TSE：2603

長 榮 海 運 股 份 有 限 公 司

EVERGREEN MARINE CORP. (TAIWAN) LTD.

2011 Annual Report

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EMC GDRs

SYMBOL: EGMD

EMC global depositary receipts(GDRs) are listed on

LONDON STOCK EXCHANGE.

Related information can be found at:

http://www.londonstockexchange.com

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1 Letter to Shareholders

Dear Shareholders,

The year 2011 was treacherously volatile to container shipping industry. Due to frequently attacking natural disasters worldwide and haunting national debt crises particularly in Europe and US, global supply chain and economy was clogged and hindered, in addition to the overcapacity restored and created by financially encouraged shipping lines over the robust bounceback a year ago. Disappointingly, oversupply triggered undernourishment among industry. Amid the challenging environment, however, there are always opportunities within. Although the balance between supply and demand will always lead the direction in shipping lines' financial barometer, the operational integrity is still the key to shipping lines' sustainability. Respectfully we present you the following briefs:

I. Our Performance in 2011

1. Market & Business Review

Flattened Cargo Demand

Disasters and crises had slowed down growth in economy and consumer confidence, thus hindered the cargo demand. According to *Alphaliner*, demand for Far East-Europe

strings only grew 2.8%, while the volume on Transpacific strings declined 0.8% from the height of year 2010 volume with 16.9% increase. Nevertheless, *Alphaliner* still estimated a 7.7% container volume growth globally throughout 2011.

Ballooned Capacity Supply

Decelerating from the sharp bust to boom during 2009-2010, the global demand did not satisfy the supply from restored and newly added capacities during 2011. According to *Alphaliner*, global container shipping capacity grew 7.9% in 2011, in which nearly half of them came from VLCS (Very Large Container Ship) sized over 10,000 TEU each and mostly deployed in Far East-Europe strings. Such overflow had not only resulted in cascade effect that ruffled the fleet deployment among industry but also U-turned those restored capacities, previously unleashed by shipping lines' optimism and extra slow-steam absorption, back to their layup waters-- from the lowest 80,000 TEU for 63 ships (or 0.5% of global capacity then) in mid. 2011 to nearly 600,000 TEU for 246 ships (or 4% of global capacity then) at the end of 2011. Nonetheless, the withdrawals were still far less than the decisive 1.51 million TEU for 581 ships (or 11.6% of global capacity then) upon early 2010.

Eased Equipment Tension

Even though container shortage remained alarming to shipping industry throughout 2010, with the gradual recovery on major container manufacturers' production lines and the adequate box-to-slot management among shipping companies, plus the ease in demand entering 2011, the equipment supply was basically sufficient.

Ill-nourished Carrier Sustainability

Prompted by general optimism towards the prospect of industry after bust to boom during 2009-2010, some small sized shipping lines were tempted to swing their bets onto East-West main strings, crowding into the ventures where some excited major players already lined up with VLCS deployment. Unfortunately, excessive supply led to price war and underperformed profitability among almost everyone involved. Upon the awakening deficit, voluntary restructuring on services and capacities was motivated by alert shipping lines individually, and strategic joint ventures were allied or reshuffled, in order to make it through the recession.

Our Strategy

Operating in moderation, Evergreen Marine Corp. always keeps flexibility and

rationality on fleet deployment with reputable service quality for our customers, therefore we still maintain sustainable space utilization and earn deep trustworthiness on each segment of service strings even when the market is stagnant. Besides, proactive profit controlling and responsive market intelligence monitoring have also helped us in cost constraint and profit pursuit. We adapted ourselves with the following strategies:

(1) Proactively lowering various costs and continuously applying slow steam to fuel saving; opportunely developing potential markets to increase revenue.

(2) Intelligently reviewing loading contributions through computerized systems; flexibly deploying capacities, fully utilizing slots, strings, and segments.

(3) Complementarily working with quality partners on joint ventures or slot exchange for expanded service networks.

(4) Responsively reacting to market situations and strengthening customer relationships with premium services; diligently undertaking eco-friendly measurements and schedule reliability for better quality and credibility.

2. Fulfillment Ratio of Financial Target

Estimated operation revenue for 2011 was NT$ 15.68 billion, actual operation revenue was NT$ 15.36 billion. Therefore, the fulfill rate was 97.95%.

3. Annual Accounts & Profitability Analysis

The actual operating income for 2011 totaled NT$ 15.36 billion, compared with year 2010's NT$ 17.03 billion, decreased NT$ 1.67 billion. The actual operating cost for 2011 was NT$ 14.63 billion, compared with year 2010's NT$ 15.25 billion, decreased NT$ 0.62 billion.

4. Research & Development

Environmental Protection & Emission Reduction

Green is not only our corporate color but also our fundamental philosophy. Promoting green, through practices of environmental protection, such as reducing waste emission, has become one of our corporate priorities. As the "optimized ship hull" concept is embodied in our distinguished fleet designing and manufacturing, emphases on material, configuration, and equipment, etc. to achieve best economy and eco-friendly purposes, can be seen from our current S-Type green fleet on duty to the all-new L-Type green fleet to be enlisted from July 2012 on.

Evergreen Marine Corp. continues to echo environmental protection campaigns no matter from industries, governments, or the academics, and endeavors to carry

them out in every joint of shipping transportation: from staff training, cargo handling, ship building and scrapping, etc., which are internationally renowned. A dedicated "Environmental Guardians" page is even set up on our company website for customers' reference to our efforts. In August 2011, Evergreen, as the only maritime carrier of "the air quality improvement leadership at the corporate level" category, received the annual "Clean Air Action Plan Air Quality Awards" from the ports of Los Angeles and Long Beach, in honor of our devotions to exhaust reduction, facilities innovation and other eco-friendly measures. Later in November 2011, we were also chosen to be featured in Discovery Channel's "Green Room" show to introduce Evergreen's initiatives in protecting sustainability of the Earth.

E-Commerce Enhancement

Evergreen's multi-functional e-commerce website, "ShipmentLink.com", is being constantly upgraded and innovated, to provide more timeliness, more conveniences, and more thoughtfulness for customers' cargo arrangements, ever since its debut in 2008. By developing more customized functions for timely, easy info inquiring, e-booking, B/L processing, cargo tracking, etc., less traditional paper printing or faxing can be avoided so as to fulfill energy saving and carbon reduction. In order to get closer to human technology, from early 2012 on we will release "ShipmentLink Mobile", an application on handheld devices that helps our customers to acquire updates such as our sailing schedules and their cargo movements anytime, anywhere, from e-commerce to m-commerce.

Besides, some national or regional websites have been established, integrating transportation info for customers' localized demands. So far there are 11 completed, including Taiwan, Mainland China, Hong Kong, Japan, Malaysia, India, Germany, UK, Netherlands, Italy, and Spain.

Awards & Recognition

Evergreen Marine Corp. keeps devotions to enhancing service quality, by not only providing stable, frequent service strings for customers' choices, but also emphasizing considerate, advanced service interface. While we continue to earn reliance and recognition from our customers, in October 2011, Evergreen was recrowned as maritime champion of "Benchmark Enterprise in Taiwan 2011" awarded by CommonWealth magazine, an honor we were consecutively acknowledged during 2005-2009 until 2010 after deficit from financial tsunami.

II. Our Business Plans for 2012

1. Our Strategy

Anticipating the coming 2012, though the overall global economy turns sluggish, regional vitality from emerging economies

can still be more observable. We will partner with comparably qualified associates in strategic cooperation to keep expanding service scope as well as enriching efficiency, by the following improvement plans:

(1) Proactive Cost Reduction- by continuous slow steam fuel saving and various expenditures control;

(2) Continuous Revenue Improvement- by timely rate recovery and reasonable cost pass-through;

(3) Creative Blue Ocean- by value-added product boosting and niche market expansion;

(4) Dynamic Efficiency Maximization- by systematic cargo structure fine-tuning and fleet utilization activating;

(5) Enhanced External Cooperation- by quality partnering and complementary network extending;

(6) Elaborate Service Commitment- by promoting service quality, green responsibility and schedule reliability.

2. Industry Outlook

Mixed Demand Recovery

Due to economic uncertainties still prevailing among Europe and US, many

authoritative institutes have downgraded their economy forecasts, in which Euro Zone is even deemed to have minus growth, so the cargo growth has turned conservative. According to *Alphaliner* in early January 2012, global demand growth of containerized cargo would be around 6.5% in 2012, lower than 7.7% as it was a year ago. The institute also lowered its forecast of demand growth on Far East-Europe westbound strings to be 1.5%, while another industry data processor, *Piers*, predicts Transpacific eastbound strings would likely see 2.5% growth with better economic conditions in US. For developing countries, such as the BRICS, with higher economic momentum, their trade throughput should be able to keep 6-7% growth.

Cascaded Supply Digestion

According to *Alphaliner* in May 2012, upon oversupply, after deducting ship deferrals and scrapping, global container fleet capacity growth would be downgraded to 7.9% in 2012, similar to how it was a year ago. Due to half of the increasing capacity still come from VLCS sized over 10,000TEU each, the cascade effect would still exist across all service strings, pushing comparatively smaller ships to other profitable strings or simply be laid up or torn down. (As estimated by *Alphaliner*, laid-up volume could exceed million TEU at the end of 2012 if container shipping market and rates keep

helplessly flattened, chain reactions such as charter market rate crash and hike in ship scraping may follow by then. Per *Alphaliner*, the average daily charter rate across all container ship sizes had dropped 39% last year and would probably keep in low position through 2012; the container ship scraping had reached 90,000 TEU last year, could add another 200,000 TEU in 2012 and no less than 100,000 TEU each of the next two years thereafter.)

Niched Cautious Optimism

In summing-up, though the import volume of East-West main strings could be hindered by slowdown in Western economies, the softening US & Euro currencies could also help uplift their export volume on the other hand, accompanied by the growing consuming power reflected on import volume to Far East and Latin America, which should further balance round trip loadings. At the same time, regional emerging economies among Australia, Africa, Middle East, and Indian subcontinent would become niche markets to absorb capacities and to fill in some cargos timely.

3. Competitive, Regulatory, and Economic Influences on Our Business

External Competition

As overall supply still surpasses demand, competition as well as cooperation among shipping lines, especially on major East-West strings, remains stressful. With constant declines in main string rate level over the past year, shipping lines' space utilization and rate recovery campaign become challenges to their sustainability for the next one to two years.

Regulatory Incentives

While Transpacific area keeps shining, the "Trans-Pacific Partnership Agreement" (TPP) promoted by US, trying to consolidate current "Asia Pacific Economic Cooperation" (APEC) and the "Association of Southeast Asian Nations" (ASEAN) into one unity like a regional small "World Trade Organization" (WTO), has stirred up ripples among current multi-lateral trade agreements in the

region. During its 12th Five-Year Plan era, China continues to strengthen collaborative mechanisms with neighboring ASEAN countries, Japan and S. Korea by free trade agreements. Meantime, trade activities between Taiwan Straits are entering the 2nd stage of free tax relief in the "Economic Cooperation Framework Agreement" (ECFA) mechanism and therefore will be more motivated.

Restructuring Economy

Affected by uncertain economies in Europe and US together with unstable situations in Middle East, global demand has been slowed down yet oil price lifted up, thus implicated the developing countries that count on manufactures. Updated by International Monetary Fund (IMF) in its latest report on 2012 economic outlook, global economy growth has been adjusted to 3.5% (in which US at 2.1%, Euro Zone at -0.3%, China at 8.2%, and the overall developing countries at 5.7%.)

In fact, in spite of the downgrades modified by major forecasters, the outlook is still cautiously optimistic as bright sides can still be spotted around the world. For example, US and Japan still exercise better revitalization even after strikes of national debts and natural disasters; though Europe is undergoing recession, it is not as bad as the previous

financial tsunami. Report from United Nation indicates the emerging economies led by the BRICS shall continue to make ways for global economic recovery.

4. Our Future

Over the past year the economic uncertainties around the world had hindered shipping lines' expectancies and paces that somewhat relate to recent integrations among some alliances in the industry. Evergreen Marine Corp. did not overextend in the past few years, so we keep flexible space utilization yet without slowing down the pace to grow. From July 2012 to 2015, thirty all-new designed L-Type green ships will be deployed to reinforce Evergreen's green fleets in carrying out our company values and evolutions.

Evergreen Marine Corp. thinks globally but acts locally, headquartering Taiwan while navigating the whole world with sharp-witted adaptability in exploring new frontiers and developing more expedient services. We will keep hold of political and economic opportunities around the world for potential markets, make the best of cost efficiency, optimize service networks, and enlarge account base with penetration, to fulfill our future development and expectation from our shareholders.

2 General Condition of the Corporation

1. Brief Introduction

(1) Registration Date of the Company: September 25, 1968

(2) A Chronology of Evergreen Marine Corporation (Taiwan) Ltd.

1968

- Established with a capital of NT$2 million.

1969

- Launched a Far East/Arabian-Persian Gulf regular liner service.

1972

- Launched a Far East/Caribbean Sea regular liner service.

1975

- Launched a Far East/US East Coast regular full container service.

1976

- Launched a Far East/US West Coast regular full container service.

1979

- Launched a Far East/Persian Gulf regular full container service.
- Launched a Far East/Europe regular full container service.
- Provided free training for maritime navigation and engineering students from the maritime school in Taiwan on board its own, and also the country's first, training vessel.

1984

- Launched the unprecedented Round-the-World service eastbound and westbound regular full container service.

1985

- Launched a Western Mediterranean and US East Coast regular full container service.

1987

- Listed on the Taiwan Stock Exchange with capital totaling NT$10 billion.

1989

- Introduced a Far East/US West Coast refrigerated container service.

1993

- Evergreen's capital further increased to NT$11 billion.
- Established Peony Investment S.A. and Greencompass Marine S.A.

1994

- Evergreen's capital was further increased to NT$12.6 billion.

