823
Embedded derivatives	-	-	3,923	3,923
Available-for-sale financial assets				
Equity securities	<u>1,273,884</u>	<u>-</u>	<u>264,248</u>	<u>1,538,132</u>
	<u>\$ 2,677,950</u>	<u>\$ -</u>	<u>\$ 344,819</u>	<u>\$ 3,022,769</u>

June 30, 2012	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	\$ 195	\$ -	\$ -	\$ 195
Debt securities	-	-	60,175	60,175
Beneficiary certificates	2,817,285	-	-	2,817,285
Embedded derivatives	-	-	7,903	7,903
Available-for-sale financial assets				
Equity securities	<u>1,211,854</u>	<u>-</u>	<u>260,945</u>	<u>1,472,799</u>
	<u>\$ 4,029,334</u>	<u>\$ -</u>	<u>\$ 329,023</u>	<u>\$ 4,358,357</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Embedded derivatives	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221</u>	<u>\$ 221</u>
January 1, 2012	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	\$ 10,003	\$ -	\$ -	\$ 10,003
Debt securities	-	-	62,959	62,959
Beneficiary certificates	2,220,851	-	-	2,220,851
Cross currency swap	1,824	-	-	1,824
Available-for-sale financial assets	-	-	-	-
Equity securities	<u>1,234,044</u>	<u>-</u>	<u>264,054</u>	<u>1,498,098</u>
	<u>\$ 3,466,722</u>	<u>\$ -</u>	<u>\$ 327,013</u>	<u>\$ 3,793,735</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Interest rate swap	\$ 250,083	\$ -	\$ -	\$ 250,083
Embedded derivatives	-	-	5,163	5,163
	<u>\$ 250,083</u>	<u>\$ -</u>	<u>\$ 5,163</u>	<u>\$ 255,246</u>

B. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity instruments and debt instruments classified as financial assets/financial liabilities at fair value through profit or loss or available-for-sale financial assets.

C. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

D. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

E. The following table presents the changes in level 3 instruments as at June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012.

	<u>Equity securities</u>	<u>Debt securities</u>	<u>Derivative financial instruments</u>	<u>Total</u>
At January 1, 2013	\$ 264,248	\$ 76,648	\$ 3,923	\$ 344,819
Gains and losses recognized in net income	-	13,624	511	14,135
Gains and losses recognized in other comprehensive income	585	-	-	585
At June 30, 2013	<u>\$ 264,833</u>	<u>\$ 90,272</u>	<u>\$ 4,434</u>	<u>\$ 359,539</u>
			<u>Derivative financial instruments</u>	<u>Total</u>
At January 1, 2012	\$ 264,054	\$ 62,959	(\$ 5,163)	\$ 321,850
Gains and losses recognized in net income	-	(2,784)	12,845	10,061
Gains and losses recognized in other comprehensive income	(380)	-	-	(380)
Disposed in the period	(2,729)	-	-	(2,729)
At June 30, 2012	<u>\$ 260,945</u>	<u>\$ 60,175</u>	<u>\$ 7,682</u>	<u>\$ 328,802</u>

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others:

Unit : Thousands of New Taiwan Dollars

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Maximum outstanding balance during the three-month period ended June 30, 2013 (Note 3)	Balance at June 30, 2013 (Note 8)	Actual amount drawn down	Interest rate (%)	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)
												Item	Value		
1	Peony Investment S.A.	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Receivables from related parties (Note 9)	\$ 45,010	\$ 45,010	\$ 45,010	1.4184	2	\$ -	Working capital requirement	\$ -	-	\$ -	\$ 8,205,048	\$ 20,512,619
		Luanta Investment (NetherLands) N.V.	"	244,058	346,498	244,058	1.2916 ~ 2.2120	2	-	"	-	-	-	8,205,048	20,512,619
		Clove Holding Ltd.	" (Note 9)	270,059	330,072	270,059	1.1930 ~ 1.1953	2	-	"	-	-	-	16,410,096	20,512,619
2	Clove Holding Ltd.	Whitney Equipment LLC.	" (Note 9)	75,016	75,016	75,016	1.2826	2	-	"	-	-	-	952,697	1,190,872
3	Evergreen Marine (UK) Ltd.	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	" (Note 9)	45,010	45,010	45,010	1.4184	2	-	"	-	-	-	760,609	1,521,218

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognized, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the year-to-date maximum outstanding balance of loans to others as of the reporting period.

Note 4: The column of 'Nature of loan' shall fill in 1. 'Business association' or 2. 'Short-term financing'.

Note 5: Fill in business association amount when nature of loan belongs to business association.

Note 6: Fill in purpose of loan when nature of loan belongs to short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote

1. According to the company's credit policy, the total amount of loans granted to a single company should not exceed 20% of the net worth stated in the latest financial statement.

The calculation is as follows:

PEONY USD $1,367,212 * 30.0065 * 20\% = 8,205,048$

EMU USD $126,741 * 30.0065 * 20\% = 760,609$

The company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted to a single company should not exceed 40% of the net worth stated in the financial statement.

The calculation is as follows:

PEONY USD $1,367,212 * 30.0065 * 40\% = 16,410,096$

COLVE USD $79,374 * 30.0065 * 40\% = 952,697$

2. According to the company's credit policy, the total amount of loans granted by the company should not exceed 40% of the net worth stated in the latest financial statement.

The calculation is as follows:

EMU USD $126,741 * 30.0065 * 40\% = 1,521,218$

The company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted to the company should not exceed 50% of the net worth stated in the financial statement.

The calculation is as follows:

PEONY USD $1,367,212 * 30.0065 * 50\% = 20,512,619$

COLVE USD $79,374 * 30.0065 * 50\% = 1,190,872$

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14,

Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in

its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears,

even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment.

In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with

Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies",

the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors,

and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Note 9: This transaction was written off when the consolidated financial statement were prepared.

B. Provision of endorsements and guarantees to others:

Unit : Thousands of New Taiwan Dollars

Number (Note 1)	Endorser/guarantor	Party being endorsed / guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount during the three month period ended June 30, 2013 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2013 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor Company	Ceiling on total amount of endorsements / guarantees provided (Note 3)	Provision of endorsements / guarantees by parent company to subsidiary (Note 7)	Provision of endorsements / guarantees by subsidiary to parent company (Note 7)	Provision of endorsements / guarantees to the party in Mainland China (Note 7)
		Company name	Relationship with the endorser/ guarantor (Note 2)										
0	Evergreen Marine Corporation	Greencompass Marine S.A.	3	\$ 112,975,584	\$ 37,173,167	\$ 37,173,167	\$ 16,408,888	\$ -	65.81%	\$ 141,219,480	Y		
0	Evergreen Marine Corporation	Peony Investment S.A.	2	112,975,584	444,096	444,096	294,064	-	0.79%	141,219,480	Y		
0	Evergreen Marine Corporation	Evergreen Marine (UK) Ltd.	3	112,975,584	49,680,371	49,680,371	31,563,547	-	87.95%	141,219,480	Y		
0	Evergreen Marine Corporation	Taranto Container Terminal S.p.A.	6	28,243,896	607,632	607,632	20,254	-	1.08%	141,219,480			
0	Evergreen Marine Corporation	Whitney Equipment LLC.	3	112,975,584	2,959,596	2,642,162	1,211,159	-	4.68%	141,219,480	Y		
0	Evergreen Marine Corporation	Hemlock Equipment LLC.	3	112,975,584	1,734,676	1,734,676	783,338	-	3.07%	141,219,480	Y		
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	28,243,896	288,062	288,062	90,020	-	0.51%	141,219,480			
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	28,243,896	2,617,167	2,617,167	1,733,329	-	4.63%	141,219,480			
1	Greencompass Marine S.A.	Taranto Container Terminal S.p.A.	1	182,349	118,571	115,714	115,714	-	0.46%	62,430,291			

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's

"Procedures for Provision of Endorsements and Guarantees", state each individual party to which the endorsements/guarantees have been provided, and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

According to the company's credit policy, the total amount of endorsements or guarantees provided by the company should not exceed 250% of the networth stated in the latest financial statement.

The calculation is as follows:

The Company: $56,487,793 \times 250\% = 141,219,480$

According to the GMS's credit policy, the total amount of endorsements or guarantees provided by the GMS should not exceed 250% of the networth stated in the latest financial statement.

The calculation is as follows:

USD $832,224 \times 30.0065 \times 250\% = 62,430,291$

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities.

