

**EVERGREEN MARINE CORPORATION
(TAIWAN) LTD.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND REPORT OF INDEPENDENT
ACCOUNTANTS
DECEMBER 31, 2015 AND 2014**

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.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Evergreen Marine Corporation (Taiwan) Ltd.

We have audited the accompanying parent company only balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. as of December 31, 2015 and 2014, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These parent company financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these parent company only financial statements based on our audits. As stated in Note 6.(7) to the financial statements, we did not audit the financial statements of all the investee companies accounted for using equity method. Those statements were audited by other independent accountants whose reports thereon have been furnished to us, and our audit expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 relating to these long-term equity investments, is based solely on the audit reports of other independent accountants. Long-term equity investments in these investee companies amounted to NT\$20,344,766 thousand and NT\$21,126,766 thousand, constituting 18.34% and 20.26% of the total assets as of December 31, 2015, and 2014, respectively, and comprehensive loss (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for using equity method) was NT\$934,340 thousand and NT\$651,520 thousand for the years then ended.

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

In our opinion, based on our audits and the reports of the other independent accountants, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Evergreen Marine Corporation (Taiwan) Ltd. as of December 31, 2015 and 2014, and the financial performance and cash flows for the years then ended in conformity with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

PricewaterhouseCoopers, Taiwan

March 29, 2016

Taipei, Taiwan

Republic of China

The accompanying 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 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.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2015		December 31, 2014	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 18,678,635	17	\$ 15,219,426	15
Held-to-maturity financial assets - current	6(3)	200,000	-	-	-
Notes receivable, net		37	-	14	-
Accounts receivable, net	6(4)	1,684,859	2	2,136,651	2
Accounts receivable - related parties	7	192,943	-	146,926	-
Other receivables		195,704	-	248,862	-
Other receivables - related parties	7	153,857	-	14,541	-
Current income tax assets		180,626	-	-	-
Inventories	6(5)	473,999	1	629,420	1
Prepayments		187,725	-	156,992	-
Other current assets	6(6), 7 and 8	2,445,756	2	1,829,723	2
Current Assets		<u>24,394,141</u>	<u>22</u>	<u>20,382,555</u>	<u>20</u>
Non-current assets					
Available-for-sale financial assets - non-current	6(2)	1,349,363	1	1,400,117	1
Held-to-maturity financial assets - non-current	6(3)	220,000	-	370,000	-
Investments accounted for using equity method	6(7)	53,343,917	48	56,515,589	54
Property, plant and equipment- net	6(8) and 8	27,982,312	25	20,522,164	20
Investment property - net	6(9) and 8	1,945,991	2	1,965,137	2
Intangible assets		10,080	-	9,705	-
Deferred income tax assets	6(27)	363,764	1	266,731	-
Other non-current assets	6(10)	1,319,547	1	2,841,730	3
Non-current assets		<u>86,534,974</u>	<u>78</u>	<u>83,891,173</u>	<u>80</u>
Total assets		<u>\$ 110,929,115</u>	<u>100</u>	<u>\$ 104,273,728</u>	<u>100</u>

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2015		December 31, 2014	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Accounts payable		\$ 2,168,272	2	\$ 2,289,873	2
Accounts payable - related parties	7	81,789	-	116,222	-
Other payables		354,109	-	727,217	1
Other payables - related parties	7	35,683	-	18,189	-
Current income tax liabilities		4	-	675,903	1
Other current liabilities	6(11) and 7	12,622,114	12	9,913,125	9
Current Liabilities		<u>15,261,971</u>	<u>14</u>	<u>13,740,529</u>	<u>13</u>
Non-current liabilities					
Corporate bonds payable	6(12)	3,000,000	3	3,000,000	3
Long-term loans	6(13)	32,255,720	29	24,121,777	23
Deferred income tax liabilities	6(27)	865,079	1	1,091,168	1
Other non-current liabilities	6(14)(15)	1,545,298	1	1,439,469	2
Non-current liabilities		<u>37,666,097</u>	<u>34</u>	<u>29,652,414</u>	<u>29</u>
Total Liabilities		<u>52,928,068</u>	<u>48</u>	<u>43,392,943</u>	<u>42</u>
Equity					
Capital	6(16)				
Common stock		35,123,560	32	34,775,802	33
Capital surplus	6(17)				
Capital surplus		7,986,633	7	7,292,458	7
Retained earnings	6(18)				
Legal reserve		9,233,242	8	9,115,638	9
Special reserve		-	-	828,940	1
Undistributed earnings		2,561,825	2	7,240,507	7
Other equity interest	6(19)				
Other equity interest		3,095,787	3	1,627,440	1
Total equity		<u>58,001,047</u>	<u>52</u>	<u>60,880,785</u>	<u>58</u>
Significant Contingent Liabilities And Unrecognised Contract Commitments	9				
Significant Events After The Balance Sheet Date	11				
Total liabilities and equity		<u>\$ 110,929,115</u>	<u>100</u>	<u>\$ 104,273,728</u>	<u>100</u>

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 29, 2016.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Years ended December 31

Items	Notes	2015		2014	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(20) and 7	\$ 25,134,073	100	\$ 26,151,838	100
Operating costs	6(25)(26) and 7	(23,201,988)	(92)	(22,975,914)	(88)
Gross profit		1,932,085	8	3,175,924	12
Operating expenses	6(25)(26) and 7	(1,655,643)	(7)	(1,583,219)	(6)
Other gains - net	6(21) and 7	192,757	1	1,996,633	8
Operating profit		469,199	2	3,589,338	14
Non-operating income and expenses					
Other income	6(22)	334,169	1	854,929	3
Other gains and losses	6(2)(23)	(655,470)	(3)	(105,881)	-
Finance costs	6(24)	(521,266)	(2)	(473,189)	(2)
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method		(4,341,215)	(17)	(1,944,404)	(7)
Total non-operating income and expenses		(5,183,782)	(21)	(1,668,545)	(6)
(Loss) profit before income tax		(4,714,583)	(19)	(1,920,793)	(8)
Income tax expense	6(27)	306,504	1	(764,869)	(3)
(Loss) profit for the year		<u>(\$ 4,408,079)</u>	<u>(18)</u>	<u>\$ 1,155,924</u>	<u>5</u>
Other comprehensive income	6(20)				
Components of other comprehensive income that will not be reclassified to profit or loss					
Other comprehensive income, before tax, (loss) gains on remeasurements of defined benefit plans		(\$ 168,143)	(1)	(\$ 30,982)	-
Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method		(146,864)	-	14,706	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		28,584	-	5,267	-
Components of other comprehensive loss that will not be reclassified to profit or loss		<u>(286,423)</u>	<u>(1)</u>	<u>(11,009)</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss					
Other comprehensive income, before tax, exchange differences on translation		649,891	2	1,935,866	7
Other comprehensive income (loss), before tax, available-for-sale financial assets		666,959	3	(83,883)	-
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method		147,449	1	605,735	2
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		4,048	-	(1,338)	-
Components of other comprehensive income that will be reclassified to profit or loss		<u>1,468,347</u>	<u>6</u>	<u>2,456,380</u>	<u>9</u>
Other comprehensive income for the year		<u>\$ 1,181,924</u>	<u>5</u>	<u>\$ 2,445,371</u>	<u>9</u>
Total comprehensive (loss) income for the year		<u>(\$ 3,226,155)</u>	<u>(13)</u>	<u>\$ 3,601,295</u>	<u>14</u>
Basic (loss) earnings per share (in dollars)	6(29)				
Basic (loss) earnings per share		(\$ 1.26)		\$ 0.33	
Diluted (loss) earnings per share		(\$ 1.26)		\$ 0.33	

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 29, 2016.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

Notes	Retained Earnings					Other equity interest			Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained 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	
Year 2014									
Balance at January 1, 2014	\$ 34,749,523	\$ 7,271,957	\$ 9,115,638	\$ 5,814,993	\$ 1,109,539	(\$ 804,815)	(\$ 36,456)	\$ 12,331	\$ 57,232,710
Appropriation of 2013 earnings									
Reversal of special reserve	-	-	-	(4,986,053)	4,986,053	-	-	-	-
Conversion of convertible bonds into common stock	26,279	23,555	-	-	-	-	-	-	49,834
Stock warrants of convertible bonds	-	(4,632)	-	-	-	-	-	-	(4,632)
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	-	1,578	-	-	-	-	-	-	1,578
Profit for the year	-	-	-	-	1,155,924	-	-	-	1,155,924
Other comprehensive income (loss) for the year	-	-	-	-	(11,009)	2,161,513	672,975	(378,108)	2,445,371
Balance at December 31, 2014	<u>\$ 34,775,802</u>	<u>\$ 7,292,458</u>	<u>\$ 9,115,638</u>	<u>\$ 828,940</u>	<u>\$ 7,240,507</u>	<u>\$ 1,356,698</u>	<u>\$ 636,519</u>	<u>(\$ 365,777)</u>	<u>\$ 60,880,785</u>
Year 2015									
Balance at January 1, 2015	\$ 34,775,802	\$ 7,292,458	\$ 9,115,638	\$ 828,940	\$ 7,240,507	\$ 1,356,698	\$ 636,519	(\$ 365,777)	\$ 60,880,785
Appropriation of 2014 earnings									
Legal reserve	-	-	117,604	-	(117,604)	-	-	-	-
Reversal of special reserve	-	-	-	(828,940)	828,940	-	-	-	-
Cash dividends	-	-	-	-	(347,758)	-	-	-	(347,758)
Stock dividends	347,758	-	-	-	(347,758)	-	-	-	-
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	-	694,175	-	-	-	-	-	-	694,175
Loss for the year	-	-	-	-	(4,408,079)	-	-	-	(4,408,079)
Other comprehensive income (loss) for the year	-	-	-	-	(286,423)	798,388	825,331	(155,372)	1,181,924
Balance at December 31, 2015	<u>\$ 35,123,560</u>	<u>\$ 7,986,633</u>	<u>\$ 9,233,242</u>	<u>\$ -</u>	<u>\$ 2,561,825</u>	<u>\$ 2,155,086</u>	<u>\$ 1,461,850</u>	<u>(\$ 521,149)</u>	<u>\$ 58,001,047</u>

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 29, 2016.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Loss) profit before tax		(\$ 4,714,583)	\$ 1,920,793
Adjustments			
Adjustments to reconcile profit (loss)			
Financial assets and liabilities at fair value through profit or loss	6(23)	-	5,258
Depreciation	6(23)(25)	1,646,406	1,679,362
Amortization	6(25)	7,973	9,967
Interest expense	6(24)	521,266	473,189
Interest income	6(22)	(104,412)	(152,461)
Dividend income	6(22)	(56,990)	(57,837)
Realized loss from available-for-sale financial assets	6(2)	717,713	-
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method		4,341,215	1,944,404
Net gain on disposal of property, plant and equipment		(192,757)	(1,996,633)
Loss on disposal of investments		7,550	-
Amortization of bond discounts		-	7,293
Realized income with affiliated companies		(8,932)	(8,932)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(23)	(9)
Accounts receivable		451,792	(665,601)
Accounts receivable - related parties		(46,017)	38,737
Other receivables		53,158	23,361
Other receivables - related parties		(139,316)	49,866
Inventories		155,421	(26,787)
Prepayments		(26,723)	(3,389)
Other current assets		(616,033)	(549,035)
Other non-current assets		8,208	2,208
Changes in operating liabilities			
Accounts payable		(121,601)	496,332
Accounts payable - related parties		(34,433)	(120,451)
Other payables		(113,156)	117,828
Other payables - related parties		11,909	(404)
Other current liabilities		(68,983)	430,875
Other non-current liabilities		(62,315)	(47,420)
Cash inflow generated from operations		1,616,337	3,570,514
Interest received		104,412	152,461
Income tax paid		(856,793)	(57,953)
Interest paid		(527,768)	(508,001)
Net cash flows from operating activities		<u>336,188</u>	<u>3,157,021</u>

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(29)	(\$ 1,523,329)	(\$ 1,612,757)
Proceeds from disposal of property, plant and equipment		213,173	2,555,082
Acquisition of intangible assets		(8,348)	(12,554)
Increase in other non-current assets	6(29)	(6,321,961)	(4,413,003)
Acquisition of held-to-maturity financial assets		(50,000)	-
Cash dividends received		<u>249,330</u>	<u>231,901</u>
Net cash flows used in investing activities		<u>(7,441,135)</u>	<u>(3,251,331)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in corporate bonds payable		-	(523,200)
Increase in long-term loans		20,055,410	5,472,553
Decrease in long-term loans		(9,143,496)	(5,000,148)
Cash dividends paid		<u>(347,758)</u>	<u>-</u>
Net cash flows from (used in) financing activities		<u>10,564,156</u>	<u>(50,795)</u>
Net increase (decrease) in cash and cash equivalents		3,459,209	(145,105)
Cash and cash equivalents at beginning of year		<u>15,219,426</u>	<u>15,364,531</u>
Cash and cash equivalents at end of year		<u>\$ 18,678,635</u>	<u>\$ 15,219,426</u>

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 29, 2016.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan Dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Evergreen Marine Corporation (Taiwan) Ltd. (the “Company”) was established in the Republic of China, and is 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 PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized for issuance by the Board of Directors on March 29, 2016.