1995

- Evergreen's capital further increased to NT$13.9 billion.

1996

- Introduced a Far East/Mediterranean/Europe joint service with Lloyd Triestino.
- Issued Global Depository Receipts to the amount of US$115 million on the London Stock Exchange.
- Evergreen's capital further increased to NT$15.6 billion.

1997

- Introduced a Far East/Mauritius/South Africa/East Coast South America full container liner service, formerly introduced and operated by Uniglory Marine in 1993.
- Awarded ISM CODE (International Safety Management Code) by NK, Japan.

2 General Condition of the Corporation

- Introduced a Far East/Australia full container joint service with Lloyd Triestino.
- Evergreen's capital further increased to NT$16.7 billion.
- Colon Container Terminal S.A. in Panama became fully operational as a common user facility.

1998

- Launched a South America Coast /North America liner service.
- Evergreen's capital further increased to NT$17.2 billion.
- Named "Company of the Year 1998" by Containerisation International.

1999

- Evergreen's capital further increased to NT$18.6 billion.

2000

- Introduced a Far East/Australia full container joint service with COSCO.
- Evergreen Container Terminal No 5, Berth 79, 80 and 81 in Kaohsiung Port became fully operational and Taiwan's customs authorities approved the operation of an "overall self-management" system to improve and upgrade Evergreen's service to shippers.
- Evergreen's capital further increased to NT$20.1 billion.

2001

- Introduced a Southwestern Asia (Sri Lanka and India)/Europe joint service.
- Taranto Container Terminal in the south of Italy, invested in by Evergreen Group, opened for business with comprehensive feeder network serving other Italian ports, the West and East Mediterranean, the Adriatic Sea and the Black Sea.

- The Evergreen Seafarer Training Center was awarded ISO-9001:2000 by DNV. The training center, an Evergreen Group investment opened in 1999, aims to polish the professional skills of the Group's crew members, to reduce the risk of accidents or environmental pollution at sea and to conform to international regulations.
- Jointly established Charng Yang Development Co., Ltd. with Tesco Taiwan to invest in the Tesco Chingkuo Store in Taoyuan City.
- Named by the Far Eastern Economic Review as one of the top 10 Taiwan enterprises for nine years consecutively for its high quality services, innovative, long-term vision and financial security.

2002

- Introduced two pendulum services, the US West Coast/Asia/Europe (WAE) and the North Asia/US East Coast/Europe (NUE), to replace two longstanding Round-the-World Eastbound and Westbound services.
- Launched West Coast of South America service linking the Caribbean hub port in Coco Solo, Panama with five ports in Colombia, Ecuador, Peru and Chile.
- Awarded the first ever recognition for "Environmental Excellence" by Port of Los Angeles .
- Certificated for "Safety, Quality & Environmental Management" by American Bureau of Shipping.
- Awarded ISO-9001:2000 by DNV.
- Named by the Far Eastern Economic Review as one of the top 10 Taiwan enterprises for ten years consecutively.

2003

- Named "Excellence in Commitment to Training" by Lloyd's List.

2 General Condition of the Corporation

- Awarded the first annual award for "E-commerce Excellence" by LOG-NET.
- Launched a Straits Red Sea express joint service with COSCO, Wan Hai and Hapag-Lloyd.
- Launched a joint service with Simatech to link Asia, India and the Gulf.
- Evergreen Group Orders Ten S-series container vessels from Mitsubishi Heavy Industries Ltd.

2004

- Awarded the second annual award for "E-commerce Excellence" by LOG-NET.
- Launched a Far East/Australia full container joint service with Hanjin and Hapag Lloyd.
- Launched a North China/Singapore/Malaysia/Hong Kong full container joint service with Wan Hai and Yang Ming.

2005

- Opened the new state-of-the-art Pierce County Container Terminal at the Port of Tacoma, invested in by Evergreen Goup.
- Evergreen, Lloyd Trestino and COSCO upgraded the Far East/South Africa/South America joint service ,extend the port coverage to Shanghai, Ningbo and Yantian in China.
- Awarded the 19th Asian Freight & Supply Chain Awards for "Best Shipping Line-Intra Asia" by Cargonews Asia.
- Launched a Japan/Taiwan/Ho Chi Minh Express Service (JHX) with Yang Ming Line.
- Merge the Far East /Red Sea (FRS) service and the Strait /Red Sea Express (SRX) service into a single new FRS service with Hapag-Lloyd and Cosco Container Line.

2006

- Awarded the "Corporate Social Responsibility" by Containerisation International.

- Awarded the 20th Asian Freight & Supply Chain Awards for "Best Shipping Line-Intra Asia" by Cargonews Asia.
- Upgraded a Far East/Red Sea service (FRS) with Cosco Container Lines.
- Launched a China/India Express service (CIX) with Hapag-Lloyd Container Line and Wan Hai Lines.
- Launched a Taiwan/Hong Kong/Ho Chi Minh Express Service (THX) with OOCL and Yang Ming Line.
- Launched a China/Panama /US East Coast (CUE) with Cosco Container Lines.
- Launched a China/Straits/India Service (CSI) with Yang Ming Line.
- Entered a slot-charter agreement with Hanjin Shipping Company on the trade lane between the East Coasts of North and South America (ECAS)and another encompassing Asia, South Africa and South America (ESA).
- Awarded the 2007 China Freight Industry Awards for General Service - China/ America Route Best Shipping Company (silver prize) ; China/Mediterranean Route Best Shipping Company (bronze prize); and China/Japan Route, China/Korea Route and China/Southeast Asia Route Best Shipping Company (award of excellence) by China Shipping Gazette.
- Awarded the "Benchmark Enterprise in Taiwan 2006" by Commonwealth Magazine.

2007

- Split the Asia/South Africa/South America(ESA) service into Asia/South America (ESA) service and Far East/South Africa service(FAX) with Cosco Container Lines.
- Awarded the 21th Asian Freight & Supply Chain Awards for "Best Shipping Line-Intra Asia" by Cargonews Asia.

- Launched a Straits/Red Sea Shuttle Service (SRS) with Cosco Container Lines.
- Launched a Japan/Thailand Express Service (NSE/NS6) with Wan Hai Lines.
- Awarded the "Benchmark Enterprise in Taiwan 2007" by Commonwealth Magazine.
- Launched a Asia/East Mediterranean Service (AEM).
- Launched a South East Asia / Australia Service (AU3) with Maersk Line.

2008

- Launched a China/Europe/Mediterranean Service (CEM) with Maersk Line.
- Launched a Kaohsiung/Haiphong Shuttle Service (KHP).
- Launched a China/Europe/Mediterranean Service (CEM) with Maersk Line.
- Launched a Kaohsiung/Haiphong Shuttle Service (KHP).
- Launched a Tyrrhenian Feeder Service (TFS).
- Launched a Japan/America Shuttle Service (JAS) with MOL.
- Awarded the 22th Asian Freight & Supply Chain Awards for "Best Shipping Line-Intra Asia" by Cargonews Asia.
- Launched a Taiwan/China/Australia Express Service (TCA).
- Launched a Far East Panama Service (FPS).
- Awarded the International Ocean Carrier of the Year for 2007-2008 by Wal-Mart Stores Inc.
- Launched a Adriatic Feeder Service (AFS).
- Launched a Japan/Taiwan/Philippine Service (JTP).
- Launched a Asia/Australia Service(AAN. AAS) with Hamburg Sud, Hapag-Lloyd and Hyundai Merchant Marine.
- Awarded the "Benchmark Enterprise in Taiwan 2008" by Commonwealth Magazine.
- Launched a US West Coast/Asia/Europe Service (UAE).

- Launched a China/South US West Coast/China Service (CPS).
- Launched a Taiwan/North China Service (HBT), the first direct shipping service across the Taiwan Straits.

2009

- Launched a Arabian Express Service (ASX) with Sea Consortium Pte Ltd.
- Launched a Piraeus Shuttle Service (GF1).
- Launched a Thessaloniki Shuttle Service (GF2).
- Launched a North East Asia-South East Asia Service-A (NSA), Korea-North East Asia-South East Asia Service-B (NSB) with Wan Hai Lines.
- Launched a China North Europe (CEM), Asia Mexico US East Coast (AUE2), and Hong Kong, Taiwan-US West Coast (HTW) Services with China Shipping Container Lines.
- Launched a Far East/South America Service (ESA) with Cosco Container Lines.
- Launched a China/South East Asia Express Service (CSE) with Cosco Container Lines.
- Launched a new Trans Atlantic Express Service (TAE) with CKYH Alliance.
- Awarded "The Corporate Social Responsibility Award" by Lloyd's List.
- Launched a Far East-Mediterranean Service (FEM) with Norasia Container Lines Ltd.
- Launched an Asia and Pacific North West Coast Service (PNW) with China Shipping Container Lines.
- Awarded the "Benchmark Enterprise in Taiwan 2009" by Commonwealth Magazine.

2010

- Launched an East Africa Service (EAF) with Wan Hai Lines Ltd. and Simatech Shipping.
- Launched the China/South US West Coast Service 2 (CPS2) with China Shipping.

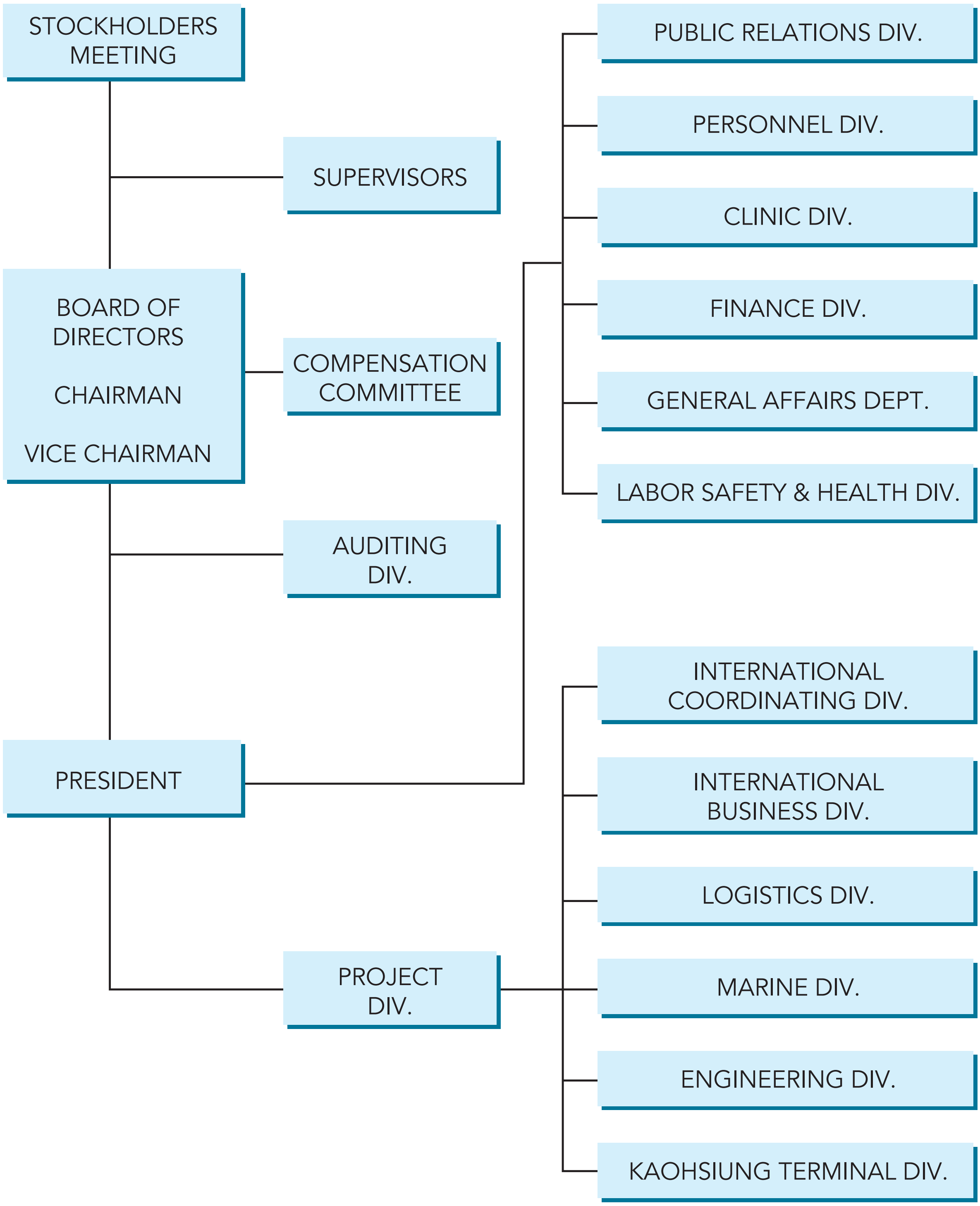
- Launched the Hwa-Bei Strait Service (HBS) with Wan Hai Lines Ltd.
- Launched the Asia/Europe service (AEX7) with China Shipping and CMA CGM.
- Evergreen Group Orders twenty L-series container vessels from Samsung Heavy Industries.
- Launched the ASEAN/Gulf/ISC Service (AGI) with OOCL and Simatech Shipping.
- Launched the Japan/Vietnam/Thailand Service (JVT).
- Awarded the 24th Asian Freight & Supply Chain Awards for "Best Shipping Line-Intra Asia" by Cargo news Asia.
- Evergreen's Dr. Chang Yung-Fa Awarded "Newsmaker of The Year" by Lloyd List Asia.
- Launched the Malaysia/Bangladesh Service (MBS) with MCC Transport.
- Launched the China/India Express Service (CIX2) with Simatech.