And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

C. Holding of marketable securities at the end of the period:

Unit : Thousands of New Taiwan Dollars / Thousands of shares

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2013				Footnote (Note 4)
				Number of shares (in thousands)	Book value (Note 3)	Ownership (%)	Market value	
Evergreen Marine	Stock:							
	Peony Investment S.A.	Subsidiary of the Company	Investment accounted for under the equity method	4,765	\$ 40,889,123	100.00	\$ 41,025,239	(Note)
	Taiwan Terminal Service Co., Ltd.	"	"	5,500	15,048	55.00	15,048	"
	Everport Terminal Service Inc.	"	"	1	37,189	100.00	37,189	"
	Chang Yang Development Co., Ltd.	Investee company accounted for under the equity method	"	49,898	650,184	40.00	650,184	
	Evergreen International Storage and Transport Corp.	"	"	424,062	7,719,391	39.74	7,887,559	
	Evergreen Security Corporation	"	"	6,336	71,579	31.25	71,579	
	EVA Airways Corporation	"	"	629,483	6,580,545	19.32	10,795,637	
	Taipei Port Container Terminal Corporation	"	"	109,378	1,015,511	21.03	1,013,962	
	Evergreen Marine (Latin America), S.A.	"	"	105	3,272	17.50	3,272	
	Power World Fund Inc.	None	Available-for-sale financial assets - non-current	1,017	7,627	5.68	7,627	
	Taiwan HSR Consortium	"	"	126,735	637,477	1.95	637,477	
	Linden Technologies, Inc.	"	"	50	16,921	2.53	16,921	
	TopLogis, Inc.	"	"	2,464	20,321	17.48	20,321	
	Ever Accord Construction Corp.	"	"	7,700	53,615	17.50	53,615	
	Central Reinsurance Corp.	"	"	46,561	623,913	8.45	623,913	
	China Man-Made Fiber Corporation	"	Financial assets at fair value through profit or loss - current	22	240	0.00	240	

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2013				Footnote (Note 4)
				Number of shares (in thousands)	Book value (Note 3)	Ownership (%)	Market value	
Evergreen Marine	Beneficiary certificates:							
	Eastspring Investments Well Pool Money Market Fund	None	Financial assets at fair value through profit or loss - current	12,389	\$ 164,136	-	\$ 164,136	
	Taishin 1699 Money Market Fund	"	"	7,642	100,657	-	100,657	
	Capital Money Market Fund	"	"	15,976	251,044	-	251,044	
	Yuanta Wan Tai Money Market Fund	"	"	17,962	265,172	-	265,172	
	Mega Diamond Money Market Fund	"	"	40,849	498,227	-	498,227	
	Financial bonds:							
	TLG Private Placement Subordinated Mandatory Convertible Bond at Maturity	None	Financial assets at fair value through profit or loss - non-current	-	90,272	-	90,272	
	Bank of Taichung Unsecured Subordinated Financial Debentures	"	Held-to-maturity financial asset - non-current	-	220,000	-	220,000	
	Ta Chong Commercial Bank 1st Unsecured Subordinate Financial Debentures-B Issue in 2009	"	"	-	100,000	-	100,000	
Sunny Bank 1st Subordinate Financial Debentures- B Issue in 2010	"	"	-	50,000	-	50,000		

Securities held by	Marketable securities (Note1)	Relationship with the securities issuer (Note2)	General ledger account	As of June 30, 2013				Footnote (Note4)
				Number of shares (in thousands)	Book value (Note3)	Ownership (%)	Market value	
Peony Investment S.A.	Clove Holding Ltd.	Indirect subsidiary of the Company	Investment accounted for under the equity method	10	USD 79,374	100.00	USD 79,374	(Note)
	Evergreen Shipping Agency (Deutschland) GmbH	"	"	-	USD 7,646	100.00	USD 7,646	(Note)
	Evergreen Shipping Agency (Ireland) Ltd.	"	"	0.1	USD 240	100.00	USD 240	(Note)
	Evergreen Shipping Agency (Korea) Corporation	"	"	121	USD 2,436	100.00	USD 2,436	(Note)
	Evergreen Shipping Agency (Netherlands) B.V.	"	"	0.047	USD 5,855	100.00	USD 5,855	(Note)
	Evergreen Shipping Agency (Poland) SP. ZO. O	"	"	2	USD 585	100.00	USD 585	(Note)
	Greencompass Marine S.A.	"	"	3,535	USD 832,224	100.00	USD 832,224	(Note)
	Vigor Enterprise S.A.	"	"	5	USD 482	100.00	USD 482	(Note)
	Evergreen Shipping Agency (India) Pvt Ltd.	"	"	100	USD 6,517	99.99	USD 6,517	(Note)
	Evergreen Argentina S.A.	"	"	150	-USD 23	95.00	-USD 23	(Note)
	Evergreen Shipping Agency France S.A.S.	"	"	5	USD 1,832	100.00	USD 1,832	(Note)
	PT Multi Bina Pura International	"	"	17	USD 11,120	95.03	USD 11,120	(Note)
	Pt Multi Bina Transport	"	"	2	USD 469	17.39	USD 469	(Note)
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	"	"	42,120	USD 48,703	84.44	USD 48,703	(Note)
	Armand Investment (Netherlands) N.V.	"	"	4	USD 11,030	70.00	USD 11,030	(Note)
	Evergreen Shipping (Spain) S.L.	"	"	3	USD 2,228	55.00	USD 2,228	(Note)
	Evergreen Shipping Agency (Italy) S.p.A.	"	"	0.55	USD 1,832	55.00	USD 1,832	(Note)
	Evergreen Marine (UK) Ltd.	"	"	765	USD 64,641	51.00	USD 64,641	(Note)
	Evergreen Shipping Agency (Australia) Pty Ltd.	"	"	0.675	USD 342	67.50	USD 342	(Note)
	Evergreen Shipping Agency (Russia) Ltd.	"	"	-	USD 1,145	51.00	USD 1,145	(Note)
Evergreen Shipping Agency (Singapore) Pte Ltd.	"	"	765	USD 5,453	51.00	USD 5,453	(Note)	
Evergreen Shipping Agency (Thailand) Co., Ltd.	"	"	408	USD 1,519	51.00	USD 1,519	(Note)	
Evergreen Shipping Agency (Vietnam) Corp.	"	"	-	USD 795	51.00	USD 795	(Note)	
PT. Evergreen Shipping Agency Indonesia	"	"	0.459	USD 3,431	51.00	USD 3,431	(Note)	
Evergreen Agency (South Africa) (PTY) Ltd.	"	"	5,500	USD 3,910	55.00	USD 3,910	(Note)	

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2013				Footnote (Note 4)
				Number of shares (in thousands)	Book value (Note 3)	Ownership (%)	Market value	
Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Investee of Peony Investment S.A. accounted for under the equity method	Investment accounted for under the equity method	460	USD 84,674	50.00	USD 84,674	
	Balsam Investment (Netherlands) N.V.	"	"	0.451	USD 71,092	49.00	USD 71,092	
	Evergreen Shipping Agency Co.(U.A.E.) LLC	"	"	-	USD 1,977	49.00	USD 1,977	
	Ningbo Victory Container Co. Ltd.	"	"	-	USD 2,561	40.00	USD 2,561	
	Qingdao Evergreen Container storage & Transportation Co., Ltd.	"	"	-	USD 7,677	40.00	USD 7,677	
	Green Peninsula Agencies SDN. BHD.	"	"	1,500	USD 8,962	30.00	USD 8,962	
	Kingtrans Intl. Logistics (Tianjin) Co. Ltd.	Indirect subsidiary of the Company	"	-	USD 2,981	20.00	USD 2,981	(Note)
	Dongbu Pusan Container Terminal Co. Ltd.	None	Available-for-sale financial assets - non-current	300	USD 1,556	15.00	USD 1,556	
	Hutchison Inland Container Depots Ltd.	"	"	0.75	USD 1,492	7.50	USD 1,492	
	Colombo - South Asia Gateway Terminal	"	"	18,942	USD 2,412	5.00	USD 2,412	
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indirect subsidiary of Peony	Investment accounted for under the equity method	8	IDR 19,516,982	72.95	IDR 19,516,982	(Note)
Clove Holding Ltd.	Colon Container Terminal S.A.	Investee of Clove accounted for under the equity method	"	22,860	USD 81,745	40.00	USD 81,745	
	Island Equipment LLC.	Indirect subsidiary of Peony	"	-	USD 3,703	36.00	USD 3,703	(Note)
Island Equipment LLC.	Whitney Equipment LLC.	Investee of Island accounted for under the equity method	"	-	USD 2,830	100.00	USD 2,830	(Note)
	Hemlock Equipment LLC.	"	"	-	USD 7,652	100.00	USD 7,652	(Note)
Evergreen Marine (UK) Ltd.	Island Equipment LLC.	Indirect subsidiary of Peony	"	-	USD 1,543	15.00	USD 1,543	(Note)

Securities held by	Marketable securities (Note1)	Relationship with the securities issuer (Note2)	General ledger account	As of June 30, 2013				Footnote (Note4)
				Number of shares (in thousands)	Book value (Note3)	Ownership (%)	Market value	
Evergreen Marine (UK) Ltd.	Kingtrans Intl. Logistics (Tianjin) Co. Ltd.	Indirect subsidiary of the Company	Investment accounted for under the equity method	-	USD 2,981	20.00	USD 2,981	(Note)
	Evergreen Shipping Agency (UK) Limited	"	"	-	USD 2,788	100.00	USD 2,788	(Note)
	Italia Marittima UK Limited	Investee of EMU accounted for under the available-for-sale financial assets - non-current	Available-for-sale financial assets - non-current	0.2	USD 0.4	100.00	USD 0.4	
	Evergreen Marine (Latin America), S.A.	Investee company accounted for under the equity method	Investment accounted for under the equity method	99	USD 103	16.50	USD 103	
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Indirect subsidiary of Peony	"	0.045	USD 15,751	100.00	USD 15,751	(Note)
Armand Estate B.V.	Taipei Port Container Terminal	Investee of Armand Estate B.V. accounted for under the equity method	"	50,602	USD 15,631	9.73	USD 15,631	
Evergreen Shipping Agency (Singapore) Pte Ltd.	RTW AIR SERVICES (S) PL	Investee of EGS accounted for under the available-for-sale financial assets - non-current	Available-for-sale financial assets - non-current	30	SGD 41	2.00	SGD 41	
Evergreen Shipping Agency (Thailand) Co., Ltd.	Green Siam Air Service Co.	Investee of EGT accounted for under the available-for-sale financial assets - non-current	"	4	THB 1,160	2.00	THB 1,160	
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Austria) GmbH	Indirect subsidiary of Peony	Investment accounted for under the equity method	-	EUR 486	100.00	EUR 486	(Note)
	Zoll Pool Hafen hamburg AG	Investee of EGD accounted for under the available-for-sale financial assets - non-current	Available-for-sale financial assets - non-current	10	EUR 10	3.36	EUR 10	
	Evergreen Shipping Agency (Switzerland) S.A.	Indirect subsidiary of Peony	Investment accounted for under the equity method	0.1	EUR 183	100.00	EUR 183	(Note)

Note: This transaction was written off when the consolidated financial statement were prepared.