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”)

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued by FSC on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, ‘Financial instruments’) as endorsed by the FSC and “Regulations Governing the Preparation of Financial Reports by Securities Issuers” effective January 1, 2015 (collectively referred herein as the “2013 version of IFRS”) in preparing the financial statements. The impact of adopting the 2013 version of IFRS is listed below:

A. IAS 19 (revised), ‘Employee benefits’

The revised standard eliminates the corridor approach and requires actuarial gains and losses to be recognised immediately in other comprehensive income. Past service cost will be recognised 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 of plan assets, excluding net interest expenses, is recognised in other comprehensive income. An entity is required to recognise termination benefits at the earlier of when the entity can no longer withdraw an offer of those benefits and when it recognises any related restructuring costs. Additional disclosures are required to present how defined benefit plans may affect the amount, timing and uncertainty of the entity’s future cash flows.

The Company expected to recognise previously unrecognised past service cost. 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 Company increased deferred tax assets by \$1,913 and accrued pension liabilities by \$11,251 and decreased

unappropriated earnings by \$9,338 at January 1, 2014. The Company increased accounts payable by \$339 and exchange differences on translation of foreign financial statements by \$989 and decreased investments accounted for using equity method by \$21,106, deferred tax assets by \$273, deferred tax liabilities by \$939, accrued pension liabilities by \$1,607 and unappropriated earnings by \$20,161 at December 31, 2014.

The Company increased share of loss of subsidiaries, associates and joint ventures accounted for using equity method by \$22,045 and decreased operating costs by \$415, operating expenses by \$853 and income tax expense by \$662 for the year ended December 31, 2014.

B.IAS 1, 'Presentation of financial statements'

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Company will adjust its presentation of the statement of comprehensive income.

C.IFRS 12, 'Disclosure of interests in other entities'

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. And, the Company will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

D.IFRS 13, 'Fair value measurement'

The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value using the assumptions that market participants would use when pricing the asset or liability; for non-financial assets, fair value is determined based on the highest and best use of the asset. And, the standard requires disclosures about fair value measurements. Based on the Company's assessment, the adoption of the standard has no significant impact on its financial statements, and the Company will disclose additional information about fair value measurements accordingly.

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

None.

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

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRS as endorsed by the FSC:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined by International Accounting Standards Board
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The Company is assessing the potential impact of the new standards, interpretations and amendments above. The impact on the parent company only financial statements will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

These parent company only financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

A. Except for the following items, these parent company only 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 past 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 compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional and 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 company 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 Company 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 Company 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.

(4) 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.

(5) 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 with original maturities of one year or less that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) 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.

(7) 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 are presented in ‘financial assets carried at cost’.

(8) 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 Company 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.

(9) 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.

(10) Impairment of financial assets

- A. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a company 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 company of financial assets that can be reliably estimated.
- B. The criteria that the Company 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 Company, 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 Company 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.

(11) Derecognition of financial assets

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

A. The contractual rights to receive cash flows from the financial asset expire.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

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

(12) Leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(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.

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 using equity method / associates

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealized gains or losses resulted from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.

C. After acquisition of subsidiaries, the Company recognizes proportionately for the share of profit and loss and other comprehensive incomes in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interests in that subsidiary, the Company continues to recognize its shares in the subsidiary's loss proportionately.

D. Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.

E. If the Company loses control of a subsidiary, the Company recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost and recognizes any resulting difference as a gain or loss in profit or loss. The Company shall account for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss when it loses control of the subsidiary.

- F. Associates are all entities over which the Company 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 recognised at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity that are not recognised in profit or loss or other comprehensive income of the associate and such changes not affecting the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains or loss on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised 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 Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using 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 Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised 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.
- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- L. When the Company disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised 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 recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

M. When the Company disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised 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 recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

N. According to “Rules Governing the Preparations of Financial Statements by Securities Issuers”, 'profit for the year' and 'other comprehensive income for the year' reported in an entity's parent company only statement of comprehensive income, shall equal to 'profit for the year' and 'other comprehensive income' attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's parent company only financial statements, shall equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

(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 Company 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 as follows:

Buildings	50 ~ 55 years
Loading and unloading equipment	6 ~ 20 years
Ships	18 ~ 25 years
Transportation equipment	6 ~ 10 years
Other equipment	3 ~ 5 years

(16) Leases (lessee)

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 50~60 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 Company 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 recognised 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 capitalised as a pre-payment for liquidity services and amortised 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, 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 Company 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 Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company 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 Company, 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) Derivative financial instruments and hedging activities

- A. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Any changes in the fair value are recognised in profit or loss.
- B. The Company designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).
- C. The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.
- D. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.
- E. Cash flow hedge
 - (a) The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within 'other gains and losses'.
 - (b) Amounts accumulated in other comprehensive income are reclassified into profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the statement of comprehensive income within 'finance costs'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or financial liability, the gains and losses previously deferred in other comprehensive income are reclassified into profit or loss in the periods when the asset acquired or the liability assumed affects profit or loss. The deferred amounts are ultimately recognised in operating costs.
 - (c) When a hedging instrument expires, or is sold, cancelled or executed, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income. When a forecast transaction occurs or is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is transferred to profit or loss in the periods when the hedged forecast cash flow affects profit or loss.

(26) 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 Company 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. 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 Company uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company'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 Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees', directors' and supervisors' remuneration

Employees', directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee

compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) 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 parent company only 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 Company 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.

(28) 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.

(29) Revenue recognition

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.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company'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 information is addressed below:

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

Financial assets—impairment of equity investments

The Company 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 Company 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 Company would transfer the accumulated fair value adjustments recognized in other comprehensive income on the impaired available-for-sale financial assets to profit or loss, please refer to Note 6(2)

(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 Company 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 industry characteristics. Any changes of economic circumstances or estimates due to the change of Company strategy might cause material impairment on assets in the future.

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

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

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

The fair value of unlisted stocks held by the Company 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 December 31, 2015, the carrying amount of unlisted stocks was \$117,398.

E. Impairment assessment of financial assets without active markets

When there is an impairment indication that a financial instrument is impaired so the carrying amount of such investment may not be recoverable, the Company would assess the impairment loss of the investment accordingly. For a financial asset without an active market, the Company assesses its impairment based on the present value of estimated future cash flows from the expected cash dividends and disposal value discounted using the market rate of return at the balance sheet date for a similar financial instrument to determine its recoverable amount as well as by analysing the reasonableness of the related assumptions used.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Cash on hand and petty cash	\$ 14,732	\$ 13,775
Checking accounts and demand deposits	3,210,465	3,866,346
Time deposits	14,804,060	11,009,497
Cash equivalents	649,378	329,808
	<u>\$ 18,678,635</u>	<u>\$ 15,219,426</u>

A.The Company transacts 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 Company's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

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

(2) Available-for-sale financial assets

Items	December 31, 2015	December 31, 2014
Non-current items:		
Listed (TSE and OTC) stocks	\$ 490,801	\$ 490,801
Emerging stocks	532,287	1,250,000
Unlisted stocks	91,391	91,391
	1,114,479	1,832,192
Valuation adjustment	234,884	(432,075)
	\$ 1,349,363	\$ 1,400,117

A.The Company recognized net gain of \$666,959 and net loss of \$83,883 in other comprehensive income for fair value change for the years ended December 31, 2015 and 2014, respectively.

B.The emerging stocks held by the Company has been assessed that there is objective evidence of impairment as the market price continuously declines. Thus, impairment loss of \$717,713 was recognised and was reclassified from other equity to profit or loss for the year ended December 31, 2015. Please refer to Note 6(23).

C. The Company recognized impairment loss of \$1,844.

D. No available-for-sale financial assets held by the Company were pledged to others.

(3) Held-to-maturity financial assets

Items	December 31, 2015	December 31, 2014
Current items:		
Financial bonds	\$ 200,000	\$ -
Non-current items:		
Financial bonds	\$ 220,000	\$ 370,000

A.The Company recognized interest income of \$10,588 and \$10,271 in profit or loss for amortized cost for the years ended December 31, 2015 and 2014, respectively.

B.The counterparties of the Company's investments have good credit quality.

C.No held-to-maturity financial assets held by the Company were pledged to others.

(4) Accounts receivable

	December 31, 2015	December 31, 2014
Accounts receivable	\$ 1,684,859	\$ 2,136,651
Less: allowance for bad debts	-	-
	\$ 1,684,859	\$ 2,136,651

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

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Group 1	\$ 104,906	\$ 191,628
Group 2	1,053,463	1,708,390
	<u>\$ 1,158,369</u>	<u>\$ 1,900,018</u>

Note:

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

Group 2: General risk company.

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

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Up to 30 days	\$ 335,454	\$ 152,867
31 to 180 days	191,036	83,766
	<u>\$ 526,490</u>	<u>\$ 236,633</u>

The above ageing analysis was based on past due date.

C. As of December 31, 2015, and 2014, impairment loss for accounts receivable is not provided.

D. The Company does not hold any collateral as security.

(5) Inventories

	<u>December 31, 2015</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Ship fuel	<u>\$ 473,999</u>	<u>\$ -</u>	<u>\$ 473,999</u>
	<u>December 31, 2014</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Ship fuel	<u>\$ 629,420</u>	<u>\$ -</u>	<u>\$ 629,420</u>

(6) Other current assets

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Agency reciprocal accounts	\$ 1,663,062	\$ 1,312,130
Agent accounts	145,483	227,360
Other financial assets	474,731	121,648
Temporary debits	162,480	168,585
	<u>\$ 2,445,756</u>	<u>\$ 1,829,723</u>

A. Agency reciprocal accounts

(a) These pertain to temporary accounts between the Company and Evergreen International S.A., Gaining Enterprise S.A., Greencompass Marine S.A., Italia Marittima S.p.A., Evergreen Marine (UK) Ltd., Evergreen Marine (Hong Kong) Ltd. and Evergreen Marine (Singapore)

Pte. Ltd.. These accounts occur as these ship owners incur foreign port expenses and related rental expenses.

(b) In response to market competition and enhancement of global transportation network to provide better logistics services to customers, the Company has joined Cosco Container Lines Co., Ltd., Kawasaki Kisen Kaisha, Ltd., Yang Ming (UK), Ltd. and Hanjin Shipping Co., Ltd. to form the new CKYHE Alliance. Transactions are trading of shipping spaces.

B. Agency accounts

These accounts occur when domestic and foreign agencies, based on the agreement with the Company, deal with foreign port formalities regarding arrival and departure of ships, cargo loading, discharging and forwarding, collection of freight, and payment of expenses incurred in the foreign port.

(7) Investments accounted for using equity method

Details of long-term equity investments accounted for using equity method are set forth below:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Subsidiary of the Company		
Peony Investment S.A.	\$ 35,208,499	\$ 39,892,405
Everport Terminal Services Inc.	61,474	147,345
Taiwan Terminal Services Co., Ltd.	40,626	36,262
Related Company		
Evergreen International Storage and Transport Corporation	8,475,835	8,325,748
EVA Airways Corporation	7,970,003	6,544,364
Taipei Port Container Terminal Corporation	980,212	1,005,287
Chang Yang Development Co., Ltd.	521,634	484,175
Evergreen Security Corporation	81,366	76,179
Evergreen Marine (Latin America), S.A.	4,268	3,824
	<u>\$ 53,343,917</u>	<u>\$ 56,515,589</u>

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

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Evergreen International Storage and Transport Corporation	\$ 5,873,263	\$ 7,781,544
EVA Airways Corporation	11,708,388	13,943,054
	<u>\$ 17,581,651</u>	<u>\$ 21,724,598</u>

B. The above investment income or loss accounted for using the equity method was based on the financial statements of the investees for the corresponding periods, which were audited by independent auditors.