2011

- Launched the Hwa-Bei (North China) - Hong Kong - Indonesia (HBI) service.
- Launched the Japan-Taiwan-South China Sea (JTS) service.
- Extended the Indonesia-Malaysia (IS1) service to Thailand-Malaysia-Indonesia (TMI) service.
- Evergreen Group Chairman Dr. Y F Chang donates 1 billion Japanese yen ($12.35 million) to Japan Red Cross for the post-disaster reconstruction after the massive earthquake on 11 March 2011.
- Launched the second China-Europe (CES2) service with CSCL and ZIM.
- Launched the Asia-East Africa (AEF) service with Wan Hai Lines, MOL and Seacon.
- Launched the Asia-South America West Coast (WSA) service with COSCO, PIL and Wan Hai Lines.

- Launched the Taiwan-Madras Trunk (TMT) service with Wan Hai Lines and Interasia Lines.
- Ordered ten 8,000 TEU ships from China Shipbuilding Corporation (CSBC) of Taiwan.
- Launched the Kaohsiung-Cebu (KCS) service.
- Launched the Mozambique Zuid Africa Express (MZX) service by taking slot from MOL.
- Received 2011 Clean Air Action Plan Air Quality Awards from the ports of Los Angeles and Long Beach.
- Evergreen Group Chairman Dr. Y F Chang was honored with the Dutch Commander in the Order of Orange-Nassau.
- Reorganized the Hua Bei-Hong Kong-Indonesia (HBI) service into the Hua Bei-Hong Kong (HBH) service and the Tanjung Pelepas-Indonesia (PIS) service.
- Joined Cheng Lie to launch China-Philippines-Indonesia (CN1) service.
- Evergreen Group Chairman Dr. Y F Chang received Lifetime Achievement Award from Containerisation International.
- Evergreen Marine Corp. Named Benchmark Enterprise by Commonwealth Magazine.
- Reorganized the Japan-Taiwan-South China Sea (JTS) service into the South China Sea-Hong Kong (SCH) service.
- Joined Wan Hai Lines to launch the Taiwan-China-Indonesia (TCI) service.

2. Organization



3. Director & Supervisor

Date: 2012/04/30

Title	Name	Elected Date
Chairman & Director	Mr. Wang, Chung-Jinn (Representative of Evergreen Airline Services Corp.)	2011.06.24
Director	Mr. Chang, Yung-Fa (Representative of Chang Yung-Fa Charity Foundation)	2011.06.24
Director	Mr. Lin, Sun-San (Representative of Evergreen Airline Services Corp.)	2011.06.24
Director	Mr. Lin, Long-Hwa (Representative of Evergreen International S.A.)	2011.06.24
Director	Mr. Hsieh, Chih-Chien (Representative of Evergreen International S.A.)	2011.06.24
Director	Mr. Chang, Cheng-Yung (Representative of Evergreen International S.A.)	2011.06.24
Director	Mr. Tai, Jiin-Chyuan (Representative of Evergreen Airline Services Corp.)	2011.06.24
Supervisor	Ms. Ko, Lee-Ching (Representative of Ultra International Investments Ltd.)	2011.06.24
Supervisor	Ms. Ku Lai, Mei-Hsueh (Representative of Ultra International Investments Ltd.)	2011.06.24

4. Corporate Governance

(1) The Composition and Operations of the Board of Directors

A. The Board of Directors consists of seven directors.

B. The re-election of directors was held by the Shareholders' Meeting in 2011. On that re-election, Mr. Lin, Long-Hwa and Mr. Tai, Jiin-Chyuan were newly-elected, Ms. Liou, Meng-Fen and Mr. Chang, Kuo-Hua were discharged, and the other directors were re-elected.

C. The Board Meetings were convened eleven (11) times in 2011. The directors' attendance status are as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate in person (%)
Chairman	Mr. Wang, Chung-Jinn (Representative of Evergreen Airline Services Corp.)	8	3	72.73%
Director	Mr. Chang, Yung-Fa (Representative of Chang Yung-Fa Charity Foundation)	0	11	0%
Director	Mr. Lin, Sun-San (Representative of Evergreen Airline Services Corp.)	11	0	100%
Director	Mr. Lin, Long-Hwa (Representative of Evergreen International S.A.)	1	6	14.29%
Director	Mr. Hsieh, Chih-Chien (Representative of Evergreen International S.A.)	10	0	90.91%
Director	Mr. Chang, Cheng-Yung (Representative of Evergreen International S.A.)	11	0	100%
Director	Mr. Tai, Jiin-Chyuan (Representative of Evergreen Airline Services Corp.)	7	0	100%
Discharged Directors				
Director	Ms. Liou, Meng-Fen (Representative of Evergreen Airline Services Corp.)	4	0	100%
Director	Mr. Chang, Kuo- Hua (Representative of Evergreen International S.A.)	0	4	0%

(2) The Composition and Operations of the Supervisors

A. The Company's two supervisors were re-elected by the Shareholders' meeting in 2011.

B. According to Article 218-2 of the Company Law, the Supervisors of the Company may attend the meeting of the board of directors to express their opinions. The Supervisors' attendance status in 2011 are as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate in person (%)
Supervisor	Ms. Ko, Lee-Ching (Representative of Ultra International Investments Ltd.)	11	0	100%
Supervisor	Ms. Ku Lai, Mei-Hsueh (Representative of Ultra International Investments Ltd.)	11	0	100%

C. The Supervisors understand the finance and business status of the Company by communicating with the internal auditors and the independent accountants. The internal auditors have submitted the audit reports to the supervisors periodically, and the Company's independent accountants have presented the financial report and audit status to the supervisors periodically.

(3) The Composition and Operations of the Remuneration Committee

A. The Board of Directors resolved to establish the Remuneration Committee and appointed three (3) members on Sep. 30, 2011.

B. The duties of the Remuneration Committee are as follows:

(a) Establish and periodically review the performance evaluation and remuneration policy, system, standards, and structure for directors, supervisors and managerial officers.

(b) Periodically evaluate and establish the remuneration of directors, supervisors, and managerial officers.

C. The Meeting of the Remuneration Committee was convened one (1) time in 2011. The members' attendance status are as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate in person (%)
Convener	Mr. Hsu, Shui-Teh	1	0	100%
Member	Mr. Eugene Chien	1	0	100%
Member	Mr. Tai, Jiin-Chyuan	1	0	100%

(4) Internal Control System Execution Status

Evergreen Marine Corp.(Taiwan) LTD.
Internal Control Statement

Date: 16 Mar. 2012

The Company states the following with regard to its internal control system during the period from 01 Jan. 2011 to 31 Dec. 2011, based on the findings of a self-evaluation:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability of financial reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.

3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies promulgated by the Securities and Futures Commission, Ministry of Finance (hereinbelow, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that during the stated time period its internal control system (including its supervision of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability of financial reporting, and compliance with applicable laws and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement has been passed by the Board of Directors Meeting of the Company held on 16 Mar. 2012, where zero of the seven attending directors (include commissioned to attend)expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Evergreen Marine Corp. (Taiwan) LTD.

Chairman:  (signature)

President:  (signature)

(5) Risk management systems in relation to the financial reporting process

a. The affections and future protections of company's profit and loss which caused from the fluctuation of intrest rate, exchange rate, and inflation.

(a) Our company has executed the hedging technique against the frequent fluctuation of USD/TWD exchange rate during the year of 2011.

(b) The interest rate has been raising since the beginning of the year and it is expected to stay stable until the second half of the year. By drawing low-rate loans and issuing commercial papers, it will cut down interest expenses.

b. Guidelines for entering in to high risk, high leverage investment, lending to other parties, providing guarantees, and doing derivative transactions:

Currently there is no outstanding for providing loan to other parties. All endorsements and guarantees are provided to the subsidiaries and affiliates. All related transactions are arranged according to our guidelines of providing loan, endorsements and guarantees to other parties.

All derivatives trades are dealt for hedging purposes. Interest rate and fuel swaps agreements are to hedge risk derived from market volatilities and fluctuations.

I. Business Highlights

1. Our Significant Service Adjustments

Global economy did not meet expectation in 2011, particularly while it was slowed down by the flattened growth in US & Europe. Meantime, the oversupply in container shipping market in addition to rising cost had brought many shipping lines back to their déjà vu of 2009. Evergreen Marine Corp. did not indulge in reckless expansion over the past few years and always utilized slots with flexibility, so each segment of service strings still kept afloat when the market was underfed. Concerned adjustments of our service strings are abstracted as below:

Transpacific strings

(1) Transpacific Southwest Service (TPS): to cope with seasonal demands and fleet mobility, we increased average weekly slots on TPS from 5,758 TEU in early 2011 to 5,965 TEU in late 2011 by gradually phasing in larger ships, to meet business growth and to lower unit slot cost.

(2) Asia-US East Coast Service 2 (AUE2): a joint-venture service which we gradually downsized participation by phasing out 1 vessel in June 2011 with proportionate weekly slots decreased to 1,150 TEU and further declined to 1,039 TEU in late November when corresponding partner China Shipping Container Lines (CSCL) invited United Arab Shipping Company (UASC) to join the venture.

(3) Japan-America Shuttle Service (JAS): originally acquired 400 TEU/week from Mitsui O.S.K. Lines (MOL) through slot swap then increased to 450 TEU/week from April 2011 with consensus, to meet growing demand.

(4) Transpacific 5 (TP5): a service run by Maersk Line from which we acquired 250 TEU/week by slot swap with our TPS service, to accommodate cargos from Japan and Korea to US West Coast.

Far East-Europe/Mediterranean strings

(1) China-Europe Shuttle Service 2 (CES2): a new service launched together by Evergreen, China Shipping, and Zim from May 2011, to strengthen direct services among ports of North China, Xiamen, and Antwerp, etc.; for seasonal fluctuations, the service has entered its winter program since November of the year before its reactivation upon mid. May 2012.

(2) Intra-Europe Feeder Services (BAL3/NDS1/NDS2/IES4/RDX1): to broaden service network, we continually set up or modified intra-Europe services: such as new BAL3 started in April 2011 adding slots for Finland and Russia; new NDS1 & NDS2 services started in July 2011 strengthening transshipment at Denmark and Norway; adding port calls to existing services in December 2011, such as

Helsingborg of Sweden to NDS2, Aalborg of Denmark to IE4, and Greenock of UK to RDX1.

(3) Mediterranean Feeder Services (ABS/BSF): upon expiry of slot exchange agreement with Chilean shipping company, Compañía Sud Americana de Vapores (CSAV), on its Asia-Black Sea Service (ABS) from October 2011, the new Black Sea Feeder Service (BSF) has succeeded the Black Sea network by transshipping at Piraeus of Greek since then.

(4) Far East-Mediterranean Service 2 (MD2): to promote businesses in Fos of France and Port Said of Egypt, slot exchange for "K" Line's MD2 service has been conducted from December 2011.

Far East-South America / Africa strings

(1) Asia-South America West Coast (WSA): a new direct calling service launched together by Evergreen, Wan Hai Lines (WHL), Pacific International Lines (PIL), and Cosco Container Lines (COSCON) from May 2011, of which allocated 1,450 TEU/week for us, has saved our time and cost from transshipment and significantly improved our market competitiveness and cargo loading.

(2) Mozambique Express Service (MZX): slots chartered from Mitsui O.S.K. Lines (MOL) in co-operating the Far East to Southeast Africa service from August 2011, we provided customers for this emerging market with direct service in connecting Asia and Southeast Africa ports or even nearby islands in Indian Ocean and inland countries of the region by transshipment, to enrich our global expeditious services.

(3) Asia-East Africa Service (AEF): adding third vessel of 1,700 TEU to this joint-venture service with X-PRESS FEEDERS from November 2011 to cope with growing demands for Asia-East Africa market with adaptable port rotations and fleet deployment.

Intra-Asia/Middle East & Red Sea / Indian Sub-continent strings

Being continuously optimistic about the outlook for Intra-Asia market and business potential, we had conducted a serious of new launches and adaptive consolidations of service strings, for which some strategic joint-ventures were cooperated with quality partners. Concerned adjustments are briefed as below:

New / Modified Services

(1) Indonesia-Straits Service (IS1) / Thailand-Malaysia-Indonesia Service (TMI): an independent service between Malaysia and Indonesia launched as IS1 in January 2011 was further extended to Thailand as TMI service later in March.

(2) Taiwan-Manila Service (TMN): an independent service launched in April 2011 to

enhance connections between Taiwan and Philippines.

(3) Kaohsiung-Haiphong Shuttle Service (KHP): an independent service launched in July 2011 to enhance connections between Taiwan and North Vietnam.

(4) Kaohsiung-Cebu Service (KCS): an independent service launched in July 2011 to enhance connections between Taiwan and Philippines.

(5) Straits-Indonesia Service (IN4): a joint-venture service with MCC Transport started from August 2011 in replacement for the discontinued SPI as shuttle service between Malaysia and Indonesia.

(6) Hua Bei-Hong Kong Service (HBH)/Tanjung Pelepas-Indonesia Service (PIS): divided from Hua Bei-Hong Kong-Indonesia Service (HBI) originally launched in March 2011, into HBH and PIS services later in October.

(7) China-Philippines-Indonesia Service (CN1): a joint-venture service launched together with Cheng Lie Navigation Company (CNC) in October 2011 in serving North China, Philippines, and Indonesia ports.

(8) Far East-Arabian Persian Gulf Service (APG): an existing service upgraded with larger ships (UX type) from October 2011, to cope with growing demands from Middle East market as well as lowering unit cost and lifting revenues at the same time.

(9) South China Sea-Haiphong Service (SCH): modified from Japan-Taiwan-South China Sea Service (JTS) originally launched in March 2011 into SCH service in November, to focus on connections serving Hong Kong, North Vietnam, and South China ports.

(10) Taiwan-China-Indonesia Service (TCI): a joint-venture service launched with Wan Hai Lines in November 2011 in connecting Taiwan, Hong Kong, South China, and Indonesia ports.