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the book value without deduction of allowance for valuation loss of the marketable securities.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

D. Aggregate purchases or sales of the same securities reaching NT\$100 million or 20% of Company's paid-in capital or more:

Unit : Thousands of New Taiwan Dollars / Thousands of shares

Investor	Marketable securities (Note1)	General ledger account	Counterparty (Note2)	Relationship with the investor (Note2)	Balance as at January 1,2013		Addition (Note3)		Disposal (Note3)				Balance as at June 30,2013	
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount
Evergreen Marine Corporation	Stock:													
	Taipei Port Container Terminal	Investment accounted for under the equity method	Taipei Port Container Terminal	Investee company accounted for under the equity method	88,344	\$ 883,731	21,034	\$ 210,342	-	\$ -	\$ -	\$ -	109,378	\$ 1,094,073
	Beneficiary Certificates:													
	Fubon Chi-Hsiang Money Market Fund	Financial Assets at fair value through profit or loss -current	Open market transaction	None	-	-	13,117	200,000	13,117	200,192	200,000	191	-	-
	Capital Money Market Fund	"	"	"	-	-	66,908	1,050,000	50,932	800,000	799,180	820	15,976	250,820
	FSITC Taiwan Money Market Fund	"	"	"	12,158	180,213	6,734	100,000	18,892	280,737	280,213	524	-	-
	Eastspring Investment Well Pool Money Market Fund	"	"	"	16,104	211,843	30,268	400,000	33,983	450,000	448,383	1,617	12,389	163,460
	Yuanta Wan Tai Money Market Fund	"	"	"	26,075	381,878	12,219	180,000	20,332	300,000	298,331	1,669	17,962	263,547
	Taishin 1699 Money Market Fund	"	"	"	-	-	19,040	250,000	11,398	150,000	149,661	339	7,642	100,339
	Shin Kong Chi-Shin Money-Market Fund	"	"	"	-	-	16,600	250,000	16,600	250,488	250,000	488	-	-
	Yuanta De-Bao Money Market Fund	"	"	"	11,178	130,293	18,845	220,000	30,023	351,290	350,293	997	-	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$100 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company.

E. Acquisition of real estate reaching NT\$100 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT\$100 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more:

Unit : Thousands of New Taiwan Dollars

Purchaser/seller	Counterparty	Relationship with the Counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note1)		Notes/accounts receivable (payable)		Footnote (Note2)
			Purchases/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Evergreen International Storage & Transport Corp.	Investee accounted for under equity method	Purchases	\$ 182,260	2%	30~60 Days	\$ -	-	(\$ 11,717)	1%	
	Evergreen International Corp.	Investee of the Company's major shareholder	Purchases	182,405	2%	30~60 Days	-	-	(384)	-	
			Sales	831,115	9%	30~60 Days	-	-	53,925	4%	
	Taiwan Terminal Services Co., Ltd.	Subsidiary of the Company	Purchases	361,462	4%	30~60 Days	-	-	(39,392)	4%	(Note)
	Gaining Enterprise S.A.	Subsidiary of EITC accounted for under equity method	Purchases	762,146	8%	30~60 Days	-	-	-	-	
	Greencompass Marine S.A.	Indirect subsidiary of the Company	Purchases	248,156	3%	30~60 Days	-	-	(1,620)	-	(Note)
		Indirect subsidiary of the Company	Sales	726,098	8%	30~60 Days	-	-	11,813	1%	(Note)
	Evergreen Marine (UK) Ltd.	Indirect subsidiary of the Company	Sales	373,060	4%	30~60 Days	-	-	7,943	1%	(Note)
	Italia Marittima S.p.A.	Investee of Peony Investment	Sales	383,808	4%	30~60 Days	-	-	31,644	2%	
Investee of Peony Investment		Purchases	223,300	2%	30~60 Days	-	-	-	-		
Evergreen Marine (Singapore) Pte Ltd.	Investee of the Company's major shareholder	Sales	640,984	7%	30~60 Days	-	-	12,094	1%		
Taiwan Terminal Services Co., Ltd.	Evergreen Marine Corp.	The parent	Sales	361,462	100%	30~60 Days	-	-	39,392	50%	(Note)

Purchaser/seller	Counterparty	Relationship with the Counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note1)		Notes/accounts receivable (payable)		Footnote (Note2)
			Purchases/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Everport Terminal Services Inc.	Evergreen Marine (Singapore) Pte. Ltd.	Related party	Sales	USD 9,961	26%	10 Days	\$ -	-	USD 931	27%	
	Greencompass Marine S.A.	Related party	Sales	USD 10,695	27%	10 Days	-	-	USD 978	29%	
	Evergreen Marine (UK) Limited	Related party	Sales	USD 9,105	23%	10 Days	-	-	USD 851	25%	
	Seaside Transportation Service LLC.	Related party	Sales	USD 8,104	21%	10 Days	-	-	USD 507	15%	
Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	Related party	Purchases	USD 24,106	2%	15~30 Days	-	-	-	-	
	Evergreen International S.A.	Related party	Purchases	USD 9,461	1%	15~30 Days	-	-	-	-	
	Evergreen Marine (UK) Ltd.	Related party	Sales	USD 15,382	1%	15~30 Days	-	-	USD 1,351	1%	(Note)
		Related party	Purchases	USD 27,777	2%	15~30 Days	-	-	USD 4,664	6%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Related party	Purchases	USD 27,471	2%	15~30 Days	-	-	USD 1,282	2%	
		Related party	Sales	USD 23,650	2%	15~30 Days	-	-	-	-	
	Italia Marittima S.p.A.	Related party	Purchases	USD 29,064	2%	15~30 Days	-	-	-	-	
		Related party	Sales	USD 12,101	1%	15~30 Days	-	-	-	-	
	Evergreen Marine Corp.	The parent	Purchases	USD 24,482	2%	15~30 Days	-	-	USD 248	-	(Note)
		The parent	Sales	USD 8,367	1%	15~30 Days	-	-	USD 54	-	(Note)
EVERPORT TERMINAL SERVICES INC.	Related party	Purchases	USD 10,695	1%	15~30 Days	-	-	-	-	(Note)	

Purchaser/seller	Counterparty	Relationship with the Counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note1)		Notes/accounts receivable (payable)		Footnote (Note2)
			Purchases/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (UK) Ltd.	Greencompass Marine S.A.	Related party	Sales	USD 27,777	4%	30~60 Days	\$ -	-	USD 4,664	6%	(Note)
		Related party	Purchases	USD 15,382	2%	30~60 Days	-	-	-	-	(Note)
	Evergreen International Corp.	Related party	Purchases	USD 3,639	1%	30~60 Days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Related party	Sales	USD 21,684	3%	30~60 Days	-	-	USD 2,848	4%	
		Related party	Purchases	USD 13,644	2%	30~60 Days	-	-	-	-	
	EVERPORT TERMINAL SERVICES INC.	Related party	Purchases	USD 9,105	1%	30~60 Days	-	-	-	-	(Note)
	Evergreen Marine Corp.	The parent	Purchases	USD 12,579	2%	30~60 Days	-	-	-	-	(Note)
		The parent	Sales	USD 2,848	-	30~60 Days	-	-	USD 256	-	(Note)
	Italia Marittima S.p.A.	Related party	Purchases	USD 21,522	3%	30~60 Days	-	-	-	-	
		Related party	Sales	USD 10,806	2%	30~60 Days	-	-	USD 203	-	

Note: This transaction was written off when the consolidated financial statement were prepared.

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company.

H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more:

Unit : Thousands of New Taiwan Dollars

Creditor	Counterparty	Relationship with the Counterparty	Balance as at June 30, 2013 (Note1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action Taken		
Evergreen Marine Corp.	Evergreen International Corp.	Investee of the Company's major shareholder	\$ 101,875	-	\$ -	-	\$ 101,646	\$ -
Peony Investment S.A	Luanta Investment (Netherlands) N.V.	Related party	USD 8,206	-	-	-	-	-
	Clove Holding Ltd.	Related party (Note)	USD 9,057	-	-	-	-	-
Evergreen Marine (UK) Ltd.	Greencompass Marine S.A.	Related party(Note)	USD 4,664	-	-	-	-	-

Note: This transaction was written off when the consolidated financial statement were prepared.

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties, etc.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company.

I. Derivative financial instruments undertaken during the six-month period ended June 30, 2013: Please refer to Notes 6(2) and 12(2).