C. For information on the subsidiaries, please refer to Note 4(3) of the consolidated financial statements as of December 31, 2015.

D.The basic information of the associates that are material to the Company is as follows:

Company name	Principal place of business	Ownership(%)		Nature of relationship	Methods of measurement
		December 31, 2015	December 31, 2014		
Evergreen International Storage and Transport Corporation	TW	39.74%	39.74%	With a right over 20% to vote	Equity method
EVA Airways Corporation	TW	16.31%	19.32%	Have a right to vote in the Board of Directors	Equity method

E.The summarized financial information of the associates that are material to the Company is as follows:

Balance sheet

	Evergreen International Storage and Transport Corporation	
	December 31, 2015	December 31, 2014
Current assets	\$ 4,831,723	\$ 5,204,483
Non-current assets	29,250,378	26,898,034
Current liabilities	(1,911,824)	(1,176,034)
Non-current liabilities	(10,654,488)	(9,750,657)
Total net assets	<u>\$ 21,515,789</u>	<u>\$ 21,175,826</u>
Share in associate's net assets	\$ 8,485,861	\$ 8,338,626
Unrealized income with affiliated companies	(10,026)	(12,878)
Carrying amount of the associate	<u>\$ 8,475,835</u>	<u>\$ 8,325,748</u>
	EVA Airways Corporation	
	December 31, 2015	December 31, 2014
Current assets	\$ 58,585,588	\$ 50,095,894
Non-current assets	136,820,724	117,464,306
Current liabilities	(58,580,061)	(51,352,783)
Non-current liabilities	(82,098,729)	(76,530,416)
Total net assets	<u>\$ 54,727,522</u>	<u>\$ 39,677,001</u>
Share in associate's net assets	<u>\$ 7,970,003</u>	<u>\$ 6,554,364</u>

Statement of comprehensive income

	<u>Evergreen International Storage and Transport Corporation</u>	
	<u>Year ended December</u> <u>31, 2015</u>	<u>Year ended December</u> <u>31, 2014</u>
Revenue	<u>\$ 7,348,665</u>	<u>\$ 6,730,457</u>
Profit for the period from continuing operations	\$ 843,287	\$ 674,798
Other comprehensive (loss) income, net of tax	<u>(99,320)</u>	<u>1,025,968</u>
Total comprehensive income	<u>\$ 743,967</u>	<u>\$ 1,700,766</u>
Dividends received from associates	<u>\$ 148,422</u>	<u>\$ 127,219</u>

	<u>EVA Airways Corporation</u>	
	<u>Year ended December</u> <u>31, 2015</u>	<u>Year ended December</u> <u>31, 2014</u>
Revenue	<u>\$ 137,168,544</u>	<u>\$ 133,090,008</u>
Profit (loss) for the period from continuing operations	\$ 6,859,210	(\$ 789,918)
Other comprehensive loss, net of tax	<u>(2,067,974)</u>	<u>(667,708)</u>
Total comprehensive income (loss)	<u>\$ 4,791,236</u>	<u>(\$ 1,457,626)</u>

F. The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarized below:

As of December 31, 2015 and 2014, the carrying amount of the Company's individually immaterial associates amounted to \$1,587,480 and \$1,569,465, respectively.

	<u>Year ended December</u> <u>31, 2015</u>	<u>Year ended December</u> <u>31, 2014</u>
Income for the period from continuing operations	\$ 94,583	\$ 222,417
Other comprehensive loss, net of tax	<u>(18,759)</u>	<u>(3,802)</u>
Total comprehensive income	<u>\$ 75,824</u>	<u>\$ 218,615</u>

(8) Property, plant and equipment

	Land	Buildings	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Other	Total
At January 1, 2015										
Cost	\$ 558,532	\$ 402,956	\$ 4,744,650	\$ 108,202	\$ 4,107,825	\$ 19,067,341	\$ 190,151	\$ 205,543	\$ -	\$ 29,385,200
Accumulated depreciation	-	(182,268)	(3,745,294)	(93,694)	(1,354,547)	(3,202,523)	(162,151)	(122,559)	-	(8,863,036)
	<u>\$ 558,532</u>	<u>\$ 220,688</u>	<u>\$ 999,356</u>	<u>\$ 14,508</u>	<u>\$ 2,753,278</u>	<u>\$ 15,864,818</u>	<u>\$ 28,000</u>	<u>\$ 82,984</u>	<u>\$ -</u>	<u>\$ 20,522,164</u>
<u>2015</u>										
Opening net book amount	\$ 558,532	\$ 220,688	\$ 999,356	\$ 14,508	\$ 2,753,278	\$ 15,864,818	\$ 28,000	\$ 82,984	\$ -	\$ 20,522,164
Additions	-	-	-	9,495	1,384,369	42,853	38,112	52,953	4,351	1,532,133
Disposals	-	-	(2)	-	(6,608)	(13,352)	(20)	-	-	(19,982)
Reclassifications	-	-	864,957	-	3,963	6,644,257	1,171	60,909	-	7,575,257
Depreciation	-	(9,012)	(155,300)	(7,367)	(395,919)	(1,002,450)	(13,617)	(43,547)	(48)	(1,627,260)
Closing net book amount	<u>\$ 558,532</u>	<u>\$ 211,676</u>	<u>\$ 1,709,011</u>	<u>\$ 16,636</u>	<u>\$ 3,739,083</u>	<u>\$ 21,536,126</u>	<u>\$ 53,646</u>	<u>\$ 153,299</u>	<u>\$ 4,303</u>	<u>\$ 27,982,312</u>
At December 31, 2015										
Cost	\$ 558,532	\$ 402,956	\$ 5,590,610	\$ 117,697	\$ 5,401,982	\$ 24,439,856	\$ 218,298	\$ 319,403	\$ 4,351	\$ 37,053,685
Accumulated depreciation	-	(191,280)	(3,881,599)	(101,061)	(1,662,899)	(2,903,730)	(164,652)	(166,104)	(48)	(9,071,373)
	<u>\$ 558,532</u>	<u>\$ 211,676</u>	<u>\$ 1,709,011</u>	<u>\$ 16,636</u>	<u>\$ 3,739,083</u>	<u>\$ 21,536,126</u>	<u>\$ 53,646</u>	<u>\$ 153,299</u>	<u>\$ 4,303</u>	<u>\$ 27,982,312</u>

	Land	Buildings	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Total
At January 1, 2014									
Cost	\$ 558,532	\$ 401,535	\$ 4,211,005	\$ 104,982	\$ 8,343,667	\$ 12,722,292	\$ 192,651	\$ 198,434	\$ 26,733,098
Accumulated depreciation	-	(171,692)	(4,017,921)	(87,298)	(5,760,728)	(2,422,754)	(171,989)	(94,579)	(12,726,961)
	<u>\$ 558,532</u>	<u>\$ 229,843</u>	<u>\$ 193,084</u>	<u>\$ 17,684</u>	<u>\$ 2,582,939</u>	<u>\$ 10,299,538</u>	<u>\$ 20,662</u>	<u>\$ 103,855</u>	<u>\$ 14,006,137</u>
<u>2014</u>									
Opening net book amount	\$ 558,532	\$ 229,843	\$ 193,084	\$ 17,684	\$ 2,582,939	\$ 10,299,538	\$ 20,662	\$ 103,855	\$ 14,006,137
Additions	-	1,421	3,050	3,292	1,508,458	72,388	17,478	7,108	1,613,195
Disposals	-	-	(2,738)	(1)	(590,398)	-	(1,849)	-	(594,986)
Reclassifications	-	-	885,373	-	-	6,272,661	-	-	7,158,034
Depreciation	-	(10,576)	(79,413)	(6,467)	(747,721)	(779,769)	(8,291)	(27,979)	(1,660,216)
Closing net book amount	<u>\$ 558,532</u>	<u>\$ 220,688</u>	<u>\$ 999,356</u>	<u>\$ 14,508</u>	<u>\$ 2,753,278</u>	<u>\$ 15,864,818</u>	<u>\$ 28,000</u>	<u>\$ 82,984</u>	<u>\$ 20,522,164</u>
At December 31, 2014									
Cost	\$ 558,532	\$ 402,956	\$ 4,744,650	\$ 108,202	\$ 4,107,825	\$ 19,067,341	\$ 190,151	\$ 205,543	\$ 29,385,200
Accumulated depreciation	-	(182,268)	(3,745,294)	(93,694)	(1,354,547)	(3,202,523)	(162,151)	(122,559)	(8,863,036)
	<u>\$ 558,532</u>	<u>\$ 220,688</u>	<u>\$ 999,356</u>	<u>\$ 14,508</u>	<u>\$ 2,753,278</u>	<u>\$ 15,864,818</u>	<u>\$ 28,000</u>	<u>\$ 82,984</u>	<u>\$ 20,522,164</u>

A. The Company has issued a negative pledge to granting banks for drawing borrowings within the credit line to purchase the above transportation equipment.

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

(9) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
At January 1, 2015			
Cost	\$ 1,414,008	\$ 975,187	\$ 2,389,195
Accumulated depreciation	-	(424,058)	(424,058)
	<u>\$ 1,414,008</u>	<u>\$ 551,129</u>	<u>\$ 1,965,137</u>
<u>2015</u>			
Opening net book amount	\$ 1,414,008	\$ 551,129	\$ 1,965,137
Depreciation charge	-	(19,146)	(19,146)
Closing net book amount	<u>\$ 1,414,008</u>	<u>\$ 531,983</u>	<u>\$ 1,945,991</u>
At December 31, 2015			
Cost	\$ 1,414,008	\$ 975,187	\$ 2,389,195
Accumulated depreciation	-	(443,204)	(443,204)
	<u>\$ 1,414,008</u>	<u>\$ 531,983</u>	<u>\$ 1,945,991</u>
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
At January 1, 2014			
Cost	\$ 1,414,008	\$ 975,187	\$ 2,389,195
Accumulated depreciation	-	(404,912)	(404,912)
	<u>\$ 1,414,008</u>	<u>\$ 570,275</u>	<u>\$ 1,984,283</u>
<u>2014</u>			
Opening net book amount	\$ 1,414,008	\$ 570,275	\$ 1,984,283
Depreciation charge	-	(19,146)	(19,146)
Closing net book amount	<u>\$ 1,414,008</u>	<u>\$ 551,129</u>	<u>\$ 1,965,137</u>
At December 31, 2014			
Cost	\$ 1,414,008	\$ 975,187	\$ 2,389,195
Accumulated depreciation	-	(424,058)	(424,058)
	<u>\$ 1,414,008</u>	<u>\$ 551,129</u>	<u>\$ 1,965,137</u>

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

	Year ended December 31, 2015	Year ended December 31, 2014
Rental income from the lease of the investment property	\$ 95,477	\$ 97,910
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 19,146	\$ 19,146
Direct operating expenses arising from the investment property that did not generate rental income in the period	\$ -	\$ -

B. The fair value of the investment property held by the Company as at December 31, 2015 and 2014 was \$3,627,787 and \$3,383,762, respectively. The fair value measurements were based on the market prices of recently sold properties in the immediate vicinity of a certain property.

C. Impairment information about the investment property is provided in Note 8.

(10) Other current assets

	December 31, 2015	December 31, 2014
Prepayments for equipment	\$ 1,295,667	\$ 2,809,641
Refundable deposits	23,568	31,777
Others	312	312
	\$ 1,319,547	\$ 2,841,730

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

	Year ended December 31, 2015	Year ended December 31, 2014
Amount capitalised	\$ 14,977	\$ 39,307
Interest rate	1.45%~1.88%	1.15%~1.88%

(11) Other current liabilities

	December 31, 2015	December 31, 2014
Long-term liabilities - current portion	\$ 10,495,373	\$ 7,717,401
Shipowner's accounts	1,342,186	1,214,475
Agency accounts	777,298	968,892
Others	7,257	12,357
	\$ 12,622,114	\$ 9,913,125

(12) Corporate bonds payable

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Domestic secured corporate bonds	\$ 3,000,000	\$ 3,000,000
Less: current portion or exercise of put options	<u>-</u>	<u>-</u>
	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

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.