(11) Taiwan-Madras-Trunk Service (TMT)/India-China Service (ICS): two services launched separately as joint ventures- the former with Wan Hai and Interasia Lines in April 2011, the latter with Hanjin and Nippon Yusen Kaisha (NYK) in November, to cope with growing demands for slots connecting East Asia and Sub-Indian continents.

(12) Vietnam-Malaysia-Indonesia Service (VMI): a service combined from original Vietnam-Straits Shuttle Service (VSS) and Tanjung Pelepas-Indonesia Service (PIS) started in December 2011.

Discontinued Services

(1) Hwa-Bei Strait Service (HBS): a joint-venture service with Wan Hai we discontinued from January 2011.

(2) Japan-Vietnam-Taiwan Service (JVT): a service we discontinued from February 2011.

(3) Central China-Taiwan-Philippines Service (CPT): a joint-venture service with China Shipping we discontinued from March 2011.

(4) Korea-Taiwan-Philippines Service (KTP): a service we discontinued from April 2011.

(5) Straits-Indonesia Service (SPI): a service we discontinued from September 2011.

2. General Conditions of the Container Shipping Industry

Cargo Growth Hindered

While shipping lines were enchanted by prosperity in 2010 and looked highly forward to the future, before end of Q1 2011, a magnitude-9 earthquake in Japan on 11 March shockingly paralyzed global supply chain of manufacturers; later on descending Q2 & Q3, debt crises in US & Europe became fiercely intense that hindered growth pace of consumer confidence and inventory restocking; lastly, floods spreading over Thailand prolonged till later Q4 had again choked up the already fragile manufacturing supply chain.

Updated by International Monetary Fund (IMF) in its latest report, global economy growth declined to 3.9% in 2011 from 5.2% a year ago, in which both US & Europe were below 2%. Transformed to container volume, according to *Alphaliner*, demand for Far East-Europe strings only grew 2.8%, while the volume on Transpacific strings declined 0.8% from the height of year 2010 volume with 16.9% increase. Nevertheless, *Alphaliner* still estimated a 7.7% container volume growth globally throughout 2011.

Demand-Supply Imbalanced

Catering for optimistic outlook on the market after 2010, many shipping lines unsealed layups and added new deliveries of capacity and some small sized shipping lines were also tempted to jump onto East-West strings, resultantly ending up with chain-reacted oversupply and price war, followed by underperformed profitability among almost everyone involved. According to *Alphaliner*, global container shipping capacity growth evolved from 5.6% (nearly 700,000 TEU) in 2009 and 9.2% (around 1.2 million TEU) in 2010, to 7.9% (nearly 1.13 million TEU) in 2011 in which nearly half of them came from VLCS (Very Large Container Ship) sized over 10,000 TEU each and mostly deployed in Far East-Europe strings, cascading fleet deployment among industry and ruffling supply-demand mechanism and revenue portfolio of main strings.

Worsened by the hiking fuel price from insecure Middle East crises, major shipping lines mostly under ill-nourished conditions, published their deficit reds for Q3 2011 and very few were expected to keep above breakeven in Q4 or throughout the whole year. In a report released not long ago, the renowned British maritime consultant, Drewry, had warned that the total container shipping lines could face loss up to $5.2 billion for 2011.

Capacity Rationalization Reactivated

Due to the slow steaming measures, popularly adopted among shipping lines on most long-haul strings, have absorbed more than 700,000 TEU capacities in recent years, shipping lines entering second half of 2011 started voluntary rationalization of service strings and capacities individually, and rallied strategic joint-ventures with others in order to make it through the overtonnage imbalance. Collaterally came along the rising of laid-up capacities from the lowest 80,000 TEU for 63 ships (or 0.5% of global capacity then) in mid. 2011 to nearly 600,000 TEU for 246 ships (or 4% of global capacity then) at the end of 2011, but the withdrawals were still far less than the decisive 1.51 million TEU for 581 ships (or 11.6% of global capacity then) upon early 2010.

Furthermore, capacity rationalization had impacted ship charter market and boosted ship scrapings. According to *Alphaliner*, the average daily charter rate across all container ship sizes had dropped 39% last year and would probably keep in low position through 2012; the container ship scraping had reached 90,000 TEU last year, could add another 200,000 TEU in 2012 and no less than 100,000TEU each of the next two years thereafter.

3. Our Technological Developments

Evergreen Group announced new ship-building plan in July, 2010, in which Evergreen Marine Corp. participated 7 of the 20 newly-designed L-type green ships ordered from Samsung Heavy Ind. and another 3 of the additional 10 ships of equivalent model ordered from Taiwanese builder, CSBC, in May, 2011. These new ships will be delivered between second half of 2012 and first half of 2015 to strengthen our green fleets in carrying out our ideas and targets.

4. Our Business Plans in the Short & Long Terms

Short-term: endeavoring to enlarge revenue and to reduce cost

(1) Mastering market activities; promoting rate recovery programs.

(2) Orchestrating operation structures; lowering cost expenditures.

(3) Activating fleet deployment; collaborating quality joint-ventures.

(4) Creating Blue Ocean of services; crafting operational adaptability.

Long-term: strengthening growth & expansion

(1) Welcoming new ships deliveries; fine-tuning fleet deployment.

(2) Rooting market cultivation; solidifying customer relationships.

(3) Developing potential markets; enlarging beneficial services.

(4) Continuing staff training; refining quality and security.

(5) Optimizing on-line interface; enhancing convenience and confidence.

(6) Fulfilling environmental policies; implementing energy and emission saving objectives.

II. Trade Environment

1. Market Analysis

(1) Key Performance Indicators (KPI) of Main Service Scopes

Unit: Thousand NTD

Year / Service routes	Revenue for 2010	Revenue for 2011
America	39,778,709	41,136,771
Europe	31,404,244	25,710,482
Asia	20,936,163	21,596,805
Others	12,561,697	14,397,869

(2) Major National Competitors & Global Market (Fleet Capacity) Shares

Year/Item / Taiwan-based Shipping lines	January, 2011		January, 2012	
	Capacity (TEU)	Market Share (%)	Capacity (TEU)	Market Share (%)
Evergreen(Group)	605,227	4.1	612,230	3.8
Yang Ming Lines	312,962	2.3	340,533	2.1
Wan Hai Lines	125,060	0.9	169,232	1.1
TS Lines	50,073	0.5	73,774	0.5

Data Source: Evergreen Group & Alphaliner

(3) Market Outlook on Supply-Demand

Far East to North America Trade

As the boom in 2010 did not last over the year, container shipping market was under siege by oversupply filled in with surging new capacities amid the constrained restocking and decreased new orders from US retailers and importers, and the least-expected stagnation during either slack or peak seasons occurred in 2011 as a result. Varied among different international sources, container volume growth of Far East to US trade was nearly stalled in between +1% and -1% in 2011.

For 2012, with the slow pace of recovery in US economy, container volume growth of Transpacific eastbound trade is being forecast conservatively at 2.5% by the US-based industry data processor, *Piers*. Nonetheless, deliveries of new capacity shall continue to aggravate the already fierce competitions among shipping lines.

North America to Far East Trade

Benefited from depreciating US dollar, US to Far East export growth, particularly from commodities of agriculture, waste materials, timbers, papers, and consuming products, has leaped substantially by 6.7% for the total market volume while Evergreen outperformed at around 10%.

Entering 2012, raw materials exported from US to Asian manufacturing countries could also be jeopardized by the slowing orders for US & Europe imports. According to *Piers*, Transpacific westbound trade growth in 2012 is expected to be only 4.2%.

Far East-Europe / Mediterranean Trades

The short recovery in 2010 boosted shipping market in both rates and volumes, encouraging capacity expansion and ship ordering among shipping lines yet leading to another oversupply as the debt-encumbered Euro zone lost its momentum to consume and grow. According to container shipping data provider, CTS, market capacity grew 11.9% in 2011 while volume only grew 5.1% at the same time that resulted in decline of freight rate.

The shipping market in 2012 is still grimly uncertain ahead for caution, with the mixtures of competition and cooperation among shipping lines. As market always runs by “supply-demand” ultimate mechanism, there is always hope for the rate to bounce back. According to *Alphaliner*, volume growth in Far East-Europe trade is likely to drop to 1.5% in 2012.

Europe / Mediterranean-Far East Trades

Based on CTS the container shipping data provider, volume grew 8.7% in 2011 for Europe-Far East trade, with freight rates slightly dropped because of the oversupply of capacity derived from those market share oriented shipping lines.

Prospect of 2012 will be projected from domestic market in China, as its government is shepherding goals from pure export incentive to creating domestic demands that could purchase more European goods from now on. Besides, a weakening Euro due to the debt crisis may also stimulate export to Far East at the same time.

Europe-North America Trade

Though debt crisis weakened Euro, it was somewhat helpful to Europe export to US. According to container shipping data processor, *Datamyne*, Transatlantic westbound volume grew 8.1% in 2011, while *Piers* reported 11.9% for the same period.

Looking to 2012, while most economists expect a recession in Euro zone, the US dollar is likely being pushed up as a hedge. According to many research institutes, though US economy growth will be slowing down at around 2% from Q1, it is still a popular belief that US will revives better than Europe, and the momentum of US import growth of the year lies in retailers' restocking dynamics. *Piers* has predicted a 10.3% cargo growth on the segment in 2012.

North America-Europe Trade

Despite insignificant growth in capacity, the freight rates kept dropping ever since Q3 2011, mainly due to mitigated consumption under Europe debt crisis and the following austerity measures enforced by some EU member governments that led to collapse of consumer confidence index. According to *Piers*, container volume for the first 8 months in 2011 grew 10.7% over same period a year ago but drastically dropped 27% when it came to September and 6.4% down in Q4 on YoY basis, reflecting a withered price concurring with volume since then. Nevertheless, an annual 5.6% growth was still anticipated. Piers predicts export from US to Europe will continue to drop in 2012 before being elevated in the next year, by -4.5% and 6% separately.

Whether rumor says shipping lines will instill more capacities one after another into this trade in 2012, the relief from debt crisis remains the key to consumer confidence that revives the demand and sustainable ocean freight rates in the foreseeable future.

Far East-Caribbean Trade

Limited by ship locks in Panama Canal, paces of capacity expansions and freight rate fluctuations on this segment were not as rapid as they were in South America trades, in spite of new service strings being deployed in 2011. In recent years, ocean freight rate level in Caribbean market has switched its linkage from US East Coast market to Mexico/South America. The most notable development of Caribbean trade in 2011 was that more shipping lines started involving Colon Free Zone market as leverage in between Mexico/South America and Caribbean loadings, complicating the competitions and worsening the freight rate level.

In 2012, even though many countries of the region are deeply affected by US conditions when running their economies, there shall still be bright sides ahead, such as, Venezuela imports shall rise under the haulage of its state-run enterprises, and the economy of Colombia shall move up. Volumes to these two major importers shall make up the recessions of other countries and keep the overall prospect of 2012 still in good shape.

Far East-Central / South America West Trades

The robust economic growth among the countries of the regions remained attractive to shipping lines' increasing stakes. The overall capacity supply, combining new and expanded existing service strings, increased more than 30% and thus intensely struck the integrity of the market rate level in first half of 2011. Though shipping lines turned remarkably self-restrained amid the oversupply and undernourishment, the rate level was only shortly recovered by campaigns during July and August before its quick slide back to lows entering September. Fortunately, slot rationalization was conducted by shipping lines individually since late October to hopefully see a rebound of ocean freight rates.

In 2012, as the regional economy shall still perform decently, more capacities from new or cascaded larger fleets shall be phased into this area by shipping lines. Under the recurring radical changes in market rates, how shipping lines can master lower unit cost in order to keep sustainable profitability in the long run is becoming significant issue in 2012.

Far East-Africa / South America East Coast Trades

To shelter from slowdown in US & Europe markets, enterprises and corporations around the world have increased their investments into potential markets such as South America East Coast and Africa, etc., thus tempted more ventures from shipping lines with fleets of bigger ships as now observed in South America East Coast trade. Foreseeably, economic activities of Brazil shall be energized in welcoming the 2014 FIFA World Cup and 2016 Olympic Games, plus the free trade agreement (FTA) between "Mercado Comun del Sur" (MERCOSUR, or the so-called Southern Common Market) and Southern Africa Customs Union (SACU) to be signed in near future, lots of business potential can be found around this area.

Evergreen has expanded service network in Africa: we started running Asia-Southeast Africa service by slot purchasing since August 2011; we also enlarged slot allocation by 50% after adding third vessel into Asia-East Africa joint-venture service in November 2011; besides, we are also looking into establishing new Asia-Brazil express service and potentialities in West Africa market for more integrated and expedited service network in 2012.

Far East-Australia Trade

With similar capacity supply as in 2010 but sluggish demands during 2011, the freight rates of this trade could not be lifted effectively. However, Evergreen coped with the situation by modifying service strings to enhance operating margins. In 2012 ahead, as GDP growth of Australia will be 3%-3.2% based on IMF estimates mainly favored by abundant rainfalls and strong demands for agri-products and raw materials, a stable growth of volume and revenue over 2011 can be expected.

Far East-Middle East Trade

Trend of crude oil price is deeply interacting with economy and market developments in Middle East. Due to constant turbulence of political and economic events in this region, global crude oil price was stirred up to over USD$100 per barrel since January 2011 and is still swinging around USD$100-$120 per barrel recently, which substantially boosts local economy and consumption. According to estimates from Informal Rate Agreement (IRA), trade volume from Far East to Middle East extensively grew by 12% in 2011.

Bumped by disappointment in US and Europe trades, some of the larger ships were cascaded to Middle East and Red Sea strings. But the elevated oil price shall prosper the economy in Middle East. To hold on to such business opportunity and to mitigate operating cost efficiently, Evergreen plans to increase fleet slots of Middle East strings and to launch new shuttle service between Indian sub-continent and Persian Gulf in 2012, in order to add more revenue. However, the on-going sanctions against Iran have undermined another uncertainty to disadvantage the Middle East market development.