J. Significant inter-company transactions during the six-month period ended June 30, 2013:

Unit : Thousands of New Taiwan Dollars

Number (Note1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note3)
0	Evergreen Marine Corporation	Taiwan Terminal Service Co., Ltd.	1	Accounts payable	\$ 39,392	Note3	0.02
		"	1	Operating revenue	1,478	"	-
		"	1	Operating cost	361,417	"	0.52
		Greencompass Marine S.A.	1	Accounts receivable	11,813	"	0.01
		"	1	Other receivables	11	"	-
		"	1	Accounts payable	1,620	"	-
		"	1	Shipowner's accounts - credit	436,063	"	0.26
		"	1	Operating revenue	726,098	"	1.04
		"	1	Operating cost	248,156	"	0.36
		Evergreen Marine (UK) Limited	1	Accounts receivable	7,943	"	-
		"	1	Other receivables	1,436	"	-
		"	1	Shipowner's accounts - credit	47,802	"	0.03
		"	1	Accounts payable	4,321	"	-
		"	1	Operating revenue	373,060	"	0.53
		"	1	Operating cost	84,458	"	0.12
		Evergreen Shipping Agency (India) Pvt. Ltd.	1	Operating cost	3,640	"	0.01
		"	1	Shipowner's accounts - debit	33,427	"	0.02
Evergreen Shipping Agency (Thailand) Co., Ltd.	1	Shipowner's accounts - credit	3,555	"	-		

Number (Note1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note3)
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Thailand) Co., Ltd.	1	Operating cost	\$ 12,884	Note3	0.02
		PT. Evergreen Shipping Agency Indonesia	1	Shipowner's accounts - credit	14,638	"	0.01
		"	1	Operating cost	23,039	"	0.03
		Evergreen Shipping Agency (Singapore) Pte. Ltd.	1	Shipowner's accounts - debit	1,364	"	-
		"	1	Operating cost	5,998	"	0.01
		Evergreen Shipping Agency (Korea) Corporation	1	Operating cost	2,043	"	-
		"	1	Shipowner's accounts - credit	7,417	"	-
		Evergreen Shipping Agency (Deutschland) GmbH	1	Shipowner's accounts - debit	2,712	"	-
		"	1	Operating cost	8,603	"	0.01
		Evergreen Shipping Agency (Ireland) Ltd.	1	Shipowner's accounts - credit	812	"	-
		"	1	Operating cost	530	"	-
		Evergreen Shipping Agency (Netherlands) B.V.	1	Shipowner's accounts - credit	10,353	"	0.01
		"	1	Operating cost	8,424	"	0.01
Evergreen Shipping Agency (Poland) SP.ZO.O	1	Shipowner's accounts - credit	889	"	-		
"	1	Accounts payable	2	"	-		
"	1	Operating cost	597	"	-		

Number (Note1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note3)
0	Evergreen Marine Corporation	Evergreen Shipping Agency France S.A.S.	1	Agency accounts - credit	\$ 1,572	Note3	-
		"	1	Operating cost	1,677	"	-
		Evergreen Shipping (Spain) S.L.	1	Operating cost	1,740	"	-
		"	1	Agency accounts - credit	866	"	-
		Evergreen Shipping Agency (Italy) S.p.A.	1	Agency accounts - credit	1,540	"	-
		"	1	Operating cost	2,525	"	-
		Evergreen Shipping Agency (Russia) Limited	1	Agency accounts - credit	303	"	-
		"	1	Other receivables	90	"	-
		Evergreen Shipping Agency (Vietnam) Corp.	1	Operating cost	10,398	"	0.01
		Evergreen Shipping Agency (Australia) Pty. Ltd.	1	Agency accounts - debit	1,661	"	-
		"	1	Operating cost	7	"	-
		Kingtrans Intl. Logistics (Tianjin) Co., Ltd	1	Other receivables	21	"	-
		Evergreen Shipping Agency (UK) Limited	1	Operating cost	5,835	"	0.01
		"	1	Agency accounts - credit	5,819	"	-
		Evergreen Shipping Agency (Switzerland) S.A.	1	Agency accounts - credit	41	"	-
		"	1	Operating cost	123	"	-
		Evergreen Shipping Agency (Australia) GmbH	1	Agency accounts - credit	23	"	-
"	1	Operating cost	460	"	-		
Evergreen Shipping Agency (South Africa) (PTY) Ltd.	1	Agency accounts - credit	5	"	-		
Peony Investment S.A.	1	Other receivables	214	"	-		

Number (Note1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note3)
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Operating revenue	\$ 456,216	Note3	0.65
		"	3	Operating cost	823,811	"	1.18
		"	3	Accounts receivable	40,533	"	0.02
		"	3	Agency accounts - credit	7,145	"	-
		"	3	Accounts payable	139,950	"	0.08
		Evergreen Shipping Agency (India) Pvt. Ltd.	3	Agency accounts - credit	14,609	"	0.01
		"	3	Operating cost	17,306	"	0.02
		Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Accounts receivable	5,622	"	-
		"	3	Agency accounts - credit	964	"	-
		"	3	Operating cost	40,839	"	0.06
		PT. Evergreen Shipping Agency Indonesia	3	Operating cost	33,511	"	0.05
		Evergreen Shipping Agency (Singapore) Pte. Ltd.	3	Agency accounts - debit	49,949	"	0.03
		"	3	Operating cost	25,338	"	0.04
		Evergreen Shipping Agency (Korea) Corporation	3	Operating cost	29,683	"	0.04
		Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts payable	9,721	"	0.01
		"	3	Accounts receivable	601	"	-
		"	3	Operating cost	49,111	"	0.07
Evergreen Shipping Agency (Ireland) Ltd.	3	Accounts payable	-	"	-		
"	3	Operating cost	2,062	"	-		

Number (Note1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note3)
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Netherlands) B.V.	3	Accounts payable	\$ 9,492	Note3	0.01
		"	3	Accounts receivable	3,837	"	-
		"	3	Operating cost	52,880	"	0.08
		Evergreen Shipping Agency (Poland) SP.ZO.O	3	Accounts payable	321	"	-
		"	3	Accounts receivable	777	"	-
		"	3	Operating cost	1,987	"	-
		Evergreen Shipping Agency France S.A.S.	3	Operating cost	50,443	"	0.07
		Evergreen Shipping (Spain) S.L.	3	Accounts receivable	8,736	"	0.01
		"	3	Agency accounts - credit	1,186	"	-
		"	3	Operating cost	12,778	"	0.02
		Evergreen Shipping Agency (Italy) S.p.A.	3	Agency accounts - debit	1,660	"	-
		"	3	Agency accounts - credit	8,299	"	-
		"	3	Operating cost	12,131	"	0.02
		Evergreen Shipping Agency (Vietnam) Corp.	3	Agency accounts - credit	1,174	"	-
		"	3	Operating cost	18,050	"	0.03
Evergreen Shipping Agency (Australia) Pty. Ltd.	3	Agency accounts - credit	1,561	"	-		
"	3	Operating cost	4,806	"	0.01		

Number (Note1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note3)
1	Greencompass Marine S.A.	Evergreen Shipping Agency (South Africa) (PTY) Ltd.	3	Agency accounts - credit	\$ 575	Note3	-
		"	3	Operating cost	14,138	"	0.02
		Evergreen Shipping Agency (UK) Limited	3	Operating cost	19,177	"	0.03
		"	3	Agency accounts - credit	2,366	"	-
		Evergreen Shipping Agency (Austria) GmbH	3	Operating cost	3,192	"	-
		"	3	Agency accounts - debit	44	"	-
		Evergreen Shipping Agency (Switzerland) S.A.	3	Operating cost	236	"	-
		"	3	Agency accounts - credit	28	"	-
		Everport Terminal Services Inc.	3	Operating cost	317,187	"	0.45
		2	Evergreen Marine (UK) Limited	Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Agency accounts - credit	4,120
"	3			Agency accounts - debit	3,942	"	-
"	3			Operating cost	17,710	"	0.03
Evergreen Shipping Agency (India) Pvt. Ltd.	3			Operating cost	17,590	"	0.03
"	3			Agency accounts - debit	11,963	"	0.01
PT. Evergreen Shipping Agency Indonesia	3			Accounts receivable	4,301	"	-
"	3			Operating cost	15,162	"	0.02
Evergreen Shipping Agency (Singapore) Pte. Ltd.	3			Agency accounts - credit	468	"	-
"	3			Accounts receivable	5,377	"	-
"	3			Operating cost	9,140	"	0.01
		Evergreen Shipping Agency (Korea) Corporation	3	Operating cost	9,151	"	0.01
		Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts payable	19,478	"	0.01

Number (Note1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note3)
2	Evergreen Marine (UK) Limited	Evergreen Shipping Agency (Deutschland) GmbH	3	Operating cost	\$ 89,498	Note3	0.13
		Evergreen Shipping Agency (Ireland) Ltd.	3	Other receivables	132	"	-
		"	3	Agency accounts - credit	1,447	"	-
		"	3	Operating revenue	1,393	"	-
		"	3	Operating cost	5,931	"	0.01
		Evergreen Shipping Agency (Netherlands) B.V.	3	Accounts payable	14,022	"	0.01
		"	3	Agency accounts - credit	15,222	"	0.01
		"	3	Accounts receivable	6,769	"	-
		"	3	Operating cost	82,176	"	0.12
		Evergreen Shipping Agency (Poland) SP.ZO.O	3	Accounts payable	801	"	-
		"	3	Accounts receivable	1,787	"	-
		"	3	Operating cost	5,687	"	0.01
		Evergreen Shipping Agency France S.A.S.	3	Operating cost	42,696	"	0.06
		Evergreen Shipping (Spain) S.L.	3	Accounts receivable	1,190	"	-
		"	3	Operating cost	25,335	"	0.04
		Evergreen Shipping Agency (Italy) S.p.A.	3	Operating cost	9,741	"	0.01
		"	3	Agency accounts - credit	3,766	"	-
		Evergreen Shipping Agency (Russia) Limited	3	Accounts payable	7	"	-
"	3	Operating cost	46	"	-		