(13) Long-term loans

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Secured bank loans	\$ 20,270,198	\$ 13,520,422
Unsecured bank loans	21,603,500	17,721,811
Add : unrealized foreign exchange loss	884,380	603,840
Less : deferred expenses - hosting fee credit	<u>(6,985)</u>	<u>(6,895)</u>
	42,751,093	31,839,178
Less: current portion	<u>(10,495,373)</u>	<u>(7,717,401)</u>
	<u>\$ 32,255,720</u>	<u>\$ 24,121,777</u>
Maturity range	105.01~115.03	104.01~115.03
Interest rate	1.13%~1.80%	0.89%~1.88%

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

(14) Other non-current liabilities

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Accrued pension liabilities	\$ 1,535,254	\$ 1,429,915
Guarantee deposits received	<u>10,044</u>	<u>9,554</u>
	<u>\$ 1,545,298</u>	<u>\$ 1,439,469</u>

(15) 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 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 contributes monthly an amount equal to 15% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned employees pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

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

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Present value of defined benefit obligations	(\$ 1,997,170)	(\$ 1,887,464)
Fair value of plan assets	<u>461,916</u>	<u>457,549</u>
Net defined benefit liability	<u>(\$ 1,535,254)</u>	<u>(\$ 1,429,915)</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
Year ended December 31, 2015			
Balance at January 1	(\$ 1,887,464)	\$ 457,549	(\$ 1,429,915)
Current service cost	(15,590)	-	(15,590)
Interest (expense) income	(31,748)	<u>7,618</u>	(24,130)
	<u>(1,934,802)</u>	<u>465,167</u>	<u>(1,469,635)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	4,533	4,533
Change in financial assumptions	(93,601)	-	(93,601)
Experience adjustments	(79,075)	-	(79,075)
	<u>(172,676)</u>	<u>4,533</u>	<u>(168,143)</u>
Pension fund contribution	-	98,425	98,425
Paid pension	<u>110,308</u>	<u>(106,209)</u>	<u>4,099</u>
Balance at December 31	<u>(\$ 1,997,170)</u>	<u>\$ 461,916</u>	<u>(\$ 1,535,254)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2014			
Balance at January 1	(\$ 1,874,129)	\$ 418,269	(\$ 1,455,860)
Current service cost	(11,983)	-	(11,983)
Interest (expense) income	(31,976)	7,377	(24,599)
	<u>(1,918,088)</u>	<u>425,646</u>	<u>(1,492,442)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,588	2,588
Change in demographic assumptions	10,443	-	10,443
Experience adjustments	(44,013)	-	(44,013)
	<u>(33,570)</u>	<u>2,588</u>	<u>(30,982)</u>
Pension fund contribution	-	88,047	88,047
Paid pension	64,194	(58,732)	5,462
Balance at December 31	<u>(\$ 1,887,464)</u>	<u>\$ 457,549</u>	<u>(\$ 1,429,915)</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's 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. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2015 and 2014 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Year ended December 31, 2015	Year ended December 31, 2014
Discount rate	<u>1.25%</u>	<u>1.75%</u>
Future salary increases	<u>2.00%</u>	<u>2.00%</u>

Assumptions regarding future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2015				
Effect on present value of defined benefit obligation	<u>(\$ 47,716)</u>	<u>\$ 49,637</u>	<u>\$ 29,365</u>	<u>(\$ 28,304)</u>
December 31, 2014				
Effect on present value of defined benefit obligation	<u>(\$ 42,967)</u>	<u>\$ 44,670</u>	<u>\$ 22,306</u>	<u>(\$ 21,465)</u>

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2016 amounts to \$101,749.

(g) As of December 31, 2015, the weighted average duration of that retirement plan is 10 years.

The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	158,302
1-2 year(s)		108,476
2-5 years		402,289
Over 5 years		<u>2,553,725</u>
	\$	<u>3,222,792</u>

B.(a)Effective July 1, 2005, the Company has 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 contributes 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.

(b)The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2015 and 2014 were \$59,306 and \$53,252, respectively.

(16) Capital stock

A.As of December 31, 2015, the Company’s authorized capital was \$36,000,000, and the paid-in capital was \$35,123,560, divided into 3,512,356 thousand shares of common stocks with a par value of \$10 (in dollars) per share.

B.Details of the common stock converted from the domestic unsecured convertible bonds issued by the Company for the year ended December 31, 2014 are set forth below:

	Year ended December 31, 2014	
	No. of Shares (in 000's)	Amount
Third unsecured convertible bonds	2,628	\$ 26,279

(17) Capital reserve

The Securities and Exchange Act requires that capital reserve shall be exclusively used to cover accumulated deficit 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 deficit and the amount to be capitalized does not exceed 10% of the paid-in capital.

	Year ended December 31, 2015				
	Share premium	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Stock warrants	Others
At January 1	\$ 5,895,171	\$ 1,390,128	\$ 446		\$ 6,713
Recognition of change in equity of associates in proportion to the Company's ownership	-	694,175	-		-
At December 31	<u>\$ 5,895,171</u>	<u>\$ 2,084,303</u>	<u>\$ 446</u>		<u>\$ 6,713</u>

	Year ended December 31, 2014				
	Share premium	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Stock warrants	Others
At January 1	\$5,817,998	\$ 1,388,550	\$ 446	\$ 58,250	\$6,713
Conversion of convertible bonds into common stock	23,555	-	-	(4,632)	
Convertible bonds expired	53,618	-	-	(53,618)	
Recognition of change in equity of associates in proportion to the Company's ownership	-	1,578	-	-	-
At December 31	<u>\$5,895,171</u>	<u>\$ 1,390,128</u>	<u>\$ 446</u>	<u>\$ -</u>	<u>\$6,713</u>

(18) Retained earnings

	Year ended December 31, 2015	Year ended December 31, 2014
At January 1	\$ 7,240,507	\$ 1,109,539
Profit (loss) for the period	(4,408,079)	1,155,924
Distribution (appropriation) of earnings	15,820	4,986,053
Remeasurement on post employment benefit obligations, net of tax	(286,423)	(11,009)
At December 31	<u>\$ 2,561,825</u>	<u>\$ 7,240,507</u>

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.

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. The appropriation of 2014 earnings resolved by the shareholders on June 17, 2015 is as follows:

	<u>Year ended December 31, 2014</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Accrual of legal reserve	<u>\$ 117,604</u>	
Reversal of special reserve	<u>\$ 828,940</u>	
Appropriate cash dividends to shareholders	<u>\$ 347,758</u>	<u>\$ 0.1</u>
Appropriate stock dividends to shareholders	<u>\$ 347,758</u>	<u>\$ 0.1</u>

F. In response to future operating plans, the Company has retained all distributable earnings and has not appropriated bonus to shareholders, directors' and supervisors' remuneration and employees' bonus for the year ended December 31, 2015.

As of March 29, 2016, the above-mentioned 2015 earnings appropriation had not been resolved by the shareholders.

G. For information relating to employees' remuneration (bonuses) and directors' and supervisors' remuneration, please refer to Note 6(26).

(19) Other equity items

	<u>Hedging reserve</u>	<u>Available-for- sale investment</u>	<u>Currency translation</u>	<u>Total</u>
At January 1, 2015	(\$ 365,777)	\$ 636,519	\$ 1,356,698	\$ 1,627,440
Revaluation – gross	-	666,959	-	666,959
Revaluation – tax	-	4,074	-	4,074
Revaluation – associates	-	154,298	-	154,298
Cash flow hedges:				
– Fair value gains (loss) in the period				
– associates	(155,372)	-	-	(155,372)
Currency translation differences:				
–Parent	-	-	649,891	649,891
–Tax of Parent			(26)	(26)
–Associates	-	-	148,523	148,523
At December 31, 2015	<u>(\$ 521,149)</u>	<u>\$ 1,461,850</u>	<u>\$ 2,155,086</u>	<u>\$ 3,095,787</u>

	Hedging reserve	Available-for- sale investment	Currency translation	Total
At January 1, 2014	\$ 12,331	(\$ 36,456)	(\$ 804,815)	(\$ 828,940)
Revaluation – gross	-	(83,883)	-	(83,883)
Revaluation – tax	-	(1,301)	-	(1,301)
Revaluation – associates	-	758,159	-	758,159
Cash flow hedges:				
– Fair value gains (loss) in the period				
– associates	(378,108)	-	-	(378,108)
Currency translation				
–Parent	-	-	1,935,866	1,935,866
–Tax of Parent	-	-	(37)	(37)
–Associates	-	-	225,684	225,684
At December 31, 2014	<u>(\$ 365,777)</u>	<u>\$ 636,519</u>	<u>\$ 1,356,698</u>	<u>\$ 1,627,440</u>

(20) Operating revenue

	Year ended December 31, 2015	Year ended December 31, 2014
Marine freight income	\$ 23,609,015	\$ 24,650,532
Ship rental income and slottage income	560,409	507,053
Commission income and agency service	291,421	272,896
Other income	673,228	721,357
	<u>\$ 25,134,073</u>	<u>\$ 26,151,838</u>

(21) Other gains -net

	Year ended December 31, 2015	Year ended December 31, 2014
Gains on disposal of property, plant and equipment	<u>\$ 192,757</u>	<u>\$ 1,996,633</u>

(22) Other income

	Year ended December 31, 2015	Year ended December 31, 2014
Rental revenue	\$ 96,494	\$ 99,040
Dividend income	56,990	57,837
Interest income:		
Interest income from bank deposits	93,824	142,190
Interest income from financial assets other than financial assets at fair value through profit or loss	10,588	10,271
Other income – others	76,273	545,591
	<u>\$ 334,169</u>	<u>\$ 854,929</u>

(23) Other gains and losses

	Year ended December 31, 2015	Year ended December 31, 2014
Net losses on financial assets at fair value through profit or loss	\$ -	(\$ 5,258)
Impairment loss on available-for-sale financial assets	(717,713)	-
Net currency exchange gains	128,991	104,068
Gains (losses) on disposal of investments	(4,839)	1,806
Losses on disposal of investments	(19,146)	(19,146)
Other non-operating expenses	(42,763)	(187,351)
	<u>(\$ 655,470)</u>	<u>(\$ 105,881)</u>

(24) Finance costs

	Year ended December 31, 2015	Year ended December 31, 2014
Interest expense:		
Bank loans	\$ 497,843	\$ 466,803
Corporate bonds	38,400	45,693
	536,243	512,496
Less: capitalisation of qualifying assets	(14,977)	(39,307)
Finance costs	<u>\$ 521,266</u>	<u>\$ 473,189</u>

(25) Expenses by nature

	Year ended December 31, 2015	Year ended December 31, 2014
Employee benefit expense	\$ 1,754,935	\$ 1,693,584
Depreciation charges on property, plant and equipment	1,627,260	1,660,216
Amortisation charges on intangible assets	7,973	9,967
Stevedorage	7,024,753	5,614,357
Inland haulage and canal due	5,734,728	5,326,838
Bunker fuel	3,350,673	5,046,242
Operating lease payments	2,585,291	2,499,626
Port charge	1,101,748	1,010,863
Commission	831,100	877,479
Professional service and data service expenses	255,860	204,538
Ship supplies and lubricant oil	225,363	192,744
Other operating costs and expenses	357,947	422,679
	<u>\$ 24,857,631</u>	<u>\$ 24,559,133</u>

(26) Employee benefit expense

	Year ended December 31, 2015	Year ended December 31, 2014
Wages and salaries	\$ 1,469,879	\$ 1,432,034
Labor and health insurance fees	106,481	102,160
Pension costs	99,026	89,834
Other personnel expenses	79,549	69,556
	<u>\$ 1,754,935</u>	<u>\$ 1,693,584</u>

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees that account for no less than 0.5% and pay remuneration to the directors and supervisors that account for no more than 5% of the total distributed amount.