Intra-Asia Trade

China played an essential role for intra-Asia trade in 2011, as it has intensively expanded bi-lateral or multi-lateral trade partnerships with nearby communities, such as ASEAN, Japan, and Korea, etc. Furthermore, rising of RMB value and labor cost together with the policy guidance of the 12^{th} Five-Year Plan, such as enlarging domestic demands, transforming industry structures, developing middle and western terrain etc., have diverted some labor-intensive industries to inland China or Southeast Asia. These changes are hopefully upgrading China’s industry portfolio as well as uplifting its domestic demands for imports, which have obviously encouraged shipping lines to marshal their massive service arrays into the country. As overall market volume grew 6.75% in intra-Asia trade, it is forecast to grow another 8% in 2012.

Reefer Cargo & Special Equipment

According to *Dynaliner*, the momentum of average revenue growth at 10% during each of the past 8 years is likely to be maintained, while the global reefer container volume is forecast to evolve from 4.6 million TEU in 2010 to above 6 million TEU by 2015. Being demanded by more Chinese consumers with improving salaries for better foodstuffs, the Transpacific westbound trade for containerized reefer cargos is expected to be popularly prosperous.

While container shipping lines experienced another huge loss in 2011 aside from another wave of new tonnage coming in 2012, with the incentives of high unit-profit and promising outlook, market potential for reefer and special equipment cargos will be more distinguished in the industry.

(4) Competitiveness

Operation Integrity

Operating in moderation, Evergreen Marine Corp. always keeps flexibility and rationality on fleet deployment in addition to proactive profit controlling and responsive market intelligence monitoring that help us in cost reduction and profit pursuit.

Renowned Quality

(1) Evergreen Marine Corp. keeps devotions to enhancing service quality, by not only providing stable, frequent service strings for customers' choices, but also emphasizing considerate, advanced service interface, to earn reliance and recognition from our customers. In August 2011, Evergreen was named "2010 Partner in Progress" by famous US retailer, Sears Holdings Corporation, in honor of Evergreen's commitments and efforts to service.

(2) In October 2011, Evergreen was recrowned as maritime champion of "Benchmark Enterprise in Taiwan 2011" awarded by CommonWealth magazine, an honor we were consecutively acknowledged during 2005-2009 until 2010 after deficit from financial tsunami.

E-Commerce

(1) Evergreen's multi-functional e-commerce website, "ShipmentLink.com", is being constantly upgraded and innovated, to provide more timeliness, more conveniences, and more thoughtfulness for customers' cargo arrangements, ever since its debut in 2008.

(2) In order to get closer to human technology, from early 2012 on we will release "ShipmentLink Mobile", an application on handheld devices that helps our customers to acquire updates such as our sailing schedules and their cargo movements anytime, anywhere, from e-commerce to m-commerce.

(3) Besides, totally 11 national or regional websites have been established, integrating transportation info for customers' localized demands.

Eco-friendliness

(1) Environmental protection and waste reduction are always our fundamental policies, by proactive participation in eco-related promotions and practices which are also embodied in our distinguished fleet designing and manufacturing that not only set standard but also get beyond.

(2) A dedicated "Environmental Guardians" page is even set up on our company website for customers' reference to our efforts.

(3) Evergreen Marine Corp. continues to be internationally acknowledged and renowned through echoing environmental protection campaigns no matter from industries, governments, and the academics:

- In August 2011, Evergreen, as the only maritime carrier of "the air quality improvement leadership at the corporate level" category, received the annual "Clean Air Action Plan Air Quality Awards" from the ports of Los Angeles and Long Beach.
- In November 2011, Evergreen was chosen to be featured in Discovery Channel's "Green Room" show to introduce its green ships and eco-friendly initiatives.

(5) Advantages, Disadvantages and Managing Strategies for Future Developments

Advantages

(1) Although the overall global economy turns sluggish, regional vitality from emerging economies can still be found; in spite of the downgrades modified by major forecasters, people are still cautiously optimistic about the outlook for Western economies better than financial tsunami during 2008-2009.

(2) Various economic cooperation organizations or agreements in the Asia-Pacific area are prompting competitive collaboration in a positive way; China during the 12th Five-Year Plan is creating more foreseeable demands from uprising consuming power; trade activities and volumes between the Taiwan Straits shall get promoted as they are entering the 2nd stage of free tax relief in the "Economic Cooperation Framework Agreement" (ECFA) mechanism from 2012.

(3) Due to oversupply, the idle capacities are expected to surpass 1 million TEU by end of 2012 which will drag down the charter market rates thus benefit shipping lines in lowering vessel charter cost.

Disadvantages

(1) As overall supply still surpasses demand, shipping lines' space utilization and rate recovery campaign become challenges to their sustainability for the next one to two years.

(2) The instability in Middle East has inflamed the furious oil price and continued suppressing shipping lines.

(3) Slack economy may trigger trade protectionism which could disarrange cargo flows; the carbon tax unilaterally initiated by European Union (EU) may ignite other countries' or shipping lines' antagonism and counteractions.

(4) Despite the direct channel of cross-straits transportation has been opened for Taiwan and China, some restrictions still exist in concerned regulations of either side which somewhat limit operations or investments from shipping lines between the two shores.

Managing Strategies

(1) The economic uncertainties around the world had hindered shipping lines' expectancies and paces that somewhat relate to recent integrations among some alliances in the industry to make through the recession.

(2) Although the balance between supply and demand will always lead the direction in shipping lines' financial barometer, the operational integrity is also the key to shipping lines' sustainability.

(3) Evergreen Marine Corp. did not overextend in the past few years, but timely ordered new ships when price was favorable. In coming three years, our newly designed L-Type green ships will be phased in to replace and to reinforce Evergreen's green fleets in carrying out our company values and evolutions.

(4) We will keep hold of political and economic opportunities around the world, make the best of cost efficiency, optimize service networks, enlarge account base with penetration, and develop niche service strings in regional emerging markets, to well manage slot utilization with supplementary cargos.

2. Functions and Manufacturing Process of Main Products

(1) Functions of Main Products

Main Product	Functions
Container Shipping	Global transportation services of standard and special containerized cargos.

(2) Manufacturing Process of Main Products

Being a container shipping transportation service provider, our disclosed service strings and their adjustments are the detail process of our main products.

3. Supply of Main Materials

Being a container shipping transportation service provider, we do not have raw materials as manufacturers do, however we do have to use substantial fuels for transport equipment's consumption which can be deemed as main materials. Currently fuel cost takes more than 26% of our total operating costs while the percentage fluctuates with fuel price. Except being stably supplied by renowned vendors at major ports, we also tactically adjust fueling port rotations upon favorable fuel price in addition to strategic slow steaming measures for cost saving.

4. Main Customers Who Purchased over 10% of Total Sales in Recent 2 Years and their individual Purchase Amount and Share: None.

5. Company's total expense for environmental protection in 2011

In 2011, no major environmental pollution incident occurred in EMC fleet vessels, therefore there was no relevant loss and penalty fine happened. During year 2011, the Group simply spent on the routine maintenance of equipment and additional costs for using low pollutant fuel. The breakdown expenses are listed below:

(1) The cost of maintenance for equipments onboard concerning environmental protection and purchase of spare parts amounted to USD 180,775.

(2) The additional cost for vessels using low-sulfur fuel when sailing in Emission Control Areas to comply with IMO's regulation amounted to USD 2,764,667.

(3) The additional cost for vessels using low-sulfur fuel when berthing EU port to comply with EU's regulation amounted to USD 5,837,000.

(4) The additional cost for vessels using Marine Gas Oil for M/E, Generator Engine and Aux. Boiler prior to entering 24 nautical miles of US west coast to comply with the requirements of California Air Resources Board amounted to USD 4,290,000.

6. Company's environmental protection policies and measures

The company always establishes environmental protection policy based on caring for ocean, and manages its fleets with requirements exceeding international regulation. The company is currently undertaking the following measures for environmental protection:

(1) In compliance with the California Air Resources Board (CARB) regulation, the fleet sailing through the West Coast of U.S., within 24 nautical miles of the California baseline, should use Marine Gas Oil for M/E, Generator Engines and Aux. Boiler from July 1, 2009 on.

(2) Conduct strict audit and corrective action for fleet and make preparation beforehand in order to prevent deficiency and pollution occurring.
(3) All seafarers are given thoroughly environmental educations and training courses to accept correct environmental awareness and knowledge.
(4) Keep all environmental equipment on board in good condition for crew to operate smoothly.
(5) Continuously monitor the operating condition of fleet's main engine and auxiliary machineries. Take necessary actions immediately for efficiently using the fuel to reach the goal of energy conservation and carbon emission reduction.
(6) Maintain the validity of the certificates such as IOPP, IAPP and ISPP for all vessels.
(7) Continuously join the GARD Protection and Indemnity (GARD P&I) insurance.
(8) Provide the Vessel Certificate of Financial Responsibility (COFR) for all vessels trading to United States to undertake the responsibilities and obligations if oil pollution occurs in US water.
(9) Join the voluntary "Fair Winds Charter Program" to use 0.1 % m/m low sulfur fuel oil at berth for ocean going vessels calling at Hong Kong.
(10) Join the voluntary "PANYNJ Ocean-Going Vessel Low-Sulfur Fuel Program" to use 0.2% m/m low sulfur fuel oil at berth in New York/New Jersey, and reduce ship's speed to 10 knots or less in participation zone.
(11) Carry out M/E turbo-charger cut-out operation to cooperate with vessel's slow steaming in order to reduce fuel oil consumption and GHG emission.
(12) Pay close attention to the development of international regulations for environmental protection. Complying with and following the new regulations allow the fleet to meet the requirements for environmental protection in ports and around the world.
(13) Changes to the regulation on Fuel Sulfur and other operational requirements for Ocean-Going Vessels within California Waters and 24 Nautical Miles of the California Baseline by California's ARB with effect from December 1, 2011:
    A. The changes to the fuel requirements:
        a. Marine gas oil (DMA) at or below 1.5% sulfur from July 1, 2009 on.
        b. Marine gas oil (DMA) at or below 1.0% sulfur from August 1, 2012 on.
        c. Marine gas oil (DMA) or marine diesel oil (DMB) at or below 0.1% sulfur from January 1, 2014 on.
    B. The regulatory boundary is expanded in Southern California to be consistent with the Contiguous Zone. This new boundary includes the region 24 nautical miles from the California shoreline, including 24 nautical miles from the shoreline of

the Channel Islands.

(14) All ships in Turkish waters must use Low Sulfur (Max 0.1%) Marine Gas Oil (MGO) & Marine Diesel Oil (MDO) from Jan. 1, 2012 on.

(15) The North American Emission Control Area (ECA) will enter into force on August 1, 2012. Upon that date, ships entering the ECA (200 miles offshore) will be required to use fuel with maximum sulfur content of 1.0% or use alternative compliance technology such as exhaust gas cleaning system.

(16) For all S-type vessels berthing in port of UXLAX, 5 vessels have completely tested AMP system by using shore power.

(17) North Atlantic Right Whale Seasonal Speed Restrictions are in Effect.

Restrictions imposed by the NOAA require vessels to proceed at 10 knots or less in restricted areas during specific times of the year (from Nov. to Apr.) in the Mid-Atlantic and Southeast U.S. Seasonal Management Areas (SMAs) of the U.S. East Coast.

Vessels are allowed to operate at speeds greater than 10 knots, if necessary to maintain a safe maneuvering speed in areas where conditions are severely restricting ship's maneuverability. Any deviation from the speed restriction should be entered in the logbook.

7. New international environmental protection regulations

(1) Ship's Generator Engine and Aux. Boiler must be changed to use 0.1% m/m low sulfur fuel oil at berth in EU ports for complying with EU's regulation from January 1, 2010 on.

(2) Ship's Generator Engine and Aux. Boiler must be changed to use diesel oil at berth in Keelung port from November 10, 2010 on.

(3) As part of the International Maritime Organization's (IMO) program to reduce the global SOx content of marine fuels (Regulation 14 of MARPOL Annex VI), the global limit of sulfur content in marine fuels shall not exceed 3.5% from January 1, 2012 on. This aims to reduce the sulfur oxides emitted by ships.

IMO – International Maritime Organization
MEPC – Maritime Environment Protection Committee
IOPP – International Oil Pollution Prevention
IAPP – International Air Pollution Prevention
ISPP – International Sewage Pollution Prevention

8. Code of Conduct/ Courtesy

EMC rules and regulations provided herein are applicable for all employees:

(1) Employees should observe the company's regulations and working manual as well as act loyally, responsibly and under the supervisors' orders, directions and supervision.

(2) All employees, except managerial staff, are required to sign in/out in the computer systems to indicate their official attendance/departure during scheduled working hours. Under the exceptional circumstance at the supervisor's approval is excluded.

(3) When leaving the office all employees must ensure their desk tops are clear and tidy, and all documents or files are placed in proper places.

(4) Employees should conduct themselves in an impartial, prudent and self-disciplined manner, protect the company's reputation, disregard bad habits, and respect fellow members.

(5) Every employee must perform their duties and responsibilities; cooperate and coordinate with interrelated departments to achieve the goals the company set.

(6) When given different directions by two supervisors or above, employees should operate in compliance with the higher-level one's.

(7) When assigned works after office hours, employees should perform accordingly instead of finding excuses to reject.

(8) Every employee should be concerned with the preservation of cleanliness, beauty and safety consciousness of his/her workplace at all times.

(9) Employees should be courteous and respectfully to customers. Displaying an attitude of disrespect, arrogance or ignorance is forbidden.

(10) Personal use of the telephone system is discouraged. When talking on the phone, employees should talk briefly and clearly.

(11) Having a chat or reading materials not connected with the business of the company or the employee's job should not be done during office hours.