Number (Note1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note3)
2	Evergreen Marine (UK) Limited	Evergreen Shipping Agency (Vietnam) Corp.	3	Accounts receivable	\$ 2,826	Note3	-
		"	3	Operating cost	17,218	"	0.02
		Evergreen Shipping Agency (Australia) Pty. Ltd.	3	Operating cost	227	"	-
		"	3	Agency accounts - credit	180	"	-
		Evergreen Shipping Agency (South Africa) (PTY) Ltd.	3	Agency accounts - credit	2	"	-
		"	3	Operating cost	427	"	-
		Evergreen Shipping Agency (UK) Limited	3	Operating cost	47,050	"	0.07
		"	3	Accounts payable	8	"	-
		"	3	Other receivables	161	"	-
		Kingtrans Intl. Logistics (Tianjin) Co., Ltd	3	Other receivables	45,407	"	0.03
		Evergreen Shipping Agency (Switzerland) S.A.	3	Operating cost	9,968	"	0.01
		"	3	Agency accounts - credit	47	"	-
		Evergreen Shipping Agency (Austria) GmbH	3	Operating cost	5,955	"	0.01
		"	3	Agency accounts - credit	29	"	-
		Everport Terminal Services Inc.	3	Operating cost	270,036	"	0.39
3	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	271,763	"	0.16
		Kingtrans Intl. Logistics (Tianjin) Co., Ltd	3	Other receivables	45,827	"	0.03

Number (Note1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note3)
4	PT.Multi Bina Pura International	PT.Multi Bina Transport	3	Accounts receivable	\$ 402	Note3	-
		"	3	Accounts payable	134	"	-
		"	3	Operating revenue	2,600	"	-
		"	3	Operating cost	822	"	-
		PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	1,284	"	-
5	Clove Holding Ltd.	Whitney Equipment LLC.	3	Other receivables	75,296	"	0.04
6	Evergreen Shipping Agency (Russia) Limited	Evergreen Shipping Agency (Deutschland) GmbH	3	Operating revenue	55,913	"	0.08
7	PT.Multi Bina Transport	PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	2,725	"	-

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose transaction details in this table or not based on the Materiality Principle.

(2) Disclosure information on investees

Unit : Thousands of shares/Thousands of New Taiwan Dollars

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2013			Net profit (loss) of the investee for the six-month period ended June 30, 2013 (Note 2)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2013 (Note 2)	Footnote
				Balance as at June 30, 2013	Balance as at March 31, 2013	Number of shares (in thousands)	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	East 53rd Street, Marbella, MMG Building 2nd Floor, Panama, Republic of Panama	Investment activities	\$ 14,298,097	\$ 14,298,097	4,765	100.00	\$ 40,889,123	(\$ 2,238,786)	(\$ 2,230,435)	Subsidiary of the Company (Note)
	Taiwan Terminal Services Co., Ltd.	2F No.177 Szu Wei 4th Rd. Lingya District, Kaohsiung, Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	15,048	1,539	846	" (Note)
	Everport Terminal Services Inc.	1209 Orange Street in the city of Wilmington, Country of New Castle	Terminal Services	3,001	3,001	1	100.00	37,189	24,129	24,129	" (Note)
	Charng Yang Development Co., Ltd.	2F, No.369, Jingguo Rd., Taoyuan City, Taoyuan County, Taiwan	Development, rental, and sale of residential and commercial buildings	320,000	320,000	49,898	40.00	650,184	81,677	32,671	Investee accounted for under the equity method
	Evergreen International Storage and Transport Corporation	No.899, Jingguo Rd., Taoyuan City, Taoyuan County, Taiwan	Container transportation and gas stations	4,753,514	4,753,514	424,062	39.74	7,719,391	265,809	107,053	"
	Evergreen Security Corporation	4&5F, No.111, Sungjiang Rd., Taipei, Taiwan	General security guards services	25,000	25,000	6,336	31.25	71,579	27,518	8,599	"
	EVA Airways Corporation	11F, No.376, Section 1, Hsinnan Rd., Lu Chu Township, Taoyuan County, Taiwan	International passenger and cargo transportation	10,767,879	10,767,879	629,483	19.32	6,580,545	(1,095,715)	(211,643)	"
	Taipei Port Container Terminal Corporation	No.25 Sijhuwei, Syuntang Village, Bali District, New Taipei City, Taiwan	Container distribution and cargo stevedoring	1,094,073	883,731	109,378	21.03	1,015,511	(57,704)	(12,138)	"

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2013			Net profit (loss) of the investee for the six-month period ended June 30, 2013 (Note 2)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2013 (Note 2)	Footnote
				Balance as at June 30, 2013	Balance as at March 31, 2013	Number of shares (in thousands)	Ownership (%)	Book value			
Evergreen Marine Corp.	Evergreen Marine (Latin America), S.A.	EVERGREEN BUILDING 11TH FLOOR, 5TH B AVE AND 78 EAST STREET, SAN FRANCISCO, PANAMA.	Management consultancy	\$ 3,151	\$ 3,151	105	17.50	\$ 3,272	\$ 459	\$ 80	Investee accounted for under the equity method
Peony Investment S.A.	Clove Holding Ltd.	Craigmuir Chambers, P.O. Box71, Road Town, Tortola, B.V.I.	Investment holding company	1,576,820	1,576,820	10	100.00	2,381,743	87,864	87,864	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Building Amsinckstrasse 55 20097 Hamburg, Germany	Shipping agency	249,534	249,534	-	100.00	229,436	4,614	4,614	" (Note)
	Evergreen Shipping Agency (Ireland) Ltd.	22 Fitzwilliam Place, Dublin 2, Ireland	Shipping agency	2,851	2,851	0.1	100.00	7,200	447	447	" (Note)
	Evergreen Shipping Agency (Korea) Corporation	12 Fl., Royal Building 5, Dangju-Dong, Chongro-Ku, Seoul, Korea	Shipping agency	72,796	72,796	121	100.00	73,086	22,360	22,360	" (Note)
	Evergreen Shipping Agency (Netherlands) B.V.	PortCity II - Havennummer 2235 Waalhaven ZZ 19 3089 JH Rotterdam, The Netherlands	Shipping agency	119,336	119,336	0.047	100.00	175,693	6,587	6,587	" (Note)
	Evergreen Shipping Agency (Poland) SP. Z.O.O	UL. SOLEC 22, 00-410 WARSZAWA, POLAND	Shipping agency	19,864	19,864	2	100.00	17,549	212	212	" (Note)

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2013			Net profit (loss) of the investee for the six-month period ended June 30, 2013 (Note 2)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2013 (Note 2)	Footnote
				Balance as at June 30, 2013	Balance as at March 31, 2013	Number of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Greencompass Marine S.A.	East 53rd Street, Marbella, MMG Building 2nd Floor, Panama, Republic of Panama	Marine transportation	\$ 10,607,298	\$ 10,607,298	3,535	100.00	\$ 24,972,117	(\$ 1,668,680)	(\$ 1,668,680)	Indirect subsidiary of the Company (Note)
	Vigor Enterprise S.A.	East 53rd Street, Marbella, MMG Building 2nd Floor, Panama, Republic of Panama	Investment holding company	15,003	15,003	5	100.00	14,463	(467)	(467)	" (Note)
	Evergreen Shipping Agency (India) Pvt. Ltd.	Mararhon Nextgon Innova "A" G01, Opp. Penin sula Corporate Park, Off G.K.Marg.Lower Parel (W) , MUMBAI 400 013, INDIA	Shipping agency	35,311	35,311	100	99.99	195,550	33,642	33,642	" (Note)
	Evergreen Argentina S.A.	Pje. Carabelas 344, (C1009AAD), Buenos Aires. Argentina	Leasing	4,201	4,201	150	95.00	(696)	(5,321)	(5,055)	" (Note)
	Evergreen Shipping Agency France S.A.S.	Tour Franklin-La Defense 8, 92042 PARIS LA DEFENSE CEDEX-FRANCE.	Shipping agency	27,216	27,216	5	100.00	54,971	3,245	3,245	" (Note)
	PT. Multi Bina Pura International	JL. Raya Cakung Cilincing KM.4, Jakarta Utara 14260, Indonesia	Loading and discharging operations of container yards and inland transportation	235,279	235,279	17	95.03	333,680	43,653	41,483	" (Note)
	PT. Multi Bina Transport	JL. Raya Cakung Cilincing KM.4, Jakarta Utara 14260, Indonesia	Container repair, cleaning and inland transportation	24,134	24,134	2	17.39	14,073	5,605	975	" (Note)

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2013			Net profit (loss) of the investee for the six-month period ended June 30, 2013 (Note 2)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2013 (Note 2)	Footnote
				Balance as at June 30, 2013	Balance as at March 31, 2013	Number of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Lot 139, Jalan, Cecair, Phase 2 Free Trade Zone Johor Port Authority, 81700 Pasir Gudang, Johor, Johore Bahru, Malaysia	Container manufacturing	\$ 819,023	\$ 819,023	42,120	84.44	\$ 1,461,420	\$ 86,120	\$ 72,719	Indirect subsidiary of the Company (Note)
	Armand Investment (Netherlands) N.V.	Van Engelenweg 23, Curacao Netherlands Antilles	Investment holding company	345,451	276,136	4	70.00	330,979	(6,580)	(4,606)	" (Note)
	Evergreen Shipping (Spain) S.L.	CALLE SIETE AGUAS, 11 - ENTLO. 46023 VALENCIA, SPAIN	Shipping agency	116,125	116,125	3	55.00	66,844	39,284	21,606	" (Note)
	Evergreen Shipping Agency (Italy) S.p.A.	SCALI CERERE, 9 LIVORNO ITALY	Shipping agency	70,575	70,575	0.55	55.00	54,972	(4,897)	(2,693)	" (Note)
	Evergreen Marine (UK) Ltd.	160 Euston Road, London NW 12 DX, U.K.	Marine transportation	45,100	45,100	765	51.00	1,939,642	(952,023)	(485,532)	" (Note)
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Level 13,181 Miller Street, North Sydney NSW 2060 Australia	Shipping agency	7,414	7,414	0.675	67.50	10,257	10,429	7,040	" (Note)