However, in accordance with the Company Act amended on May 20, 2015, a company shall distribute employee remuneration, based on the current year's profit condition, in a fixed amount or a proportion of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. Aforementioned employee remuneration could be paid by cash or stocks. Specifics of the compensation are to be determined in a board meeting that registers two-thirds of directors in attendance, and the resolution must receive support from half of participating members. The resolution should be reported to the shareholders' meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. The Board of Directors of the Company has approved the amended Articles of Incorporation of the Company on March 29, 2016. According to the amended articles, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees', directors' and supervisors' remuneration. The ratio shall not be lower than 0.5% for employees' remuneration and shall not be higher than 5% for directors' and supervisors' remuneration. The amended articles will be resolved in the shareholders' meeting in 2016.

B. For the year ended December 31, 2015, the Company generated loss and thus did not accrue employees', directors' and supervisors' remuneration.

For the year ended December 31, 2014, employees' remuneration was accrued at \$15,160; directors' and supervisors' remuneration was accrued at \$11,000. The aforementioned amounts were recognised in salary expenses. The expenses recognised for the year of 2014 were accrued based on the net income of 2014, taking into account other factors such as legal reserve. Employees' bonus and directors' and supervisors' remuneration of 2014 as resolved by the shareholders at the shareholders' meeting were in agreement with those amounts recognised in the profit or loss of 2014.

Information about the appropriation of employees' remuneration (bonus) and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense

(a) Components of income tax (benefit) expense:

	Year ended December 31, 2015	Year ended December 31, 2014
Current tax:		
Current tax on profits for the period	\$ 266	\$ 496,399
Tax on undistributed earnings	-	194,069
Adjustments in respect of prior years	3	10,490
Total current tax	<u>269</u>	<u>700,958</u>
Deferred tax:		
Origination and reversal of temporary differences	(306,773)	63,911
Total deferred tax	<u>(306,773)</u>	<u>63,911</u>
Income tax (benefit) expense	<u>(\$ 306,504)</u>	<u>\$ 764,869</u>

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

	Year ended December 31, 2015	Year ended December 31, 2014
Fair value gains/losses on available -for-sale financial assets	\$ 4,074	(\$ 1,301)
Exchange differences on translating the financial statements of foreign operations	(26)	(37)
Actuarial gains/losses on defined benefit obligations	28,584	5,267
Share of other comprehensive income of associates	<u>(16,211)</u>	<u>(15,036)</u>
	<u>\$ 16,421</u>	<u>(\$ 11,107)</u>

(c) The income tax charged/(credited) to equity during the period is as follows:

	Year ended December 31, 2015	Year ended December 31, 2014
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	(\$ 72)	(\$ 60)
	<u>(\$ 72)</u>	<u>(\$ 60)</u>

B.Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2015	Year ended December 31, 2014
Tax calculated based on profit before tax and statutory tax rate	(\$ 801,479)	\$ 326,535
Expenses disallowed by tax regulation	504,855	252,219
Tax exempted income by tax regulation	(10,149)	(9,246)
Effect from tax credit of investment	-	(9,198)
Prior year income tax (over) underestimation	3	10,490
Effect from Alternative Minimum Tax	266	-
Tax on undistributed earnings	-	194,069
Income tax (benefit) expense	<u>(\$ 306,504)</u>	<u>\$ 764,869</u>

C.Amounts of deferred tax assets or liabilities as a result of temporary difference, loss carryforward and investment tax credit are as follows:

	Year ended December 31, 2015				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Temporary differences:					
– Deferred tax assets:					
Bad debts expense	\$ 442	\$ 62	\$ -	\$ -	\$ 504
Loss on valuation of financial assets	-	-	3,742	-	3,742
Deferred profit from disposal of loading and unloading equipment	5,416	(1,445)	-	-	3,971
Unrealized expense	6,655	532	-	-	7,187
Unrealized exchange loss	10,088	17,878	-	-	27,966
Pension expense	244,130	(10,677)	-	-	233,453
Actuarial losses/(gains)	-	-	27,539	-	27,539
Net operating loss carryforward	-	59,402	-	-	59,402
Subtotal	<u>\$ 266,731</u>	<u>\$ 65,752</u>	<u>\$ 31,281</u>	<u>\$ -</u>	<u>\$ 363,764</u>
– Deferred tax liabilities:					
Gain on valuation of financial assets	(\$ 332)	\$ -	\$ 332	\$ -	\$ -
Equity-accounted investment income	(1,089,791)	241,021	(16,237)	(72)	(865,079)
Actuarial losses/(gains)	(1,045)	-	1,045	-	-
Subtotal	<u>(1,091,168)</u>	<u>241,021</u>	<u>(14,860)</u>	<u>(72)</u>	<u>(865,079)</u>
Total	<u>(\$ 824,437)</u>	<u>\$ 306,773</u>	<u>\$ 16,421</u>	<u>(\$ 72)</u>	<u>(\$ 501,315)</u>

	Year ended December 31, 2014									
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31					
Temporary differences:										
– Deferred tax assets:										
Bad debts expense	\$ 404	\$ 38	\$ -	\$ -	\$ 442					
Loss on valuation of financial assets	23,311	(22,342)	(969)	-	-					
Deferred profit from disposal of loading and unloading equipment	13,145	(7,729)	-	-	5,416					
Unrealized expense	5,975	680	-	-	6,655					
Unrealized exchange loss	3,233	6,855	-	-	10,088					
Pension expense	253,807	(9,677)	-	-	244,130					
Investment tax credits	122,803	(122,803)	-	-	-					
Subtotal	<u>\$ 422,678</u>	<u>(\$ 154,978)</u>	<u>(\$ 969)</u>	<u>\$ -</u>	<u>\$ 266,731</u>					
– Deferred tax liabilities:										
Unrealised exchange gain	\$ -	\$ -	(\$ 332)	\$ -	(\$ 332)					
Equity-accounted investment income	(1,165,725)	91,067	(15,073)	(60)	(1,089,791)					
Actuarial losses/(gains)	(6,312)	-	5,267	-	(1,045)					
Subtotal	<u>(1,172,037)</u>	<u>91,067</u>	<u>(10,138)</u>	<u>(60)</u>	<u>(1,091,168)</u>					
Total	<u>(\$ 749,359)</u>	<u>(\$ 63,911)</u>	<u>(\$ 11,107)</u>	<u>(\$ 60)</u>	<u>(\$ 824,437)</u>					

D.Expiration dates of unused net operating loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2015				
Year incurred	Amount filed	Unused tax credits	Unrecognised deferred tax assets	Final year tax credits are due
2015	\$ 349,421	\$ 349,421	\$ -	2125

E.The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2015 and 2014, the amounts of temporary difference unrecognised as deferred tax liabilities were \$17,146,238 and \$20,551,693, respectively.

F.As of December 31, 2015, the Company's income tax returns through 2013 have been assessed and approved by the Tax Authority.

G.Unappropriated retained earnings:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Earnings generated in and before 1997	\$ 1,643,560	\$ 1,643,560
Earnings generated in and after 1998	918,265	5,596,947
	<u>\$ 2,561,825</u>	<u>\$ 7,240,507</u>

H.As of December 31, 2015 and 2014, the balance of the imputation tax credit account was \$2,544,529 and \$1,616,279, respectively. The creditable tax rate was 35.78% for 2014 and is estimated to be 48.15% for 2015.

(28) Earnings (loss) per share

	<u>Year ended December 31, 2015</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	(\$ 4,408,079)	3,512,356	(\$ 1.26)
<u>Diluted loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	(\$ 4,408,079)	3,512,356	(\$ 1.26)

	Year ended December 31, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	share (in dollars)
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 1,155,924	3,510,822	\$ 0.33
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 1,155,924	3,510,822	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	-	1,534	
Employees' bonus	-	687	
Net income attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,155,924	3,513,043	\$ 0.33

(29) Non-cash transactions

A. Investing activities with partial cash payments

(a) Property, plant and equipment

	Year ended December 31, 2015	Year ended December 31, 2014
Purchase of property, plant and equipment	\$ 1,532,133	\$ 1,613,195
Add: opening balance of payable on equipment	1,556	1,118
Less: ending balance of payable on equipment	(10,360)	(1,556)
Cash paid during the period	\$ 1,523,329	\$ 1,612,757

(b)Advance on equipment

	Year ended December 31, 2015	Year ended December 31, 2014
Acquisition of prepayments for equipment	\$ 6,065,292	\$ 4,725,126
Add: opening balance of payable on equipment	277,413	4,597
Less: ending balance of payable on equipment	(5,767)	(277,413)
Capitalized interest	(14,977)	(39,307)
Cash paid during the period	<u>\$ 6,321,961</u>	<u>\$ 4,413,003</u>

B.Financing activities with no cash flow effects

	Year ended December 31, 2015	Year ended December 31, 2014
Convertible bonds being converted to capital stocks	<u>\$ -</u>	<u>\$ 45,200</u>

7. RELATED PARTY TRANSACTIONS

(30) Names of the related parties and their relationship with the Company

Names of related parties	Relationship with the Company
Taiwan Terminal Services Co., Ltd. (TTSC)	Subsidiary
Peony Investment S.A. (Peony)	Subsidiary
Everport Terminal Services Inc. (ETS)	Subsidiary
Kingtrans International Logistics (Tianjin) Co., Ltd. (KTIL)	Indirect subsidiary
Clove Holding Ltd. (CLOVE)	Indirect subsidiary
PT. Multi Bina Transport (MBT)	Indirect subsidiary
PT. Multi Bina Pura International (MBPI)	Indirect subsidiary
Greencompass Marine S.A. (GMS)	Indirect subsidiary
Evergreen Heavy Industrial Co., (Malaysia) Berhad. (EHIC(M))	Indirect subsidiary
Evergreen Marine (UK) Limited (EMU)	Indirect subsidiary
Evergreen Shipping Agency (Deutschland) GmbH (EGD)	Indirect subsidiary
Evergreen Shipping Agency (U.K.) Limited (EGU)	Indirect subsidiary
Evergreen Shipping Agency (Switzerland) S.A. (EGDL)	Indirect subsidiary
Evergreen Shipping Agency (Austria) GmbH (EGDV)	Indirect subsidiary
Evergreen Shipping Agency (Ireland) Ltd. (EGUD)	Indirect subsidiary
Evergreen Shipping Agency (Netherlands) B.V. (EGN)	Indirect subsidiary

Names of related parties	Relationship with the Company
Evergreen Shipping Agency (Poland) SP.ZO.O (EGD-WWX)	Indirect subsidiary
Evergreen Argentina S.A. (EGB)	Indirect subsidiary
Evergreen Shipping Agency France S.A.S. (EGF)	Indirect subsidiary
Evergreen Shipping (Spain) S.L. (EES)	Indirect subsidiary
Evergreen Shipping Agency (Italy) S.p.A. (EIT)	Indirect subsidiary
Island Equipment LLC. (Island)	Indirect subsidiary
Armand Investment (Netherlands) N.V. (Armand N.V.)	Indirect subsidiary
Evergreen Shipping Agency (Australia) Pty. Ltd. (EMA)	Indirect subsidiary
Evergreen Shipping Agency (Thailand) Co., Ltd. (EGT)	Indirect subsidiary
Evergreen Shipping Agency (Singapore) Pte. Ltd. (EGS)	Indirect subsidiary
Evergreen Shipping Agency (India) Pvt. Ltd. (EGI)	Indirect subsidiary
Evergreen Shipping Agency (Russia) Ltd. (ERU)	Indirect subsidiary
Evergreen Agency (South Africa) (Pty) Ltd.(ESA)	Indirect subsidiary
Evergreen Shipping Agency (Korea) Corporation (EGK)	Indirect subsidiary
Armand Estate B.V. (Armand B.V.)	Indirect subsidiary
Whitney Equipment LLC. (Whitney)	Indirect subsidiary
Hemlock Equipment LLC. (Hemlock)	Indirect subsidiary

(31) Significant related party transactions and balances

A. Sales of services:

	Year ended December 31, 2015	Year ended December 31, 2014
Sales of services:		
Subsidiaries	\$ 2,597,619	\$ 2,509,663
Associates	736,280	912,249
Other related parties	3,577,317	3,498,645
	<u>\$ 6,911,216</u>	<u>\$ 6,920,557</u>

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

B. Purchases of services:

	Year ended December 31, 2015	Year ended December 31, 2014
Purchases of services:		
Subsidiaries	\$ 2,488,895	\$ 2,161,098
Associates	869,702	1,165,780
Other related parties	2,756,408	2,446,328
	<u>\$ 6,115,005</u>	<u>\$ 5,773,206</u>

Services are purchased from subsidiaries, associates and other related parties under general conditions.