(12) No official documents may be brought outside the office unless the employee obtains prior permission from his/her direct supervisor as well as gets inspected by security guards.

9. Protection Measures for Safe Work Environment and Labors Safety

The company set up Labor Safety and Health Division in accordance with LABOR SAFETY AND HEALTH LAW for the purpose of enhancing a complete occupational training mechanism and providing labors with a safe and healthy place of environment. Continuous promotion of safety and health education is adopted to reduce the possibility of occupational accidents. The main job functions of Labor Safety and Health Division are described as below:

(1) Employees are required to observe Safety and Health Regulations, as the Law is effective from its date of promulgation.
(2) Labor Safety and Health Division is obliged to perform its duty and follow LABOR SAFETY AND HEALTH LAW, arranging safety and health education and training for new and current employees.
(3) Fire Act obliges employers to hold fire and safety education or fire drills for employees.
(4) Clinic Division is established to provide periodic health examination, health care and medical assistance.
(5) Security guards are deployed day and night to protect the company's properties and labors' safety against occupational hazards.
(6) Sexual harassment is a violation of law. The company emphasizes its importance and set up designated telephone and e-mail address to handle the complaints concerning sexual harassment.

10. Social Responsibility

Evergreen Line is dedicated to social and charitable causes such as medical aid, emergency relief and promotion of education and cultural activities. This company has also worked closely with maritime schools in Taiwan to support marine education.

A magnitude 9 earthquake hit Japan's northeast coast and triggered a massive tsunami on March 11, 2011, causing colossal losses of human lives and properties. Evergreen Group Chairman Dr. Yung-Fa Chang instructed subsidiary companies to help transport relief supplies to the disaster-struck areas. Moreover, Dr. Chang made a personal donation of US$12.35 million (1 billion Japanese yen) to the Japan Red Cross to help with the post-disaster reconstruction.

A distressed Korean cargo ship Bright Ruby sank in the South China Sea just south of Hong Kong on November 22, 2011. The officers and crew of Evergreen Line's 1,164-TEU containership UNI-ASPIRE responded with prompt action to the emergency call from HKMRCC (Hong Kong Maritime Rescue Coordination Centre) and successfully rescued a Korean seafarer.

Evergreen Line embraces environmental protection as an essential part of sustainable business operation. Its environmental philosophy and excellence was featured in Green

Room, a television program on the Discovery Channel on November 19, 2011. The show detailed the carrier's proactive green shipbuilding efforts initiated by Evergreen Group Chairman Dr. Yung-Fa Chang and helped to promote the importance of marine environmental protection.

The ports of Los Angeles and Long Beach presented Evergreen Line with a 2011 Clean Air Action Plan Air Quality Awards, an honor given to those taking extraordinary measures to cut air emissions, modernize facilities and implement innovative operations to reduce air pollution. Evergreen was the sole maritime recipient of the Air Quality Improvement Leadership at the Corporate Level recognition.

11. Important Agreement

(1) Short-haul Agreements

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Slot Exchange Agreement	YANG MING MARINE TRANSPORT CORP.	From : 2009.09.04 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot exchanges with YML. (Pan Asia Services)	Slot Guaranteed.
Slot Charter Agreement	FUJIAN FOREIGN TRADE CENTRE SHIPPING CO.	From: 2008.03.01 Till : 2009.2.28 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC slot charter from Fujian Foreign Trade Centre Shipping Co. (Fuzhou- Kaohsiung Shuttle Service)	Slot Guaranteed.
Slot Exchange Agreement	OOCL (ASIA PACIFIC) LTD	From: 2011.09.26 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot exchanges with OOCL (North East Asia/ South East Asia-Taiwan/ Hong Kong /Vietnam Service)	Slot Guaranteed.
Slot Exchange Agreement	BENGAL TIGER LINE	From : 2009.11.29 Till : 2010.05.28 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with BTL (South China/Singapore/Malaysia/Hong Kong/ North China)	Slot guaranteed. Terminated on 2011.05.31.
Vessel Sharing Agreement	NINGBO OCEAN SHIPPING CO., LTD	From : 2010.05.13 Till : 2011.05.12 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC is as slot charterer on Qingdao/Ningbo sector.	Slot Guaranteed.
Vessel Sharing Agreement	CHINA UNITED LINES LTD.	From : 2010.09.27 Till : 2011.09.26 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC is as slot charterer on Shanghai, Ningbo/ Taiwan sector.	Slot Guaranteed.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Vessel Sharing Agreement	WAN HAI LINES LTD.	From : 2008.09.12 Till : 2009.09.11 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC and WHL jointly. (Japan/Taiwan/Philippines Service)	Slot Guaranteed.
Vessel Sharing Agreement	WAN HAI LINES LTD.	From : 2010.07.03 Till : 2011.01.02 Can be extended. It is subject to 60 days pre-notice prior to termination.	Operated by EMC and WHL Jointly. (Hwa-bei Straits Service)	Slot guaranteed. Terminated on 2011.02.02
Vessel Sharing Agreement	1. OOCL (ASIA PACIFIC) LTD. 2. YANGMING (UK) LTD.	From : 2006.04.30 Till : 2007.04.29 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, OOCL, YM (UK) Ltd. jointly. (Taiwan/Hong Kong/Vietnam Service)	Slot Guaranteed.
Vessel Sharing Agreement	1. WAN HAI LINES LTD. 2. HAPAG LLOYD CONTAINER LINE	From : 2006.04.30 Till : 2007.04.29 Can be extended. It is subject to 90 days pre-notice prior to termination.	operated by EMC, WHL and HLCL jointly. (Taiwan/Mainland/Singapore/Malaysia/India Service)	Slot Guaranteed.
Vessel Sharing Agreement	PENDULUM EXPRESS LINES LTD. HONG KONG.	From : 2004.08.21 Till : 2005.08.20 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC and Pendulum jointly (THAILAND/TAIWAN/PHILIPPINES SERVICE)	Slot Guaranteed.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Slot Exchange Agreement	WAN HAI LINES LTD.	From : 2009.02.22 Till : 2009.08.23 Can be extended. It is subject to 45 days pre-notice prior to termination.	EMC slot exchanges with WHL (North East Asia/South East Asia/Korea/South East Asia Service)	Slot guaranteed.
Slot Exchange Agreement	BENGAL TIGER LINE	From : 2009.06.17 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC slot exchanges with BTL. (Taiwan/Philippines/ Intra Red Sea/India/Sri Lanka Service)	Slot guaranteed. Terminated on 2011.07.24
Vessel Sharing Agreement	CHINA SHIPPING CONTAINER LINES	From : 2010.03.12 Till : 2010.09.13 Can be extended. It is subject to 60 days pre-notice prior to termination.	Operated by EMC and CSCL jointly. (China/ Philippines/Thailand Express Service)	Slot guaranteed. Terminated on 2011.03.18
Slot Exchange Agreement	CNC LINE (CMA CGM GROUP)	From : 2010.01.19 Till: 2010.04.20 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with CNC (Middle China/Taiwan, South China/Taiwan, Taiwan/ Phillipines Service)	Slot Guaranteed.
Vessel Sharing Agreement	1. OOCL (ASIA PACIFIC) LTD. 2. SIMATECH SHIPPING PTE LTD.	From : 2010.08.20 Till: 2011.02.19 Can be extended. It is subject to 60 days pre-notice prior to termination.	Operated by EMC, OOCL and SSF jointly (ASEAN-Persian Gulf-ISC Service)	Slot Guaranteed.
Vessel Sharing Agreement	SIMATECH SHIPPING PTE LTD.	From : 2011.01.06 Till: 2011.06.05 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC and SSF jointly (China -India Express Service)	Slot Guaranteed.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Slot Exchange Agreement	SIMATECH SHIPPING & FORWARDING L.L.C.	From : 2009.10.17 Till: 2010.10.16 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC slot exchanges with SSF. (Intra Persian Gulf Service)	Slot Guaranteed.
Slot Exchange Agreement	SEA CONSORTIUM PTE LTD.	From: 2008.12.15 Till : Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC slot exchanges with SEACON. (Intra Persian Gulf Service)	Slot guaranteed. Terminated on 2011.07.28
Slot Exchange Agreement	MCC TRANS-PORT SINGA-PORE PTE LTD.	From : 2002.10.15 Till: 2004.04.14 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot exchanges with MCC. (Indonesia/Singapore/ Malaysia/Thailand Service)	Slot guaranteed
Slot Exchange Agreement	INTERASIA LINES SINGAPORE PTE LTD.	From : 2010.09.23 Till : 2011.01.20	EMC slot exchanges with IAL(North China/South East Asia/Taiwan/Indonesia)	Slot guaranteed. Terminated on 2011.02.03
Slot Exchange Agreement	MCC TRANS-PORT SINGA-PORE PTE LTD	From : 2010.10.31 Till : 2011.01.30	EMC slot exchanges with MCC (Vietnam/Malaysia/ Singapore)	Slot Guaranteed.
Slot Charter Agreement	MCC TRANS-PORT SINGA-PORE PTE LTD	From : 2010.10.31 Till : 2011.01.30	EMC slot charter out to MCC (Vietnam/Malaysia/ Singapore)	Slot Guaranteed.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Vessel Sharing Agreement	MCC TRANS-PORT SINGA-PORE PTE LTD.	From : 2010.12.17 Till : Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC and MCC jointly. (China/South East Asia Service)	Slot Guaranteed.
Slot Charter Agreement	COSCO CONTAINER LINES COMPANY LIMITED	From : 2011.05.05 Till : 2011.08.04 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with COSCON (North China / Indonesia, South China/ South East Asia Service)	Slot guaranteed. Terminated on 2011.09.21
Vessel Sharing Agreement	CNC LINE (CMA CGM GROUP)	From : 2011.10.13 Till : 2012.04.12 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC and MCC jointly. (Malaysia/Bangladesh Service)	Slot Guaranteed.
Slot Charter Agreement	KAWASAKI KISEN KAISHA, LTD.	From : 2011.11.02 Till : 2012.05.01 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot exchanges with K Line (China/South East Asia, Japan-Philippines-Thailand Service)	Slot Guaranteed.
Slot Charter Agreement	WAN HAI LINES LTD.	From : 2011.11.08 Till : 2012.05.07 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot Charter from WHL	Slot Guaranteed.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Vessel Sharing Agreement	1. SIMATECH SHIPPING PTE LTD. 2. K LINE	From : 2011.08.01 Till : 2012.07.31 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, SSF and K Line(North China-India)	Slot Guaranteed.
Vessel Sharing Agreement	COSCO CONTAINER LINES COMPANY LIMITED	From : 2011.09.09 Till : 2012.03.08 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC and COSCON (China-Red Sea)	Slot Guaranteed.
Vessel Sharing Agreement	1. NYK 2. Hanjin Shipping	From : 2011.10.29 Till : 2012.04.12 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, NYK and HJS(Korea-Central China-India)	Slot Guaranteed.
Vessel Sharing Agreement	WAN HAI LINES LTD.	From : 2011.11.04 Till : 2012.05.03 Can be extended. It is subject to 60 days pre-notice prior to termination.	Operated by EMC and WHL(Taiwan-South China-Indonesia)	Slot Guaranteed.
Slot Charter Agreement	WAN HAI LINES LTD.	From : 2011.11.08 Till : 2012.05.07 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot charter from WHL(Hong Kong-Japan)	Slot Guaranteed.