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2013			Net profit (loss) of the investee for the six-month period ended June 30, 2013 (Note 2)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2013 (Note 2)	Footnote
				Balance as at June 30, 2013	Balance as at March 31, 2013	Number of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Shipping Agency (Russia) Ltd.	Evergreen Office,11 Millionnaya Street, ST. Petersburg, 191186 RUSSIA	Shipping agency	\$ 25,446	\$ 25,446	-	51.00	\$ 34,356	\$ 64,638	\$ 32,966	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Singapore) Pte. Ltd.	200 Cantonment Road # 12-02 Southpoint, Singapore 089763	Shipping agency	64,724	64,724	765	51.00	163,618	28,535	14,553	" (Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Green Tower, 24-25th Floors 3656/81 Rama IV Road Klongton Klongtoey Bangkok 10110	Shipping agency	44,230	44,230	408	51.00	45,580	49,822	25,409	" (Note)
	Evergreen Shipping Agency (Vietnam) Corp.	11F, Fideco Tower 81-85 Ham Nghi St., Dist. 1 Ho Chi Minh City, Vietnam	Shipping agency	13,623	13,623	-	51.00	23,857	31,074	15,848	" (Note)
	PT. Evergreen Shipping Agency Indonesia	GD. MEGA PLAZA 9th Floor. Jl. H.R. Rasuna said kav. C-03 Jakarta 12920, Indonesia	Shipping agency	29,196	29,196	0.459	51.00	102,950	41,248	21,037	" (Note)
	Evergreen Agency (South Africa) (PTY) Ltd.	98 RILEY ROAD BEDFORDVIEW , JOHANNESBURG 2007, South Africa	Shipping agency	17,427	17,427	5,500	55.00	117,314	52,550	28,902	" (Note)
	Kingstrans International Logistics (Tianjin) Co., Ltd.	No.295 JiYun East Road, Tianjin Port Container Logistics Center,Binhai New District,Tianjin	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	60,013	60,013	-	20.00	89,457	14,935	2,987	" (Note)

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2013			Net profit (loss) of the investee for the six-month period ended June 30, 2013 (Note 2)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2013 (Note 2)	Footnote
				Balance as at June 30, 2013	Balance as at March 31, 2013	Number of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Waalhaven Z.z. 19, PortCity II, 3089JH Rotterdam	Investment holding company	\$ 1,255,556	\$ 1,223,941	460	50.00	\$ 2,540,757	(\$ 145,832)	(\$ 72,916)	Investee company of Peony accounted for under the equity method
	Balsam Investment (Netherlands) N.V.	21-A Van Englenweg, Curacao, Netherlands, Antilles	Investment holding company	6,343,245	5,857,694	0.451	49.00	2,133,225	(1,101,941)	(539,951)	"
	Ningbo Victory Container Co., Ltd.	No. 201 Xiaoshan Road, Beilun District, Ningbo, China	Inland container transportation, container storage, loading, discharging, repair and related activities	35,974	35,974	-	40.00	76,851	12,659	5,064	"
	Qingdao Evergreen Container Storage & Transportation Co., Ltd.	No.114 Huangho E. Rd., Huangdao District Qingdao, China	Inland container transportation, container storage, loading, discharging, repair, clearing and related activities	133,437	133,437	-	40.00	230,348	76,709	30,683	"
	Green Peninsula Agencies SDN. BHD.	NO.7, JALAN JURUTERA U1/23, SECTION U1, HICOM GLENMARIE INDUSTRIAL PARK, 40150 SHAH ALAM, SELANGOR DARUL	Investment holding company	217,697	217,697	1,500	30.00	268,921	103,174	30,952	"
	Evergreen Shipping Agency Co.(U.A.E.) LLC	5F, Shipping Tower, Al-Mina Road, P.O.BOX 34984, Dubai, U.A.E	Shipping agency	62,474	62,474	-	49.00	59,312	53,215	26,075	"

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2013			Net profit (loss) of the investee for the six-month period ended June 30, 2013 (Note 2)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2013 (Note 2)	Footnote
				Balance as at June 30, 2013	Balance as at March 31, 2013	Number of shares (in thousands)	Ownership (%)	Book value			
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Amsteldijk 166, 1079LH, Amsterdam	Investment holding company	\$ 508,188	\$ 409,167	0.045	100.00	\$ 472,633	(\$ 6,320)	(\$ 6,320)	Indirect subsidiary of the Company (Note)
Armand Estate B.V.	Taipei Port Container Terminal Corporation	No.25 Sijhuwei, Syuntang Village, Bali District, New Taipei City, Taiwan	Container distribution and cargo stevedoring	477,109	380,437	50,602	9.73	469,038	(57,850)	(5,629)	Investee company of Armand Estate B.V. accounted for under the equity method
Clove Holding Ltd.	Colon Container Terminal S.A.	COCO SOLO NORTH ADM BUILDING PANAMA	Inland container storage and loading	685,949	685,949	22,860	40.00	2,452,896	209,562	83,825	Investee company of Clove Holding Ltd. accounted for under the equity method
	Island Equipment LLC.	655 Deep Valley Drive, Suite 300, Rolling Hills Estates, CA	Investment holding company	4,321	4,321	-	36.00	111,109	16,341	5,883	Indirect subsidiary of the Company (Note)
Island Equipment LLC.	Whitney Equipment LLC.	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	Equipment leasing company	6,001	6,001	-	100.00	84,906	11,339	11,339	" (Note)
	Hemlock Equipment LLC.	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	Equipment leasing company	6,001	6,001	-	100.00	229,612	11,839	11,839	" (Note)
Evergreen Marine (UK) Ltd.	Kingstrans International Logistics (Tianjin) Co., Ltd.	No.295 JiYun East Road, Tianjin Port Container Logistics Center, Binhai New District, Tianjin	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning and related activities	60,013	60,013	-	20.00	89,457	14,935	2,987	" (Note)

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2013			Net profit (loss) of the investee for the six-month period ended June 30, 2013 (Note 2)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2013 (Note 2)	Footnote
				Balance as at June 30, 2013	Balance as at March 31, 2013	Number of shares (in thousands)	Ownership (%)	Book value			
Evergreen Marine (UK) Ltd.	Island Equipment LLC.	655 Deep Valley Drive, Suite 300, Rolling Hills Estates, CA	Investment holding company	1,800	1,800	-	15.00	\$ 46,296	\$ 16,341	\$ 2,451	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (UK) Ltd.	160 Euston Road, London NW 12 DX, U.K.	Shipping agency	-	-	-	100.00	83,655	5,790	5,790	" (Note)
PT. Multi Bina Pura International	PT. Multi Bina Transport	JL. Raya Cakung Cilincing KM.4, Jakarta Utara 14260, Indonesia	Container repair, cleaning and inland transportation	99,064	99,064	8	72.95	59,036	5,671	4,137	" (Note)
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Austria) GmbH	Theresianumgasse 7, 1040 Wien, Austria	Shipping agency	713	713	-	100.00	19,082	500	500	" (Note)
	Evergreen Shipping Agency (Switzerland) S.A.	Av. des Boveresses 52, 1000 Lausanne 21, Switzerland	Shipping agency	2,703	2,703	0.1	100.00	7,168	444	444	" (Note)

Note:

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at June 30, 2013' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the six-month period ended June 30, 2013' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognized by the Company for the six-month period ended June 30, 2013' column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period.
When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

(3) Information on investments in Mainland China

A. Basic information:

Unit : Thousands of New Taiwan Dollars

Investee in Mainland China	Main business activities	Paid-in Capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2013	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six-month period ended June 30, 2013		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2013	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2013 (Note 2)	Book value of investments in Mainland China as of June 30, 2013	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2013
					Remitted to Mainland China	Remitted back to Taiwan					
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, discharging, repair and related activities	CNY 24,119	(2)	\$ 30,532 (USD 1,018)	\$ -	\$ -	\$ 30,532 (USD 1,018)	40.00	\$ 5,064 (USD 171)	\$ 76,851 (USD 2,561)	\$ -
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	CNY 92,500	(2)	\$ 133,437 (USD 4,447)	-	-	\$ 133,437 (USD 4,447)	40.00	\$ 30,683 (USD 1,035)	\$ 230,348 (USD 7,677)	-
Shenzhen Hutchison Inland Container Depots Co., Ltd.	Inland container yards	HKD 92,000	(2)	\$ 24,385 (HKD 6,304)	-	-	\$ 24,385 (HKD 6,304)	6.85	\$ - -	\$ 24,385 (HKD 6,304)	-
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	CNY 77,929	(2)	\$ 120,026 (USD 4,000)	-	-	\$ 120,026 (USD 4,000)	40.00	\$ 5,974 (USD 201)	\$ 178,914 (USD 5,963)	-

Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2013	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 3)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
\$308,380 (USD 9,465) (HKD 6,304)	\$1,083,004 (USD 36,092)	\$ 35,865,657

Note 1: Investment methods are classified into the following five categories; fill in the number of category each case belongs to:

- (1) Remitting investment funds to the investee in Mainland China through the third area.
- (2) Setting up a company in the third area, which then invested in the investee in Mainland China.
- (3) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (4) Investing directly in Mainland China
- (5) Others (ex. entrusted investment).