C. Receivables from related parties:

	December 31, 2015	December 31, 2014
Accounts receivable:		
Subsidiaries	\$ 34,939	\$ 14,281
Associates	34,567	57,249
Other related parties	123,437	75,396
	<u>\$ 192,943</u>	<u>\$ 146,926</u>
	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Other receivables:		
Subsidiaries	\$ 8,942	\$ 6,889
Associates	4,942	784
Other related parties	139,973	6,868
	<u>\$ 153,857</u>	<u>\$ 14,541</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 against receivables from related parties.

D. Payables to related parties:

	December 31, 2015	December 31, 2014
Accounts payable:		
Subsidiaries	\$ 78,765	\$ 62,327
Associates	2,087	46,296
Other related parties	937	7,599
	<u>\$ 81,789</u>	<u>\$ 116,222</u>
	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Other payables:		
Associates	\$ 1,282	\$ 4,272
Other related parties	34,401	13,917
	<u>\$ 35,683</u>	<u>\$ 18,189</u>

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

E. Agency accounts:

(a) Debit balance of agency accounts

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Subsidiaries	\$ 14,491	\$ 27,938
Associates	-	9,989
	<u>\$ 14,491</u>	<u>\$ 37,927</u>

(b) Credit balance of agency accounts

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Subsidiaries	\$ 52,582	\$ 18,034
Associates	50,600	15,521
Other related parties	48,779	23,051
	<u>\$ 151,961</u>	<u>\$ 56,606</u>

F. Shipowner's accounts:

(a) Debit balance of shipowner's accounts

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Associates	\$ 241,795	\$ 394,527
Other related parties	497,844	354,312
	<u>\$ 739,639</u>	<u>\$ 748,839</u>

(b) Credit balance of shipowner's accounts

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Credit balance of shipowner's accounts		
Subsidiaries	\$ 812,268	\$ 507,815
Other related parties	150,639	136,127
	<u>\$ 962,907</u>	<u>\$ 643,942</u>

G. Property transactions:

(a) Acquisition of property, plant and equipment:

	<u>Year ended December 31, 2015</u>	<u>Year ended December 31, 2014</u>
Subsidiaries	\$ -	\$ 157,493
Associates	3,010	28
Other related parties	1,035	233
	<u>\$ 4,045</u>	<u>\$ 157,754</u>

(b) Disposal of property, plant and equipment:

	Year ended December 31, 2015		Year ended December 31, 2014	
	Disposal proceeds	(Loss) gain on disposal	Disposal proceeds	(Loss) gain on disposal
Associates	\$ 3,413	\$ 3,410.00	\$ -	\$ -
Other related parties	20	20	1,455	(329)
	<u>\$ 3,433</u>	<u>\$ 3,430</u>	<u>\$ 1,455</u>	<u>(\$ 329)</u>

H. Endorsements and guarantees provided to related parties:

	December 31, 2015	December 31, 2014
Subsidiaries	\$ 81,544,813	\$ 74,438,427
Associates	2,199,352	1,751,630
	<u>\$ 83,744,165</u>	<u>\$ 76,190,057</u>

(32) Key management compensation

	Year ended December 31, 2015	Year ended December 31, 2014
Salaries and other short-term employee benefits	\$ 46,352	\$ 55,477
Post-employment benefits	3,524	3,492
	<u>\$ 49,876</u>	<u>\$ 58,969</u>

8. PLEGDED ASSETS

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

Pledged assets	Book value		Purpose
	December 31, 2015	December 31, 2014	
Other financial assets			
- Pledged time deposits	\$ 474,731	\$ 121,648	Guarantee
Property, plant and equipment			
-Land	514,312	514,312	Long-term loan
-Buildings	203,089	210,452	"
-Ships	21,536,126	15,864,818	"
-Loading and unloading equipment	1,288,079	-	"
Investment property			
-Land	1,285,781	1,285,781	Long-term loan
-Buildings	507,722	526,129	"
	<u>\$ 25,809,840</u>	<u>\$ 18,523,140</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A.As of December 31, 2015, the Company had delegated ANZ Bank to issue Standby Letter of Credit amounting to USD 5,000 thousand.

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 total amount of the issuance of GDRs was USD 115,000 thousand. 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 USD 115,000 thousand. Another 2,089,061 units, representing 20,890,685 shares of the Company's common stock, were issued during the period from 1997 to December 31, 2015. As of December 31, 2015, 7,993,688 units were redeemed and 362,403 units were outstanding, representing 3,624,105 shares of the Company's common stock.

C.As of December 31, 2015, the long-term and medium-term loan facilities granted by the financial institutions with the resolution from the Board of Directors to finance the Company's purchase of new ships and general working capital requirement amounted to \$46,782,803 and the unutilized credits was \$4,024,724.

D.Operating lease

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

	<u>December 31, 2015</u>	
Within 1 year	USD	42,730
1~5 year		228,232
Over 5 years		209,619
	<u>USD</u>	<u>480,581</u>

E.As of December 31, 2015, the amount of guaranteed notes issued by the Company for loans borrowed was 53,591,218.

F.To meet operational needs, the Company signed the shipbuilding contracts with Taiwan Shipbuilding Co., Ltd. and Imabari Shipbuilding Co., Ltd. As of December 31, 2015, the total price of the contracts, wherein the vessels have not yet been delivered, amounted to USD 381,900 thousand, USD 343,710 thousand of which remain unpaid.

G.To meet operational needs in Vietnam, the Board of Directors has resolved on November 13, 2015, that the Company to participate in VIP Greenport Joint Stock Co.'s capital increase. The investment amount was VND 125,000,000 thousand and the effective date was set on January 16, 2016. The shareholding ratio was 21.74% after the capital increase and VIP Greenport Joint

Stock Co. was accounted for using equity method.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Company's Board of Directors proposed the appropriation of earnings on March 29, 2016 and the related information is described in Note 6(18).

12. OTHERS

(1) Capital risk management

The Company's objectives when managing capital are to safeguard the Company'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 Company 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

(a) Except for those listed in the table below, the carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, 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) are approximate to their fair values. The fair value information of financial instruments measured at fair value is provided in Note 12(3).

	<u>December 31, 2015</u>	
	<u>Book value</u>	<u>Fair value</u>
Financial liabilities:		
Bonds payable	\$ 3,000,000	\$ 3,051,987
Long-term loans (including current portion)	<u>42,751,093</u>	<u>45,004,361</u>
	<u>\$ 45,751,093</u>	<u>\$ 48,056,348</u>
	<u>December 31, 2014</u>	
	<u>Book value</u>	<u>Fair value</u>
Financial liabilities:		
Bonds payable (including current portion)	\$ 3,000,000	\$ 3,038,469
Long-term loans (including current portion)	<u>31,839,178</u>	<u>33,129,147</u>
	<u>\$ 34,839,178</u>	<u>\$ 36,167,616</u>

(b) The methods and assumptions of fair value measurement are as follows:

- i. Bonds payable: Regarding the ordinary corporate bonds issued by the Company, the coupon rate is approximate to the current market rate. Therefore, the fair value is estimated using the present value of the expected cash flows.
- ii. Long-term loans: The fair value is estimated using the present value of the expected cash flows.

B. Financial risk management policies

- (a) The Company'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 Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.
- (b) Risk management is carried out by the Company's Finance Department under policies approved by the Board of Directors. The Company's Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Company'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

- i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.
- ii. The Company'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 Company's Finance Department. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Company use forward foreign exchange contracts, transacted with Company'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.
- iii. The Company's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2015			
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 687,292	32.8875	\$ 22,603,316
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 599,743	32.8875	\$ 19,724,048

December 31, 2014			
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 840,072	31.6865	\$ 26,618,941
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 789,335	31.6865	\$ 25,011,263

iv. The total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2015 and 2014 amounted to \$128,991 and \$104,068, respectively.

iiv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2015			
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%	\$ 226,033	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 197,240	\$ -

	Year ended December 31, 2014		
	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%	\$ 266,189	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 250,113	\$ -

Price risk

- i. The Company is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet either as available-for-sale or at fair value through profit or loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company'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, other components of equity for the years ended December 31, 2015 and 2014, would have increased/decreased by \$13,467 and \$13,934, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

Interest rate risk

- i. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company 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 Company to fair value interest rate risk. During the years ended December 31, 2015 and 2014, the Company's borrowings at floating rate were denominated in the NTD and USD.
- ii. At December 31, 2015 and 2014, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2015 and 2014 would have been \$336,632 and \$227,802 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 Company arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Company's credit policy, each local entity in the Company 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. For the years ended December 31, 2015 and 2014, 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(4).

(c)Liquidity risk

- i.Cash flow forecasting is performed in the operating entities of the Company and aggregated by the Company's Finance Department. The Company's Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii.The table below analyses the Company'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:

December 31, 2015	Less than 3 months	Between 3			Over 5 years	Total
		months and 1 year	Between 1 and 2 years	Between 2 and 5 years		
Accounts payable	\$2,167,097	\$ 1,175	\$ -	\$ -	\$ -	\$2,168,272
Accounts payable - relate parties	81,789	-	-	-	-	81,789
Other payables	327,808	26,301	-	-	-	354,109
Other payables - related parties	35,683	-	-	-	-	35,683
Bonds payable	-	38,400	3,038,400	-	-	3,076,800
Long-term loans (including current portion)	3,006,794	8,053,692	5,261,763	19,492,486	9,195,428	45,010,163
Guarantee deposits received	-	-	-	-	10,044	10,044

Non-derivative financial liabilities:

December 31, 2014	Less than 3 months	Between 3			Over 5 years	Total
		months and 1 year	Between 1 and 2 years	Between 2 and 5 years		
Accounts payable	\$2,289,867	\$ 6	\$ -	\$ -	\$ -	\$2,289,873
Accounts payable - relate parties	116,222	-	-	-	-	116,222
Other payables	674,756	52,461	-	-	-	727,217
Other payables - related parties	18,189	-	-	-	-	18,189
Bonds payable	-	38,400	38,400	3,038,400	-	3,115,200
Long-term loans (including current portion)	1,863,859	6,255,166	11,288,109	6,876,956	6,891,390	33,175,480
Guarantee deposits received	-	-	-	-	9,554	9,554

(3) Fair value estimation

A. Details of the fair value of the Company's financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A. Details of the fair value of the Company's investment property measured at cost are provided in Note 6(9).

B. 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.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2015 and 2014 is as follows:

December 31, 2015	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Available-for-sale financial assets				
Equity securities	<u>\$ 1,231,965</u>	<u>\$ -</u>	<u>\$ 117,398</u>	<u>\$ 1,349,363</u>
December 31, 2014	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Available-for-sale financial assets				
Equity securities	<u>\$ 1,266,490</u>	<u>\$ -</u>	<u>\$ 133,627</u>	<u>\$ 1,400,117</u>

D. The methods and assumptions the Company used to measure fair value are as follows:

(a) The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>
Market quoted price	Closing price

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

(c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo

simulation.

- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (f) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

E. For the years ended December 31, 2015 and 2014, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2015 and 2014:

	<u>Equity securities</u>	<u>Derivative financial instruments</u>	<u>Total</u>
At January 1, 2015	\$ 133,627	\$ -	\$ 133,627
Gains and losses recognised in other comprehensive income (Note 1)	(16,229)	-	(\$ 16,229)
At December 31, 2015	<u>\$ 117,398</u>	<u>\$ -</u>	<u>\$ 117,398</u>

Note 1: Recorded as unrealised valuation gain or loss of available-for-sale financial assets.

	<u>Equity securities</u>	<u>Derivative financial instruments</u>	<u>Total</u>
At January 1, 2014	\$ 110,678	\$ 5,173	\$ 115,851
Gains and losses recognised in net income (Note 1)	-	(5,173)	(5,173)
Gains and losses recognised in other comprehensive income (Note 2)	22,949	-	22,949
At December 31, 2014	<u>\$ 133,627</u>	<u>\$ -</u>	<u>\$ 133,627</u>

Note 1: Recorded as non-operating income and expense.

Note 2: Recorded as unrealised valuation gain or loss of available-for-sale financial assets.