(2) Long-haul Agreements

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Slot Exchange Agreement	CMA CGM S.A.	From : 2002.03.15 Till : 2003.03.31 Subsequently extended. It is subject to 90 days pre-notice prior to termination.	EMC slot exchange with CMA CGM (Far East / Europe service)	Slot guaranteed.
Vessel Sharing Agreement	COSCO CONTAINER LINE	From : 1999.05.13 Till : open but is subject to 90 days pre-notice prior to termination.	Operated by EMC & COSCON jointly (Far East/ S. America service)	Slot guaranteed.
Vessel Sharing Agreement	COSCO CONTAINER LINE	From : 1999.05.13 It is subject to 90 days pre-notice prior to termination.	Operated by EMC & COSCON jointly (Far East/ S. Africa)	Slot guaranteed.
Slot Charter Agreement	MAERSK	From : 2007.12.01 Till : 2008.11.30 Subsequently extended. It is subject to 90 days pre-notice prior to termination.	EMC slot purchase (South East Asia/Australia service)	Slot guaranteed.
Vessel Sharing Agreement	1. HAMBURG SUD 2. HAPAG LLOY 3. HYUNDAI MERCHANT MARINE 4. APL CO.	From : 2008.10.30 Till : 2009.10.29 Subsequently extended. It is subject to 180 days pre-notice prior to termination, terminated on 2011.09.30	Operated by EMC, HSD, HL, HMM & APL jointly (Asia/Australia service)	Slot guaranteed.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Vessel Sharing Agreement	1. KAWASAKI KISAN KAISHA LTD. 2. NIPPON YUSEN KAISHA 3. MITSUI O.S.K. LINES LTD. 4. OOCL	From : 2011.09.01 Till : Subsequently extended. It is subject to 180 days pre-notice prior to termination	Operated by EMC, K Line, NYK & OOCL jointly (Asia/Australia service)	Slot guaranteed.
Vessel Sharing Agreement	CHINA SHIPPING CONTAINER LINES	From : 2009.06.17 Till : 2011.06.16 Subsequently extended. It is subject to a 6-month pre-notice prior to termination, not to be given earlier than 18 months after commencement.	Operated by ELJSA & CSL jointly (Far East/Europe Service)	Slot guaranteed.
Vessel Sharing Agreement	CHINA SHIPPING CONTAINER LINES	From : 2010.01.01 Till : 2012.01.01 Subsequently extended. It is subject to a 6-month pre-notice prior to termination, not to be given earlier than 18 months after commencement.	Operated by ELJSA & CSL jointly (Far East/Europe Service)	Slot guaranteed.
Vessel Sharing Agreement	CKYH	From : 2009.09.21 Till : 2010.09.20 Subsequently extended, it is subject to a 6-month pre-notice and, such notice of termination may not be given prior to the end of the 6th month after deployment of the first vessel to the service, in principle on March 21, 2010.	Operated by ELJSA & CKYH JV (Europe/East cost of America)	Slot guaranteed.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Slot Exchange Agreement	CSAV NORASIA	From : 2009.11.08 Till : 2010.05.07 Subsequently extended, it is subject to a 30 day pre-notice and, such notice of termination may not be given prior to the end of the 6th month after deployment of the first vessel to the service, terminated on 2011.10.01	ELJSA slot exchange with CSAV (Far East/ East Mediterranean)	Slot guaranteed.
Slot Exchange Agreement	MITSUI O.S.K. LINES LTD.	From : 2010.04.10 Till : 2011.04.09 Subsequently extended. It is subject to a 3-month pre-notice prior to termination, not to be given earlier than 9 months after commencement.	ELJSA slot exchange with MOL (Far East/USWC)	Slot guaranteed.
Slot Exchange Agreement	MITSUI O.S.K. LINES LTD.	From : 2010.04.10 Till : 2011.04.09 Subsequently extended. It is subject to a 3-month pre-notice prior to termination, not to be given earlier than 9 months after commencement.	ELJSA slot exchange with MOL (Far East/USEC)	Slot guaranteed.
Vessel Sharing Agreement	CHINA SHIPPING CONTAINER LINES	From : 2009.06.15 Till : 2011.06.14 Subsequently extended. It is subject to a 6-month pre-notice prior to termination, not to be given earlier than 18 months after commencement.	Operated by ELJSA & CSCL jointly (Far East/USEC Service)	Slot guaranteed.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Slot Exchange Agreement	CHINA SHIPPING CONTAINER LINES	From : 2009.06.15 Till : 2011.06.14 Subsequently extended. It is subject to a 6-month pre-notice prior to termination, not to be given earlier than 18 months after commencement.	ELJSA slot exchange with CSCL (Far East/USWC Service)	Slot guaranteed.
Vessel Sharing Agreement	1. COSCO CONTAINER LINE 2. WAN HAI LINES 3. PACIFIC INTERNATIONAL LINES	From : 2011.04.30 Till : 2012.04.30 It is subject to a 3 month pre-notice prior to termination, not to be given earlier than 3 months after commencement	Operated by ELJSA & COSCON& WHL & PIL	Slot guaranteed.
Slot Exchange Agreement	NIPPON YUSEN KAISHA	From : 2010.02.01 Till : 2010.07.30 Subsequently extended, it is subject to a 3 months day pre-notice.	ELJSA slot exchange with NYK (Far East/Europe)	Slot guaranteed.
Slot Exchange Agreement	KAWASAKI KISAN KAISHA LTD	From : 2011.12.11 Till : 2012.03.31 Subsequently extended, it is subject to a 45 days pre-notice.	ELJSA slot exchange with K Line (Far East/Europe)	Slot guaranteed.

1. The Brief Financial Statement For Recent Five Years

(1) Brief Balance Sheets

Unit: Thousand NTD

Account Code \ Year		Financial Date From 2007 To 2011				
		2011	2010	2009	2008	2007
Current assets		13,655,639	9,968,985	11,639,249	12,253,721	11,599,365
Fixed assets		15,007,157	11,360,775	10,838,750	12,630,631	10,785,775
Other assets		191,923	206,384	264,520	130,720	140,274
Current liabilities	Before distribution	7,613,383	10,636,628	6,927,545	11,144,598	12,737,552
	After distribution	-	13,794,172	-	11,144,598	18,020,605
Long-term liabilities		21,209,534	10,457,355	16,940,692	16,245,973	5,211,992
Capital stock		34,734,581	31,248,395	30,625,992	30,609,390	30,338,695
Capital reserve		7,480,392	7,202,990	6,675,194	6,355,383	6,016,190
Retained earnings	Before distribution	22,544,132	31,951,458	16,786,007	26,641,360	31,285,147
	After distribution	-	28,793,914	-	26,641,360	26,002,094
Total Assets		92,922,390	89,656,404	80,526,561	94,223,170	90,962,884
Total liabilities	Before distribution	31,756,564	23,832,884	26,074,964	30,976,994	21,265,204
	After distribution	-	26,990,428	-	30,976,994	26,548,257
Total shareholder's equity	Before distribution	61,165,826	65,823,520	54,451,597	63,246,176	69,697,680
	After distribution	-	62,665,976	-	63,246,176	64,414,627

(2) Brief Income Statements

Unit: Thousand NTD

Year / Account Code	Financial Date From 2007 To 2011				
	2011	2010	2009	2008	2007
Sales revenues	15,361,235	17,026,011	15,062,947	22,437,412	27,844,435
Gross profit	730,144	1,773,310	1,987,591	1,557,350	3,886,651
Operating income	(775,318)	84,967	472,541	(361,147)	2,056,646
Non-operating incomes and gains	1,630,140	16,395,786	3,301,851	4,522,069	10,460,216
Non-operating expenses and losses	4,001,530	615,871	14,506,852	3,473,165	856,883
Income before income tax	(3,146,708)	15,864,882	(10,732,460)	687,757	11,659,979
Net income	(3,092,361)	15,165,451	(9,855,353)	639,266	10,381,702
Earnings per share	(0.89)	4.49	(3.22)	0.21	3.53

2. The Financial Analysis For Recent Five Years

Item	2011	2010	2009	2008	2007
Capital structure analysis (%)					
Debt ratio	34.18	26.58	32.38	32.88	23.28
Long-term fund to fixed assets	548.91	671.44	658.68	629.44	724.64
Liquidity analysis (%)					
Current ratio	179.36	93.72	168.01	109.95	91.06
Quick ratio	172.73	89.36	159.83	105.30	83.69
Times interest earned (times)	(8.22)	49.85	(39.32)	4.01	69.22
Operating performance analysis					
Receivable turnover (times)	18.36	21.75	23.52	34.74	25.45
Average collection days	19	17	16	11	14
Fixed assets turnover (times)	1.17	1.53	1.28	1.92	2.73
Total assets turnover (times)	0.17	0.20	0.17	0.24	0.32
Profitability analysis (%)					
Return ratio on total assets	(3.08)	18.14	(11.05)	0.88	11.94
Return ratio on stockholder's equity	(4.87)	25.22	(16.75)	0.96	16.35
Operating income to capital stock	(2.23)	0.27	1.54	6.78	20.97
Income before tax to capital stock	(9.06)	50.77	(35.04)	38.43	56.08
Profit after tax to net sales	(20.13)	89.07	(65.43)	2.85	37.28
Earnings per share (NT$)	(0.89)	4.94	(3.22)	0.21	3.53
Cash flow (%)					
Cash flow ratio	25.99	45.28	(13.86)	(11.00)	60.96
Cash flow adequacy ratio	35.54	49.82	97.96	94.98	141.31
Cash flow reinvestment ratio	(1.19)	5.24	(1.09)	(6.39)	7.20
Leverage					
Operating leverage	(2.79)	37.47	7.84	(8.20)	2.44
Financial leverage	0.69	(0.35)	2.29	0.61	1.09

3. Financial Statements with Report of Independent Auditors

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen Marine Corporation

We have audited the accompanying balance sheets of Evergreen Marine Corporation (the “Company”) as of December 31, 2011 and 2010, and the related statements of income, of changes in stockholders' equity, and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of certain investee companies accounted for under the equity method as of and for the years ended December 31, 2011 and 2010, were audited by other auditors, whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in the financial statements and information disclosed in Note 11 relating to these long-term equity investments, is based solely on the reports of the other auditors. Long-term equity investments in these investee companies amounted to 25,329,398 and 25,791,140 thousand New Taiwan dollars, constituting 27.26% and 28.77% of the total assets as of December 31, 2011 and 2010, and the related investment loss was 1,089,769 and investment income was 6,729,189 thousand New Taiwan dollars for the years then ended, respectively.

We conducted our audits in accordance with the "Rules Governing the Examination 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 evidence which is supporting the amounts and disclosures in the financial statements in sampling way. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Evergreen Marine Corporation as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with the "Rules Governing Preparation of Financial Statements by Securities Issuers" and generally accepted accounting principles in the Republic of China.

We have also audited the consolidated financial statements of Evergreen Marine Corporation and its subsidiaries as of and for the years ended December 31, 2011 and 2010, on which we have issued an unqualified opinion with explanatory paragraph thereon.

PricewaterhouseCoopers, Taiwan
March 27, 2012
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.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

EVERGREEN MARINE CORP. (TAIWAN) LTD.
BALANCE SHEETS
YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

ASSETS	Notes	2011	2010
Current Assets			
Cash and cash equivalents	4(1)	$ 5,670,482	$ 3,481,722
Financial assets at fair value through profit or loss - current	4(2)	2,230,854	1,908,928
Held-to-maturity financial assets - current	4(4)	800,000	-
Notes receivable,net		1,328	7
Accounts receivable,net	4(6)	686,843	748,582
Accounts receivable,net - related parties	4(6) and 5	131,006	106,501
Other receivables		580,518	439,702
Other receivables - related parties	5	148,853	74,224
Other financial assets - current	4(7)	-	158,383
Ship fuel		342,769	303,885
Prepaid expenses		154,581	152,956
Prepayments		7,689	7,724
Deferred income tax assets - current	4(21)	254,120	315,710
Restricted assets	6	121,790	275,751
Other current assets - other	4(8) and 5	2,524,806	1,994,910
Total current assets		13,655,639	9,968,985
Funds and Investments			
Financial assets at fair value through profit or loss - non-current	4(2)	62,959	104,287
Available-for-sale financial assets - non-current	4(3)	602,904	957,108
Held-to-maturity financial assets - non-current	4(4)	370,000	1,170,000
Financial assets carried at cost - non-current	4(5)	1,344,119	1,344,595
Long-term equity investments accounted for under the equity method	4(9) and 6	61,672,912	64,527,886
Other long-term investments		312	312
Total funds and investments		64,053,206	68,104,188
Property, Plant and Equipment, Net	4(10), 5 and 6		
Land		1,972,540	1,972,540
Buildings		1,360,388	1,512,002
Loading and unloading equipment		4,261,946	4,530,476
Computer and communication equipment		120,766	114,390
Transportation equipment		12,076,977	11,346,789
Ships		3,596,904	2,110,916
Office equipment		203,662	209,750
Cost and revaluation increments		23,593,183	21,796,863
Less: Accumulated depreciation		(13,504,192)	(12,912,384)
Construction in progress and prepayments for equipment		4,918,166	2,476,296
Total property, plant and equipment, net		15,007,157	11,360,775
Intangible Assets			
Deferred pension costs	4(16)	14,465	16,072
Other Assets			
Refundable deposits		46,037	42,416
Deferred expenses		145,886	163,968
Total other assets		191,923	206,384
TOTAL ASSETS		$ 92,922,390	$ 89,656,404

(Continued)

EVERGREEN MARINE CORP. (TAIWAN) LTD.
BALANCE SHEETS
YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	2011	2010
Current Liabilities			
Short-term loans	4(11)	$ -	$ 2,603,172
Financial liabilities at fair value through profit or loss - current	4(12)	5,163	604,407
Accounts payable		1,640,666	1,321,797
Accounts payable - related parties	5	396,652	133,716
Income tax payable	4(21)	29,698	-
Accrued expenses		719,424	354,071
Other payables		21,096	130,522
Receipts in advance		999	2,568
Long-term liabilities - current portion	4(13)	4,459,233	4,891,791
Other current liabilities	5	340,452	594,584
Total current liabilities		7,613,383	10,636,628
Long-term Liabilities			
Bonds payable	4(14)	-	2,218,775
Long-term loans	4(15)	21,209,534	8,238,580
Total long-term liabilities		21,209,534	10,457,355
Other liabilities			
Accrued pension liabilities	4(16)	1,331,985	968,065
Guarantee deposits received		48	48
Deferred income tax liabilities - non-current	4(21)	1,273,685	1,446,499
Deferred credit		327,929	324,289
Total other liabilities		2,933,647	2,738,901
Total liabilities		31,756,564	23,832,884
Stockholders' Equities			
Capital	4(17)		
Common stock		34,734,581	31,248,395
Capital Surplus	4(18)		
Paid-in capital in excess of par value of common stock		5,805,861	5,456,524
Capital reserve from donated assets		372	371
Capital reserve from long-term investments		1,606,562	1,611,003
Capital reserve from stock warrants		60,884	128,379
Capital reserve - other		6,713	6,713
Retained Earnings	4(19)		
Legal reserve		9,102,785	7,586,240
Special reserve		4,579,324	957,344
Undistributed earnings		8,862,023	23,407,874
Other Adjustments on Stockholders' Equities			
Cumulative translation adjustments		(2,656,053)	(5,055,677)
Unrecognized pension cost		(1,229,959)	(707,771)
Unrealized gain or loss on financial instruments		292,733	1,184,125
Total stockholders' equity		61,165,826	65,823,520
Commitments And Contingent Liabilities	7		
Subsequent Events	9		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 92,922,390	$ 89,656,404

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 27, 2012.