Note 2: In the 'Investment income (loss) recognised by the Company for the six-month period ended June 30, 2013' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 1. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 2. The financial statements that are audited and attested by R.O.C. parent company's CPA.
 3. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

B. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas: None

14. SEGMENT INFORMATION

(1) General information

A. Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

B. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the six-month period ended June 30, 2013			
	Transportation Department	Investing and holding Department	Other Department	Total
Segments revenue	\$ 68,131,736	\$ 233,966	\$ 1,511,728	\$ 69,877,430
Segments profit (loss)	(\$ 2,801,169)	(\$ 31,527)	\$ 71,385	(\$ 2,761,311)
Segments assets	\$ 152,896,282	\$ 13,553,687	\$ 2,143,572	\$ 168,593,541

	For the six-month period ended June 30, 2012			
	Transportation Department	Investing and holding Department	Other Department	Total
Segments revenue	\$ 62,221,477	\$ 234,755	\$ 1,019,877	\$ 63,476,109
Segments profit (loss)	(\$ 2,163,782)	(\$ 9,528)	\$ 45,081	(\$ 2,128,229)
Segments assets	\$ 135,248,128	\$ 14,024,007	\$ 1,973,535	\$ 151,245,670

(3) Reconciliation for segment income (loss)

A reconciliation of profit (loss) for reportable segment to profit before tax and continued operations is provided as follows:

	For the six-month period ended June 30, 2013	For the six-month period ended June 30, 2012
Profit (loss) for reportable segments	(\$ 2,761,311)	(\$ 2,128,229)
Non-operating income and expense	338,187	(795,455)
Profit before tax and continued operations	(\$ 2,423,124)	(\$ 2,923,684)

15. INITIAL APPLICATION OF IFRSs

These consolidated financial statements are the second-quarter consolidated financial statements prepared by the Group in accordance with the IFRSs. The Group has adjusted the amounts as appropriate that are reported in the previous R.O.C. GAAP consolidated financial statements to those amounts that should be presented under IFRSs in the preparation of the opening IFRS balance sheet. Information about exemptions elected by the Group, exceptions to the retrospective application of IFRSs in relation to initial application of IFRSs, and how it affects the Group's financial position, operating results and cash flows in transition from R.O.C. GAAP to the IFRSs is set out below:

(1) Exemptions elected by the Group

A. Business combinations

The Group has elected not to apply the requirements in IFRS 3, 'Business Combinations', retrospectively to business combinations that occurred prior to the date of transition to IFRSs ("the transition date"). This exemption also applies to the Group's previous acquisitions of investments in associates and joint ventures.

B. Employee benefits

The Group has elected to recognize all cumulative actuarial gains and losses relating to all employee benefit plans in 'retained earnings' at the transition date, and to disclose the information of present value of defined benefit obligation, fair value of plan assets, gain or loss on plan assets and experience adjustments under the requirements of paragraph 120A (P), IAS 19, 'Employee Benefits', based on their prospective amounts for financial periods from the transition date.

C. Cumulative translation difference

The Group has elected to reset the cumulative translation differences arising on the translation of the financial statements of foreign operations under R.O.C. GAAP to zero at the transition date, and to deal with translation differences arising subsequent to the transition date in accordance with IAS 21, 'The Effects of Changes in Foreign Exchange Rates'.

D. Deemed cost

As the investee, Evergreen International Storage and Transport Corporation (EITC), has elected to use the revalued amounts of property, plant and equipment under R.O.C. GAAP as their 'deemed cost' under IFRSs at the opening IFRSs balance sheet date, the Company also adopted this exemption and recognized such effect of IFRSs in proportion to its share ownership in the investee.

E. Designation of previously recognized financial instruments

The Group has designate certain 'financial assets carried at cost' as 'available-for-sale financial assets' at the transition date.

F. Borrowing costs

The Group has elected to apply the transitional provisions in paragraphs 27 and 28 of IAS 23, "Borrowing Costs", amended in 2007 and apply IAS 23 from the transition date.

(2) Except accounting estimates, derecognition of financial assets and financial liabilities, hedge accounting and non-controlling interest to which exceptions to the retrospective application of IFRSs specified in IFRS 1 are not applied as they have no relation with the Group, other exceptions to the retrospective application are set out below:

A. Accounting estimates

Accounting estimates made under IFRSs on January 1, 2012 are consistent with those made under R.O.C. GAAP on that day.

B. Non-controlling interest

Requirements of IAS 27 (amended in 2008) that shall be applied prospectively are as follows:

- (a) Requirements concerning total comprehensive income (loss) attributed to owners of the parent and non-controlling interest, even which results in a loss to non-controlling interest;
- (b) Requirements that change in interest ownership of the parent in a subsidiary while control is retained is accounted for as an equity transaction with the parent.

(3) Requirement to reconcile from R.O.C. GAAP to IFRSs at the time of initial application

IFRS 1 requires that an entity should prepare reconciliations for equity, comprehensive income and cash flows for the comparative periods. The Group's initial application of IFRSs has no significant effect on cash flows from operating activities, investing activities and financing activities. Reconciliations for equity and comprehensive income for the comparative periods as to transition from R.O.C. GAAP to IFRSs is shown below:

A. For the reconciliation for equity on January 1, 2012 and December 31, 2012, please refer to the consolidated financial statements as of and for the three-month period ended March 31, 2013 for the related information.

B. Reconciliation for equity on June 30, 2012:

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
<u>Current assets</u>				
Cash and cash equivalents	\$ 26,145,659	\$ -	\$ 26,145,659	
Financial assets at fair value through profit or loss - current	2,825,383	-	2,825,383	
Notes receivable, net	137,053	-	137,053	
Accounts receivable, net	13,227,102	-	13,227,102	
Accounts receivable, net- related parties	153,690	-	153,690	

	R.O.C. GAAP	Effect of transition from R.O.C. GAAP to IFRSs	IFRSs	Remark
Other receivables	1,076,256	(34,971)	1,041,285	(13)
Other receivables- related parties	435,094	-	435,094	
Current income tax assets	-	27,984	27,984	(13)
Inventories	4,902,662	-	4,902,662	
Prepayments	809,737	(14,941)	794,796	(1)
Deferred income tax assets -current	350,050	(350,050)	-	(2)
Restricted assets	543,745	(543,745)	-	
Other current assets	3,344,599	644,943	3,989,542	(3)(4) (11)
Financial assets at fair value through profit or loss - non-current	60,175	-	60,175	
Available-for-sale financial assets - non-current	568,040	904,759	1,472,799	(5)
Held-to-maturity financial assets - non-current	370,000	-	370,000	
Financial assets measured at cost - non-current	1,509,889	(1,509,889)	-	(5)
Investments accounted for under equity method	23,388,927	(539,388)	22,849,539	(7)
Investment property	-	2,054,760	2,054,760	(6)
Property, plant and equipment	70,317,543	(25,092,395)	45,225,148	(1)(6) (10)(12)
Intangible assets	-	6,906	6,906	(12)
Deferred pension costs	416,318	(416,318)	-	(3)
Deferred income tax assets	-	663,420	663,420	(2)(3) (4)(7)
Deferred expense	264,562	(264,562)	-	(3)(12)
Other non-current assets	120,983	24,741,690	24,862,673	(10)(12)
Total assets	<u>\$ 150,967,467</u>	<u>\$ 278,203</u>	<u>\$ 151,245,670</u>	

	Effect of transition from R.O.C. GAAP to IFRSs			Remark
	R.O.C. GAAP		IFRSs	
Short-term loans	\$ 4,487,100	\$ -	\$ 4,487,100	
Financial liabilities at fair value through profit or loss				
- current				
Accounts payable	5,916,233	-	5,916,233	
Accounts payable-related parties	119,100	-	119,100	
Other payables	11,416,396	46,627	11,463,023	(1)(3)(4)
Other payables-related parties	721,647		721,647	
Current income tax liabilities	136,724	-	136,724	
Other current liabilities	13,469,256	152,984	13,622,240	(1)
Bonds payable - non-current	3,000,000	-	3,000,000	
Long-term loans	43,599,193	-	43,599,193	
Deferred income tax liabilities	1,203,823	97,309	1,301,132	(2)(3)(4)
Other non-current liabilities	5,516,226	1,698,003	7,214,229	(1)(3)
Total Liabilities	89,585,919	1,994,923	91,580,842	
Common share	34,749,407	-	34,749,407	
Capital surplus	7,489,817	(218,012)	7,271,805	(8)
Legal reserve	9,102,785	-	9,102,785	
Special reserve	3,593,280	-	3,593,280	
Unappropriated retained earnings	7,447,559	(4,739,368)	2,708,191	(1)(3)(4)(7)(8)(9)
Other equity	(4,558,413)	3,291,930	(1,266,483)	(3)(5)(9)
Non-controlling interest	3,557,113	(51,270)	3,505,843	(3)(4)(7)
Total equity	61,381,548	(1,716,720)	59,664,828	

C.For the reconciliation for comprehensive income for the year ended December 31, 2012, please refer to the consolidated financial statements as of and for the three-month period ended March 31, 2013 for the related information.