G. For the years ended December 31, 2015 and 2014, there was no transfer into or out from Level 3.

H. The Company is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2015	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 107,229	Market comparable companies	Price to earnings ratio multiple	34.75~34.82	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.77~1.47	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	10,169	Net asset value	Net asset value		The higher the net asset value, the higher the fair value

J. The Company has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2015					
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability		±1%	\$ -	\$ -	\$ 1,072	\$ 1,072
	Net asset value		±1%	-	-	102	102
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,174</u>	<u>\$ 1,174</u>
		December 31, 2014					
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability		±1%	\$ -	\$ -	\$ 1,235	\$ 1,235
	Net asset value		±1%	-	-	102	102
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,337</u>	<u>\$ 1,337</u>

(4) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(5) Information on investees (not including investees in Mainland China)

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 8.

(6) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

13. SEGMENT INFORMATION

None.

Evergreen Marine Corporation (Taiwan) Ltd.
Loans to others
For the year ended December 31, 2015

Table 1

Expressed in thousands of NTD

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2015 (Note 3)	Balance at December 31, 2015 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with 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)	Footnote
													Item	Value			
1	Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Receivables from related parties	Yes	\$ 494,850	\$ 493,313	\$ 322,752	1.3068%~ 1.5021%	2	\$ -	Working capital requirement	\$ -	None	\$ -	\$ 7,096,240	\$ 17,740,599	
1	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties	Yes	362,890	361,763	345,319	1.3115%~ 1.5175%	2	-	Working capital requirement	-	None	-	14,192,479	17,740,599	
2	Clove Holding Ltd.	Whitney Equipment LLC.	Receivables from related parties	Yes	98,970	98,663	98,663	1.3240%	2	-	Working capital requirement	-	None	-	1,157,005	1,446,256	
3	Greencompass Marine S.A.	Everpeort Terminal Services INC.	Receivables from related parties	Yes	989,700	986,625	-	1.9938%	2	-	Working capital requirement	-	None	-	8,759,150	10,948,938	

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 recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2015

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

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for 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 statements.

PEONY : USD 1,078,866*32.8875*20%=7,096,240

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 statements.

PEONY : USD 1,078,866*32.8875*40%=14,192,479

Clove Holding Ltd. : USD 87,952*32.8875*40%=1,157,005

Greencompass Marine S.A. : USD 665,842*32.8875*40%=8,759,150

2. According to the Company's credit policy, the total amount of loans granted to a single company should not exceed 40% of the net worth stated in the financial statements.

PEONY : USD 1,078,866*32.8875*50%=17,740,599

Clove Holding Ltd. : USD 87,952*32.8875*50%=1,446,256

Greencompass Marine S.A. : USD 665,842*32.8875*50%=10,948,938

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 Lending 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 Lending 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.

Evergreen Marine Corporation (Taiwan) Ltd.
Provision of endorsements and guarantees to others
For the year ended December 31, 2015

Table 2

Expressed in thousands of NTD

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 as of December 31, 2015 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2015 (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)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Evergreen Marine Corporation	Greencoast Marine S.A.	3	\$ 116,002,094	\$ 34,986,633	\$ 34,986,633	\$ 16,910,458	\$ -	60.32%	\$ 145,002,617	Y	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	116,002,094	488,252	486,735	322,298	-	0.84%	145,002,617	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	3	116,002,094	45,147,669	42,891,173	40,355,291	-	73.95%	145,002,617	Y	N	N	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	3	116,002,094	1,203,194	958,520	940,124	-	1.65%	145,002,617	Y	N	N	
0	Evergreen Marine Corporation	Hemlock Equipment LLC.	3	116,002,094	750,266	610,264	597,393	-	1.05%	145,002,617	Y	N	N	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	290,005,523	1,498,355	1,498,355	537,728	-	2.58%	145,002,617	N	N	N	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	290,005,523	911,706	700,997	700,997	-	1.21%	145,002,617	N	N	N	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	2	116,002,094	1,766,988	1,611,488	1,611,488	-	2.78%	145,002,617	Y	N	N	

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", and 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.

The calculation is as follows:

The Company: $58,001,047 * 250\% = 145,002,617$

Limit on endorsement or guarantees provided by the Company for a single entity is \$29,000,523 (amounting to 50% of its net worth).

When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to \$116,002,094.

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.

Evergreen Marine Corporation (Taiwan) Ltd.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
For the year ended December 31, 2015

Table 3

Expressed in thousands of shares/thousands

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2015				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Evergreen Marine Corporation	Stock:							
	Power World Fund Inc.		Available-for-sale financial asset-non-current	1,017	\$ 10,169	5.68%	\$ 10,169	
	Taiwan HSR Consortium		"	50,694	526,711	0.90%	526,711	
	Linden Technologies, Inc.		"	50	9,677	1.44%	9,677	
	TopLogis, Inc.		"	2,464	5,784	17.48%	5,784	
	Ever Accord Construction Corp.		"	9,317	91,768	17.50%	91,768	
	Central Reinsurance Corp.		"	47,492	705,254	8.45%	705,254	
	Financial bonds:							
	Bank of Taichung Unsecured Subordinated Financial Debentures		Held-to-maturity financial asset-current	-	200,000	-	200,000	
	Bank of Taichung Unsecured Subordinated Financial Debentures		Held-to-maturity financial asset-non-current	-	20,000	-	20,000	
	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	
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		"	-	50,000	-	50,000	
Peony Investment S.A.	Dongbu Pusan Container Terminal Co., Ltd.		Available-for-sale financial asset-non-current	300	USD 6,154	15.00	USD 6,154	
	Hutchinson Inland Container Depots Ltd.		"	0.75	USD 259	7.50	USD 259	
	South Asia Gateway Terminals (Private) Ltd.		"	18,942	USD 30,840	5.00	USD 30,840	
Evergreen Shipping Agency (Singapore) Pte. Ltd.	RTW Air Services (S) Pte Ltd.		"	30	SGD 44	2.00	SGD 44	
Evergreen Shipping Agency (Thailand) Co., Ltd.	Green Siam Air Service Co., Ltd.		"	4	THB 1,160	2.00	THB 1,160	
Evergreen Shipping Agency (Deutschland) GmbH	Zoll Pool Hafen Hamburg AG		"	10	EUR 10	2.86	EUR 10	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IAS39, 'Financial instruments: recognition and measurement'.

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

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

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.

Evergreen Marine Corporation (Taiwan) Ltd.

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2015

Table 4

Expressed in thousands of shares/thousands of NTD

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2015		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2015	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Evergreen Marine Corporation	Beneficiary Certificates:													
	Yuanta Wan Tai Money Market Fund	Financial assets at fair value through profit or loss - current			-	\$ -	46,937	\$ 700,000	46,937	\$ 700,094	\$ 700,000	\$ 94	-	\$ -
	Fubon Chi-Hsiang Money Market	"			-	-	48,567	750,000	48,567	750,070	750,000	70	-	-
	FSITC Taiwan Money Market	"			-	-	29,878	750,000	29,878	750,192	750,000	192	-	-
	Taishin 1699 Money Market Fund	"			-	-	123,962	1,650,000	123,962	1,650,594	1,650,000	594	-	-
	Capital Money Market	"			-	-	25,233	400,000	25,233	400,322	400,000	322	-	-
	Allianz Gbl Investors Taiwan Money Market	"			-	-	24,346	300,000	24,346	300,046	300,000	46	-	-
	Mega Diamond Bond Fund	"			-	-	52,783	650,000	52,783	651,033	650,000	1,033	-	-
	Yuanta De- Bao Money Market Fund	"			-	-	31,118	500,000	31,118	500,121	500,000	121	-	-

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\$300 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.

Evergreen Marine Corporation (Taiwan) Ltd.
Purchases or sales of goods from or to related parties reaching NTS100 million or 20% of paid-in capital or more
For the year ended December 31, 2015

Table 5

Expressed in thousands

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			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	Taiwan Terminal Services Co., Ltd.	Subsidiary	Purchases	\$ 808,698	3%	30-60 days	\$ -	-	(\$ 72,041)	3%	
	Evergreen International Corp.	Investee of the Company's major shareholder	Sales	1,789,395	7%	30-60 days	-	-	86,737	5%	
			Purchases	453,294	2%	30-60 days	-	-	(24)	-	
	Evergreen International Storage and Transport Corp.	Investee accounted for using equity method	Sales	100,878	-	30-60 days	-	-	24,863	1%	
			Purchases	418,020	2%	30-60 days	-	-	(382)	-	
	Greencompass Marine S.A.	Indirect subsidiary of the Company	Sales	1,457,628	6%	30-60 days	-	-	25,828	1%	
			Purchases	1,100,531	4%	30-60 days	-	-	-	-	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Company	Sales	1,136,736	5%	30-60 days	-	-	9,111	-	
			Purchases	246,154	1%	30-60 days	-	-	-	-	
	Everport Terminal Services Inc.	Subsidiary	Purchases	206,319	1%	10 days	-	-	(6,723)	-	
	Italia Marittima S.p.A.	Investee of Balsam	Sales	635,401	3%	30-60 days	-	-	9,704	1%	
			Purchases	234,220	1%	30-60 days	-	-	-	-	
	Gaining Enterprise S.A.	Subsidiary of EITC accounted for using equity method	Purchases	1,641,038	7%	30-60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Company's major shareholder	Sales	1,696,471	7%	30-60 days	-	-	30,355	2%	
			Purchases	347,596	1%	30-60 days	-	-	(572)	-	
Taipei Port Container Terminal Corp.	Investee accounted for using equity method	Purchases	104,427	-	30-60 days	-	-	-	-		

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
	Evergreen Marine (Hong Kong) Ltd.	Investee of the Company's major shareholder	Purchases	225,600	1%	30-60 days	-	-	-	-	
Taiwan Terminal Services Co.,Ltd.	Evergreen Marine Corp.	The parent	Sales	808,698	99%	30-60 days	-	-	72,041	99%	
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	Sales	USD 6,495	8%	10 days	-	-	USD 204	3%	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 18,858	24%	10 days	-	-	USD 1,643	23%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 9,540	12%	10 days	-	-	USD 1,148	16%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 27,710	35%	10 days	-	-	USD 2,074	30%	
	Italia Marittima S.p.A.	Investee of Balsam	Sales	USD 5,334	7%	10 days	-	-	USD 494	7%	
	Seaside Transportation Service LLC.	Investee of the Parent Company's major shareholder	Sales	USD 6,370	8%	10 days	-	-	USD 163	2%	
Greencompass Marine S.A.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 37,636	2%	30-60 days	-	-	USD 1,194	1%	
			Purchases	USD 17,754	1%	30-60 days	-	-	-	-	
	Evergreen Marine Corp.	The parent	Sales	USD 34,645	2%	30-60 days	-	-	-	-	
			Purchases	USD 45,886	2%	30-60 days	-	-	(USD 785)	1%	
	Evergreen Shipping Agency (Deutschland) GmbH	Subsidiary of the Parent Company	Purchases	USD 3,861	-	30-60 days	-	-	-	-	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 9,540	-	10 days	-	-	(USD 1,148)	1%	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 77,304	4%	30-60 days	-	-	USD 2,183	1%	
			Purchases	USD 22,131	1%	30-60 days	-	-	-	-	
	Evergreen International S.A.	Major shareholder of the Parent Company's	Purchases	USD 12,666	1%	30-60 days	-	-	-	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 9,941	-	30-60 days	-	-	-	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Greencoast Marine S.A.	Italia Marittima S.p.A.	Investee of Balsam	Sales	USD 31,259	2%	30-60 days	-	-	-	-	
			Purchases	USD 26,613	1%	30-60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Investee of the Parent Company's major shareholder	Purchases	USD 36,364	2%	30-60 days	-	-	-	-	
	Evergreen Shipping Agency (Netherlands) B.V.	Indirect subsidiary of the Parent Company	Purchases	USD 3,652	-	30-60 days	-	-	-	-	
	Evergreen Insurance Company Limited	Investee of the Parent Company's major shareholder	Purchases	USD 5,780	-	30-60 days	-	-	(USD 963)	1%	
Evergreen Marine (UK) Limited	Greencoast Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 17,754	1%	30-60 days	-	-	-	-	
			Purchases	USD 37,636	2%	30-60 days	-	-	(USD 1,194)	1%	
	Evergreen Marine Corp.	The Parent	Sales	USD 7,749	1%	30-60 days	-	-	-	-	
			Purchases	USD 35,784	2%	30-60 days	-	-	(USD 277)	-	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 27,710	2%	10 days	-	-	(USD 2,074)	1%	
	Italia Marittima S.p.A.	Investee of Balsam	Sales	USD 17,139	1%	30-60 days	-	-	-	-	
			Purchases	USD 28,963	2%	30-60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 27,589	2%	30-60 days	-	-	USD 651	1%	
			Purchases	USD 17,283	1%	30-60 days	-	-	(USD 552)	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 8,845	1%	30-60 days	-	-	(USD 1)	-	
Evergreen Insurance Company Limited	Investee of the Parent Company's major shareholder	Purchases	USD 5,752	-	30-60 days	-	-	-	-		

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	Sales	MYR 211,353	72%	45 days	-	-	MYR 39,414	100%	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	MYR 81,226	28%	45 days	-	-	-	-	
Island Equipment LLC	Seaside Transportation Service LLC.	Investee of the Parent Company's major shareholder	Sales	USD 4,068	24%	5 days	-	-	USD 212	26%	
Evergreen Shipping Agency (France) S.A.S.	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	EUR 3,367	46%	30 days	-	-	-	-	
Evergreen Shipping Agency (Deutschland) GmbH	Greencompass Marine S.A.	Indirect subsidiary of the Company	Sales	EUR 3,480	28%	30-60 days	-	-	-	-	
	Italia Marittima S.p.A.	Investee of Balsam	Sales	EUR 3,118	25%	30-60 days	-	-	EUR 239	2%	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Company's major shareholder	Sales	EUR 3,082	25%	30-60 days	-	-	EUR 237	2%	
Evergreen Shipping Agency (Netherlands) B.V.	Greencompass Marine S.A.	Indirect subsidiary of the Company	Sales	EUR 3,292	32%	30-60 days	-	-	-	-	

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.

Evergreen Marine Corporation (Taiwan) Ltd.
 Receivables from related parties reaching NTS100 million or 20% of paid-in capital or more
 December 31, 2015

Table 6

Expressed in thousands

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2015 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Evergreen Marine Corp.	Evergreen International Corporation	Investee of the Company's major shareholder	\$ 225,205	-	\$ -	-	\$ 222,447	-
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	MYR 39,414	-	-	-	-	-

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.

Evergreen Marine Corporation (Taiwan) Ltd.
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2015

Table 7

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Evergreen Marine Corporation	Taiwan Terminal Services Co., Ltd.	1	Operating cost	\$ 808,698	Note 4	0.60
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Shipowner's account - credit	253,300	"	0.13
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating revenue	1,457,628	"	1.09
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating cost	1,100,531	"	0.82
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Shipowner's account - credit	558,968	"	0.29
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating revenue	1,136,736	"	0.85
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating cost	246,154	"	0.18
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Operating cost	206,319	"	0.15
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Operating revenue	1,195,543	"	0.89
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Operating cost	555,867	"	0.42
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Operating cost	303,060	"	0.23
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Deutschland) GmbH	3	Operating cost	122,661	"	0.09
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Netherlands) B.V.	3	Operating cost	116,017	"	0.09
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Operating cost	880,229	"	0.66
3	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	345,340	"	0.18

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 (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (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: Terms are approximately the same as for general transactions.

Note 5: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Evergreen Marine Corporation (Taiwan) Ltd.
Information on investees
For the year ended December 31, 2015

Table 8

Expressed in thousands of shares/thousands of NTD

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2015			Net profit (loss) of the investee for the year ended December 31, 2015 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2015 (Note 2(3))	Footnote
				Balance as of December 31, 2015	Balance as of December 31, 2014	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	\$ 15,670,894	\$ 15,670,894	4,765	100.00	\$ 35,315,697	\$ 5,672,263	\$ 5,723,234	Subsidiary of the Company
	Taiwan Terminal Services Co., Ltd.	Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	40,626	30,983	17,041	#
	Everport Terminal Services Inc.	U.S.A	Terminal services	3,289	3,289	1	100.00	61,474	(88,338)	(88,338)	#
	Charng Yang Development Co., Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	521,634	166,648	66,659	Investee accounted for using equity method
	Evergreen International Storage and Transport Corporation	Taiwan	Container transportation and gas stations	4,753,514	4,753,514	424,062	39.74	8,394,827	843,743	338,140	#
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	81,366	45,495	14,217	#
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	10,767,879	10,767,879	629,483	16.31	7,970,003	6,436,425	1,059,087	#
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,094,073	1,094,073	109,378	21.03	980,212	(119,212)	(25,075)	#
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	3,453	3,453	105	17.50	4,268	1,653	289	#
Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,728,214	1,728,214	10	100.00	2,892,513	89,906	89,906	Indirect subsidiary of the Company
	Evergreen Shipping Agency (Deutschland) GmbH	Germany	Shipping agency	273,492	273,492	-	100.00	232,079	9,368	9,368	#
	Evergreen Shipping Agency (Ireland) Ltd.	Ireland	Shipping agency	3,124	3,124	0.1	100.00	4,733	657	657	#
	Evergreen Shipping Agency (Korea) Corporation	South Korea	Shipping agency	79,785	79,785	121	100.00	60,019	21,219	21,219	#
	Evergreen Shipping Agency (Netherlands) B.V.	Netherlands	Shipping agency	130,794	130,794	0.047	100.00	79,517	(54,236)	(54,236)	#
	Evergreen Shipping Agency (Poland) SP. ZO. O	Poland	Shipping agency	21,772	21,772	2	100.00	10,963	401	401	#
	Greencompass Marine S.A.	Republic of Panama	Marine transportation	11,625,731	11,625,731	3,535	100.00	21,897,876	(3,752,950)	(3,752,950)	#
	Evergreen Shipping Agency (India) Pvt. Ltd.	India	Shipping agency	38,701	38,701	100	99.99	97,025	23,962	23,961	#
	Evergreen Argentina S.A.	Argentina	Leasing	4,604	4,604	150	95.00	3,253	(15,763)	(14,974)	#

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2015			Net profit (loss) of the investee for the year ended December 31, 2015 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2015 (Note 2(3))	Footnote
				Balance as of December 31, 2015	Balance as of December 31, 2014	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Shipping Agency France S.A.S.	France	Shipping agency	\$ 29,829	\$ 29,829	5	100.00	\$ 61,627	\$ 3,251	\$ 3,251	Indirect subsidiary of the Company
	PT. Multi Bina Pura International	Indonesia	Loading and discharging operations of container yards and island transportation	257,869	257,869	17	95.03	417,413	60,413	57,411	"
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and island distribution	26,451	26,451	2	17.39	15,072	13,480	2,344	"
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Malaysia	Container manufacturing	897,659	897,659	42,120	84.44	1,200,172	238,522	201,408	"
	Armand Investment (Netherlands) N.V.	Curacao	Investment holding company	378,618	378,618	4	70.00	314,356	(14,499)	(10,149)	"
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	127,275	127,275	3	55.00	101,060	91,989	50,594	"
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	77,351	77,351	0.55	55.00	59,972	9,265	5,096	"
	Evergreen Marine (UK) Limited	U.K	Marine transportation	1,055,776	1,055,776	765	51.00	1,997,072	(1,268,043)	(646,702)	"
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	8,126	8,126	0.675	67.50	26,776	34,608	23,361	"
	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	27,889	27,889	-	51.00	10,995	44,520	22,705	"
	Evergreen Shipping Agency(Singapore) Pte. Ltd.	Singapore	Shipping agency	70,938	70,938	765	51.00	155,349	69,826	35,611	"
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	48,476	48,476	408	51.00	55,787	68,043	34,702	"
	Evergreen Agency (South Africa) (Pty) Ltd.	South Africa	Shipping agency	19,100	19,100	5,500	55.00	113,445	114,608	63,034	"
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	32,000	32,000	0.441	49.00	109,668	70,373	34,483	Investee company of Peony accounted for using equity method
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	14,931	14,931	-	49.00	187,477	66,243	33,784	"
	Luanta Investment (Netherlands) N.V.	Curacao	Investment holding company	1,554,839	1,484,019	460	50.00	2,035,947	(918,676)	(459,338)	"
	Balsam Investment (Netherlands) N.V.	Curacao	Investment holding company	9,917,437	8,513,307	0.451	49.00	249,716	(3,600,078)	(1,764,038)	"
Green Peninsula Agencies SDN. BHD.	Malaysia	Investment holding company	238,599	238,599	1,500	30.00	238,460	216,312	64,893	"	
Evergreen Shipping Agency Co. (U.A.E.) LLC	United Arab Emirates	Shipping agency	68,472	68,472	-	49.00	93,603	109,001	53,411	"	
Greenpen Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	14,012	2,982	1,500	30.00	44,306	18,721	5,616	"	

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2015			Net profit (loss) of the investee for the year ended December 31, 2015 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2015 (Note 2(3))	Footnote
				Balance as of December 31, 2015	Balance as of December 31, 2014	Number of shares	Ownership (%)	Book value			
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Netherlands	Investment holding company	\$ 556,980	\$ 556,980	0.045	100.00	\$ 450,838	(\$ 13,760)	(\$ 13,760)	Indirect subsidiary of the Company
Armand Estate B.V.	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	506,019	506,019	50,602	9.73	452,710	(119,212)	(11,599)	Investee company of Armand Estate B.V. accounted for using equity method
Clove Holding Ltd.	Colon Container Terminal, S.A.	Republic of Panama	Inland container storage and loading	751,808	751,808	22,860	40.00	2,852,856	185,048	74,019	Investee company of Clove Holding Ltd. accounted for using equity method
	Island Equipment LLC.	U.S.A	Investment holding company	4,736	4,736	-	36.00	153,983	55,062	19,822	Indirect subsidiary of the Company
Island Equipment LLC	Whitney Equipment LLC.	U.S.A	Equipment leasing company	6,578	6,578	-	100.00	151,886	30,287	30,287	#
	Hemlock Equipment LLC.	U.S.A	Equipment leasing company	6,578	6,578	-	100.00	304,439	51,485	51,485	Indirect subsidiary of the Company
Evergreen Marine (UK) Limited	Island Equipment LLC.	U.S.A	Investment holding company	1,973	1,973	-	15.00	64,160	55,062	8,259	#
	Evergreen Shipping Agency (UK) Limited	U.K	Shipping agency	0.07	0.07	-	100.00	43,187	11,090	11,090	#
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	3,256	3,256	99	16.50	4,024	1,653	273	Investee company of Evergreen Marine (UK) Limited accounted for using equity method
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	108,575	108,575	8	72.95	63,227	13,480	9,834	Indirect subsidiary of the Company
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Austria) GmbH	Austria	Shipping agency	651	651	-	100.00	7,305	427	427	#
	Evergreen Shipping Agency (Switzerland) S.A.	Switzerland	Shipping agency	2,466	2,466	0.1	100.00	9,966	932	932	#

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 December 31, 2015' 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 nine-month period ended December 31, 2015' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the nine-month period ended December 31, 2015' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised 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 recognised by regulations.

Evergreen Marine Corporation (Taiwan) Ltd.
Information on investments in Mainland China
For the year ended December 31, 2015

Table 9

Expressed in thousands of NTD

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, 2015	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for year ended December 31, 2015		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015	Net income (loss) of the investee for the year ended December 31, 2015	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company for the year ended December 31, 2015 (Note 2(2))	Book value of investments in Mainland China as of December 31, 2015	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2015	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Ningbo Victory Container Co., Ltd.	Island container transportation, container storage, loading, discharging, repair and related activities	\$ 122,918	(2)	\$ 33,463	\$ -	\$ -	\$ 33,463	\$ 16,472	40.00	\$ 6,589	\$ 77,939	\$ -	
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Island container transportation, storage, loading, discharging, repair, cleaning and related activities	468,651	(2)	146,248	-	-	146,248	181,886	40.00	72,754	285,542	-	
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Island container transportation, storage, loading, discharging, repair, cleaning and related activities	394,829	(2)	131,550	-	-	131,550	(8,403)	40.00	(3,361)	205,176	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015	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
Evergreen Marine Corp.	\$ 311,261	\$ 1,186,986	\$ 36,776,761

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

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company, Peony Investment S.A., in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2015' 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:
 - A. The financial statements that are reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B. The financial statements that are reviewed and attested by R.O.C. parent company's CPA.
 - C. Others.

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