D.Reconciliation for comprehensive income for the six-month period ended June 30, 2012:

	Effect of transition from R.O.C. GAAP to			Remark
	<u>R.O.C. GAAP</u>	<u>IFRSs</u>	<u>IFRSs</u>	
Operating revenue	\$ 63,475,145	\$ 964	\$ 63,476,109	(3)(4)
Operating costs	(63,106,766)	89,434	(63,017,332)	(1)(3) (4)
General & administrative expenses	(2,614,090)	27,084	(2,587,006)	(3)(4)
Operating loss	(2,245,711)	117,482	(2,128,229)	
Non-operating revenue and expenses	(750,750)	(44,705)	(795,455)	(7)
Profit before income tax	(2,996,461)	72,777	(2,923,684)	
Income tax expense	76,284	(7,412)	68,872	(3)(4) (7)
Consolidated net loss	(2,920,177)	65,365	(2,854,812)	
Non-controlling interest loss	(519,669)	16,741	(502,928)	(3)(4) (7)
Loss for the period	(2,400,508)	48,624	(2,351,884)	
Other comprehensive income				
Currency translation			(988,571)	(14)
Unrealised gain (loss) on valuation of available-for-sale financial assets			(21,695)	(14)
Share of other comprehensive income of associates and joint ventures accounted for under equity method			(270,936)	(14)
Total comprehensive income for the period			<u>(\$ 4,136,014)</u>	
Consolidated net loss attributable to:				
Owners of the parent			(\$ 2,351,884)	
Non-controlling interest			(502,928)	
			<u>(\$ 2,854,812)</u>	
Total comprehensive income attributable to:				
Owners of the parent			(\$ 3,275,378)	
Non-controlling interest			(860,636)	
			<u>(\$ 4,136,014)</u>	

E.Reconciliation for comprehensive income for the three-month period ended June 30, 2012:

	Effect of transition from R.O.C. GAAP to			Remark
	<u>R.O.C. GAAP</u>	<u>IFRSs</u>	<u>IFRSs</u>	
Operating revenue	\$ 37,449,743	(\$ 851)	\$ 37,448,892	(3)(4)
Operating costs	(35,448,829)	22,010	(35,426,819)	(1)(3) (4)
General & administrative expenses	(1,359,359)	16,572	(1,342,787)	(3)(4)
Operating profit	641,555	37,731	679,286	
Non-operating revenue and expenses	<u>347,961</u>	(<u>101,909</u>)	<u>246,052</u>	(7)
Profit before income tax	989,516	(64,178)	925,338	
Income tax expense	(893)	(4,817)	(5,710)	(3)(4) (7)
Consolidated net profit	988,623	(68,995)	919,628	
Non-controlling interest loss	<u>131,771</u>	<u>3,298</u>	<u>135,069</u>	(3)(4) (7)
Profits for the period	<u>856,852</u>	(<u>72,293</u>)	<u>784,559</u>	
Other comprehensive income				
Currency translation			(739,785)	(14)
Unrealised gain (loss) on valuation of available-for-sale financial assets			(97,529)	(14)
Share of other comprehensive income of associates and joint ventures accounted for under equity method			344,522	(14)
Total comprehensive income for the period			<u>\$ 426,836</u>	
Consolidated net profit attributable to:				
Owners of the parent			\$ 784,559	
Non-controlling interest			<u>135,069</u>	
			<u>\$ 919,628</u>	
Total comprehensive income attributable to:				
Owners of the parent			\$ 476,052	
Non-controlling interest			(<u>49,216</u>)	
			<u>\$ 426,836</u>	

Reasons for reconciliation are outlined below:

- (1) In accordance with IAS 17, “Leases”, that the Group accounted for under operating lease to capital lease.
- (2) In accordance with R.O.C. GAAP, a deferred tax asset or liability should, according to the classification of its related asset or liability, be classified as current or noncurrent. However, a deferred tax asset or liability that is not related to an asset or liability for financial reporting, should be classified as current or noncurrent according to the expected time period to realize or settle a deferred tax asset or liability. However, under IAS 1, “Presentation of Financial Statements”, an entity should not classify a deferred tax asset or liability as current. Further deferred income tax assets and liabilities cannot be offset as they do not meet the criteria of offsetting assets and liabilities under IAS 12, “Income Taxes”. Thus, the Group reclassified deferred income tax assets and liabilities at the transition date.
- (3) On the date of transition, the reasons for reconciliations are as follows:
 - (a) The discount rate used to calculate pensions shall be determined with reference to the factors specified in R.O.C. SFAS 18, paragraph 23. However, IAS 19, “Employee Benefits”, requires an entity to determine the rate used to discount employee benefits with reference to market yields at the end of the reporting period on high quality corporate bonds of a currency and term consistent with the currency and term of the benefit obligation; when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds (at the end of the reporting period) instead.
 - (b) In accordance with the Group’s accounting policies, unrecognised transitional net benefit obligation should be amortised on a straight-line basis over the average remaining service period of employees still in service and expected to receive benefits. However, the transitional provisions in IAS 19 are not applied to the Group as the first-time adopter of IFRSs, so the Group has no unrecognised transitional liabilities.
 - (c) In accordance with R.O.C. GAAP, the excess of the accumulated benefit obligation over the fair value of the pension plan (fund) assets at the balance sheet date is the minimum amount of pension liability that is required to be recognised on the balance sheet (“minimum pension liability”). However, IAS 19, “Employee Benefits”, has no regulation regarding the minimum pension liability.
 - (d) The Group selects to recognise all the accumulated actuarial pension gain or loss related to the plan of employee benefits in undistributed earnings at the transition date.
 - (e) In accordance with R.O.C. GAAP, actuarial pension gain or loss of the Group is recognised in net pension cost of current period using the ‘corridor’ method. However, in accordance with IAS 19, “Employee Benefits”, the Group selects to recognise immediately actuarial pension gain or loss in other comprehensive income.

- (4) R.O.C. GAAP does not specify the rules on recognition of the cost of accumulated unused compensated absences. The Group recognized such cost as expense upon actual payment. However, IAS 19, “Employee Benefits”, requires that cost of accumulated unused compensated absences should be accrued as expense at the balance sheet date after considering the effect of income tax.
- (5) In accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” before amendment on July 7, 2011, unlisted stocks and emerging stocks held by the Group were measured at cost and recognized as “Financial assets measured at cost–non-current”. However, in accordance with IAS 39, “Financial Instruments: Recognition and Measurement”, investments in equity instruments without an active market but with reliable fair value measurement (i.e. the variability in the range of reasonable fair value estimates is insignificant for that instrument, or the probabilities of the estimates within the range can be reasonably assessed and used in estimating fair value) should be measured at fair value. Therefore, the Group designated such financial assets measured at cost as “Available-for-sale financial assets–non-current” at the transition date in accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”.
- (6) In accordance with R.O.C. GAAP, the Group’s property that is leased to others is presented in “Property, Plant and Equipment” account. In accordance with IAS 40, “Investment Property”, property that meets the definition of investment property is classified and accounted for as “Investment property”. The Group thus reclassified “Property, Plant and Equipment, Net” to “Investment Property” on transition date.
- (7) As the investee has elected to adopt the IFRSs, the Group recognized such effect of IFRS adjusted to the investment accounted for under the equity method in proportion to its share ownership in the investee.
- (8) The Group has elected not to apply the requirements in IFRS 3, “Business Combinations”, retrospectively to investments in associates that occurred prior to the date of transition to IFRSs, and has adjusted to “Undistributed Earnings” on the date of transition to IFRSs for the “Capital Surplus—long-term investments” under ROC GAAP that did not meet the regulations of IFRSs.
- (9) In accordance with R.O.C. GAAP, exchange differences arising from translation of the financial statements of overseas investee companies accounted for under the equity method are recorded as “Cumulative Translation Adjustments” under stockholders’ equity. In accordance with IFRS 1, “First-time Adoption of International Financial Reporting Standards”, the Group has elected to reset the cumulative translation differences arising on the translation of the financial statements of foreign entities to “Undistributed Earnings” at the opening IFRS balance sheet date, and to deal with translation differences arising subsequent to the opening IFRS balance sheet date in accordance with IAS 21, “The Effects of Changes in Foreign Exchange Rates”.

- (10) Prepayment for acquisition of property, plant and equipment is presented in “Property, plant and equipment” in accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”. However, such prepayment should be presented in “Other non-current assets” based on its nature under IFRSs.
- (11) In accordance with R.O.C. GAAP, restricted cash and cash equivalents are presented in “Restricted assets”. However, under the IFRSs, as the Group’s restricted assets did not meet the definitions of cash equivalents, they were reclassified to “Other financial assets” on the date of transition to IFRSs. (Classified as other non – current assets).
- (12) In accordance with R.O.C. GAAP, deferred expenses are accounted for under ‘other assets’. However, under the IFRSs, deferred expenses shall be classified appropriately based on their nature. Thus, the Group reclassified deferred expenses to “Property, plant and equipment”, “Computer software” and “Other non-current assets”, respectively, on the date of transition to IFRSs.
- (13) In accordance with R.O.C. GAAP, income tax refundable are classified as “Other receivables”. However, under the IFRSs, current income tax shall be classified appropriately based on their nature. Thus, the Group reclassified current income tax refundable to “Current income tax assets”, on the date of transition to IFRSs.
- (14) R.O.C GAAP does not provide any guidance regarding other comprehensive income, and the ending balance of other comprehensive accounts are presented, net of tax, as equity components in the balance sheets. However, under IAS 1 “Presentation of Financial Statements”, an entity shall disclose the amount of income tax relating to each component of other comprehensive income, including reclassification adjustments, either in the statement of comprehensive income or in the notes.

F. Major adjustments for the consolidated statement of cash flows for the six-month period ended June 30, 2012:

- (a) The transition from R.O.C. GAAP to IFRSs has no effect on the Group’s cash flows reported.
- (b) The reconciliation between R.O.C. GAAP and IFRSs has no net effect on the Group’s cash flows reported.

G. The accounting policies and selection of exemptions applied in these interim consolidated financial statements may be different from those applied in the first year-end IFRSs consolidated financial statements due to the issuance of related regulations by regulatory authorities, changes in economic environment, or changes in the evaluation of the impact of application of accounting policies and exemptions by the Group.