EVERGREEN MARINE CORP. (TAIWAN) LTD.
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except (losses) earnings per share)

Items	Notes	2011	2010
Operating income	4(20) and 5	$ 15,361,235	$ 17,026,011
Operating costs	4(23) and 5	(14,631,091)	(15,252,701)
Gross profit		730,144	1,773,310
Operating Expenses			
General and administrative expenses	4(23) and 5	(1,505,462)	(1,688,343)
Operating (loss) income		(775,318)	84,967
Non-operating Income and Gains			
Interest income		37,721	35,187
Investment income accounted for under the equity method	4(9)	-	14,595,055
Dividend income		59,605	83,689
Gain on disposal of property, plant and equipment	5	959,039	1,070,210
Gain on disposal of investments		61,589	14,162
Foreign exchange gain		27,049	-
Rental income	5	99,340	98,028
Gain on valuation of financial liabilities	4(12)	236,346	407,458
Other non-operating income	4(5)	149,451	91,997
Non-operating Income and Gains		1,630,140	16,395,786
Non-operating Expenses and Losses			
Interest expense		(341,288)	(324,799)
Investment loss accounted for under the equity method	4(9)	(3,595,320)	-
Loss on disposal of property, plant and equipment		(7,919)	(2,426)
Foreign exchange loss		-	(194,214)
Financing charges		(17,207)	(18,509)
Loss on valuation of financial assets	4(2)	(33,383)	(72,835)
Other non-operating losses		(6,413)	(3,088)
Non-operating Expenses and Losses		(4,001,530)	(615,871)
(Loss) income from continuing operations before income tax		(3,146,708)	15,864,882
Income tax benefit (expense)	4(21)	54,347	(699,431)
Net (loss) income		($ 3,092,361)	$ 15,165,451

		2011 Before Tax	2011 After Tax	2010 Before Tax	2010 After Tax
Basic (losses) earnings per share	4(22)				
Net (loss) income		($ 0.91)	($ 0.89)	$ 4.70	$ 4.49
Diluted (losses) earnings per share	4(22)				
Net (loss) income		($ 0.91)	($ 0.89)	$ 4.54	$ 4.34

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 27, 2012.

EVERGREEN MARINE CORP. (TAIWAN) LTD.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Retained Earnings						
	Common stock	Capital Reserves	Legal reserve	Special reserve	Undistributed earnings	Cumulative translation adjustments	Unrecognized pension cost	Unrealized gain or loss on financial instruments	Total
Year 2010									
Balance at January 1, 2010	$ 30,625,992	$ 6,675,194	$ 7,586,240	$ 957,344	$ 8,242,423	$ 640,363	($ 483,688)	$ 207,729	$ 54,451,597
Conversion of convertible bonds into common stock	622,403	655,621	-	-	-	-	-	-	1,278,024
Stock warrants of convertible bonds	-	(127,826)	-	-	-	-	-	-	(127,826)
Adjustments on retained earnings due to changes in investees' capital surplus based on percentage of shareholding	-	1	-	-	-	(1,075,152)	(68,319)	711,600	(431,870)
Translation adjustments arising from investees' financial statements denominated in foreign currencies	-	-	-	-	-	(4,620,888)	-	-	(4,620,888)
Unrecognized pension cost	-	-	-	-	-	-	(155,764)	-	(155,764)
Unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	264,796	264,796
Net income of 2010	-	-	-	-	15,165,451	-	-	-	15,165,451
Balance at December 31, 2010	$ 31,248,395	$ 7,202,990	$ 7,586,240	$ 957,344	$ 23,407,874	($ 5,055,677)	($ 707,771)	$ 1,184,125	$ 65,823,520
Year 2011									
Balance at January 1, 2011	$ 31,248,395	$ 7,202,990	$ 7,586,240	$ 957,344	$ 23,407,874	($ 5,055,677)	($ 707,771)	$ 1,184,125	$ 65,823,520
Appropriation of 2010 earnings (Note)									
Legal reserve	-	-	1,516,545	-	(1,516,545)	-	-	-	-
Special reserve	-	-	-	3,621,980	(3,621,980)	-	-	-	-
Stock dividends	3,157,544	-	-	-	(3,157,544)	-	-	-	-
Cash dividends	-	-	-	-	(3,157,544)	-	-	-	(3,157,544)
Conversion of convertible bonds into common stock	328,642	349,337	-	-	-	-	-	-	677,979
Stock warrants of convertible bonds	-	(67,494)	-	-	-	-	-	-	(67,494)
Adjustments on retained earnings due to changes in investees' capital surplus based on percentage of shareholding	-	(4,441)	-	-	123	318,021	(212,794)	(539,536)	(438,627)
Translation adjustments arising from investees' financial statements denominated in foreign currencies	-	-	-	-	-	2,081,603	-	-	2,081,603
Unrecognized pension cost	-	-	-	-	-	-	(309,394)	-	(309,394)
Unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	(351,856)	(351,856)
Net loss of 2011	-	-	-	-	(3,092,361)	-	-	-	(3,092,361)
Balance at December 31, 2011	$ 34,734,581	$ 7,480,392	$ 9,102,785	$ 4,579,324	$ 8,862,023	($ 2,656,053)	($ 1,229,959)	$ 292,733	$ 61,165,826

Note: Directors' and supervisors' remuneration of $55,000 and employees' bonuses of $40,000 have been deducted from the statement of income.

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 27, 2012.

EVERGREEN MARINE CORP. (TAIWAN) LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	($ 3,092,361)	$ 15,165,451
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	1,559,320	1,616,004
Amortization	13,555	23,399
Reclassification of depreciation of loading and unloading equipment to operating costs and others	248,744	276,743
Reclassification of amortization of deferred charges to others	43,029	54,195
Net gain on disposal of property, plant and equipment	(951,120)	(1,067,784)
(Less than) excess of equity-accounted investment (gain)/loss over cash dividends	4,500,822	(14,361,424)
Realized income from capital reduction of financial assets carried at cost	(61,631)	(6,828)
Amortization of bond discounts	190,021	210,914
Gain on disposal of available-for-sale financial assets	(42,500)	-
Changes in assets and liabilities		
Financial assets and liabilities at fair value through profit or loss	(535,113)	1,346,892
Notes and accounts receivable	35,913	(144,684)
Other receivables	(215,445)	525,667
Other financial assets	158,383	80,525
Ship fuel	(38,884)	74,002
Prepaid expenses and prepayments	(1,590)	28,497
Restricted assets	153,961	(28,877)
Agent accounts	(239,951)	338,758
Agency reciprocal accounts	(533,395)	(506,630)
Other current assets	(1,154)	47,529
Refundable deposits	(3,621)	117
Notes and accounts payable	581,805	315,243
Income tax payable	29,698	-
Accrued expenses	365,353	(72,075)
Other payables	(118,864)	105,653
Receipts in advance	(1,569)	2,568
Other current liabilities	(9,528)	11,676
Accrued pension liabilities	56,133	81,000
Deferred income tax assets / liabilities	(111,224)	699,330
Net cash provided by operating activities	1,978,787	4,815,861

(Continued)

EVERGREEN MARINE CORP. (TAIWAN) LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial assets and liabilities at fair value through profit or loss	($ 343,479)	($ 554,195)
Acquisition of held-to-maturity financial assets	-	(470,000)
Proceeds from disposal of held-to-maturity financial assets	-	460,000
Proceeds from disposal of available-for-sale financial assets - non current	44,849	-
Proceeds from capital reduction of financial assets carried at cost	62,107	196,674
Acquisition of long-term equity investments accounted for under the equity method	(2,873)	-
Acquisition of property, plant and equipment	(6,446,569)	(2,523,607)
Proceeds from disposal of property, plant and equipment	1,956,321	1,176,619
Increase in deferred expenses	(35,064)	(22,977)
Net cash used in investing activities	(4,764,708)	(1,737,486)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term loans	(2,603,172)	441,015
Decrease in short-term bills payable	-	(99,959)
Increase (decrease) in long-term loans	10,735,397	(2,019,405)
Increase in guarantee deposits received	-	24
Distribution of cash dividends	(3,157,544)	-
Net cash provided by (used in) financing activities	4,974,681	(1,678,325)
Increase in cash and cash equivalents	2,188,760	1,400,050
Cash and cash equivalents at beginning of year	3,481,722	2,081,672
Cash and cash equivalents at end of year	$ 5,670,482	$ 3,481,722
SUPPLEMENTAL INFORMATION OF CASH FLOW INFORMATION		
Interest paid	$ 207,353	$ 133,992
Less: Interest capitalized	(45,572)	(7,000)
Interest paid, excluding interest capitalized	$ 161,781	$ 126,992
Income tax paid	$ 2,510	$ 2,404
FINANCING ACTIVITIES NOT AFFECTING CASH FLOWS		
Long-term liabilities due within one year	$ 4,459,233	$ 4,891,791
Conversion of convertible bonds into common stock	$ 658,600	$ 1,247,300

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 27, 2012.

EVERGREEN MARINE CORP. (TAIWAN) LTD.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Expressed in thousands of New Taiwan Dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Established on September 25, 1968, Evergreen Marine Corporation (the "Company") 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 Commission (SFC), Ministry of Finance (MOF) (currently known as the Securities and Futures Bureau (SFB), Financial Supervisory Commission, Executive Yuan) to be a public company on November 2, 1982 and was further approved by the SFC 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. The Company had 1,230 employees as of December 31, 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared in conformity with the “Rules Governing preparation of Financial Statements by Securities Issuers”, and accounting principles generally accepted in the Republic of China. The Company’s significant accounting polices are summarized below:

(1) Translation of financial statements of foreign subsidiaries

Assets and liabilities of foreign subsidiaries are translated into New Taiwan dollars using the exchange rates at the balance sheet date. Equity accounts are translated at historical rates except for beginning retained earnings, which are carried forward from prior year’s balance. Dividends are translated at the rates prevailing at the date of declaration. Profit and loss accounts are translated at weighted-average rates of the year. The resulting translation differences are included in “cumulative translation adjustments” under stockholders’ equity.

(2) Foreign currency transactions

A. Transactions denominated in foreign currencies are translated into New Taiwan Dollars and their functional currencies at the spot exchange rates prevailing at the transaction dates. Exchange gains or losses due to the difference between the exchange rate on the transaction date and the exchange rate on the date of actual receipt and payment are recognized in current year’s profit or loss.

B. Monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses are recognized in profit or loss.

C. When a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss shall be recognized directly in equity. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss shall be recognized in profit or loss. However, non-monetary items that are measured on a historical cost basis are translated using the exchange rate at the date of the transaction.

(3) Classification of current and non-current assets and liabilities

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 consumed, or are intended to be sold 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 arising from operating activities 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.

(4) Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks and other short-term highly liquid investments which are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value resulting from fluctuations in interest rates.

The Company's statement of cash flow is prepared on the basis of cash and cash equivalents.

(5) Financial assets and financial liabilities at fair value through profit or loss - current

A. Equity financial instruments are recognized and derecognized using trade date accounting; whereas debt, beneficiary certificate, and derivative financial instruments are recognized and derecognized using settlement date accounting. These instruments are initially recognized at their fair values.

B. These financial instruments are subsequently remeasured and stated at fair value, and the gain or loss is recognized in profit or loss. The fair value of listed stocks and OTC stocks and closed-end mutual funds is based on latest quoted fair prices of the accounting period. The fair value of open-end and balanced mutual funds is based on the net asset value at the balance sheet date.

C. When a derivative is an ineffective hedging instrument, it is initially recognized at fair value on the date a derivative contract is entered into and is subsequently remeasured at its fair value. If a derivative is a non-option derivative, the fair value initially recognized is zero.

D. For call options, put options and conversion rights without character of equity, which are embedded in bonds payable, please refer to Note 2 (15).

E.Financial assets and financial liabilities designated as at fair value through profit or loss at inception are those that conform to one of the following conditions：

a)Hybrid products.

b)As a result of the designation, measurement and recognition inconsistency could be decreased significantly or eliminated.

c)The financial products are managed under the method of risk management and investment strategy management established by the Company and performance of the product is assessed using fair value.

(6) Available-for-sale financial assets

A.Equity financial instruments are recognized and derecognized using trade date accounting. These instruments are initially recognized at their fair values plus transaction costs that are directly attributable to the acquisition.

B.The financial assets are remeasured and stated at fair value, and the gain or loss is recognized in equity, until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in equity shall be recognized in profit or loss. The fair value of listed stocks and OTC stocks and closed-end mutual funds are based on latest quoted fair prices of the accounting period. The fair values of open-end and balanced mutual funds are based on the net asset value at the balance sheet date.

C.If there is any objective evidence that the financial asset is impaired, the cumulative loss that has been recognized directly in equity shall be transferred from equity to profit or loss. When the fair value of an equity instrument subsequently increases, impairment losses recognized previously in profit or loss shall not be reversed. When the fair value of a debt instrument subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss recognized in profit or loss.

(7) Held-to-maturity financial assets

A.Held-to-maturity financial asset is recognized or derecognized using trade date accounting and is stated initially, at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

B.The financial assets are carried at amortized cost.

C.If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. If the fair value of the financial asset subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. The book value after such reversal should not exceed the amortized had no impairment loss been recognized.

(8) Financial assets at cost

A.Financial assets and financial liabilities carried at cost are recognized or derecognized using trade date accounting and are stated initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

B.If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. Such impairment loss shall not be reversed when the fair value of the asset subsequently increases.

(9) Notes and accounts receivable, other receivables

A.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 and accounts receivable and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

B.The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. If such evidence exists, a provision for impairment of financial asset is recognized. The amount of impairment loss is determined based on the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the fair value of the asset subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. Such recovery of impairment loss shall not result to the asset's carrying amount greater than its amortized cost where no impairment loss was recognized. Subsequent recoveries of amounts previously written off are recognized in profit or loss.

(10) Ship fuel

Ship fuel is 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 ship fuel is based on FIFO by the exchange rate prevailing at the balance sheet date.

(11) Long-term equity investments accounted for under the equity method

A.Long-term equity investments in which the Company holds more than 20% of the investee company's voting shares or has significant influence on the investee's operational decisions are accounted for under the equity method. Effective January 1, 2006, the excess of the initial investment cost over the acquired net asset value of the investee attributable to goodwill is no longer amortized. Retrospective adjustment of the amount of goodwill amortized in previous year is not required. The excess of acquired net asset value of investee over the initial investment cost is allocated proportionately and applied as a reduction to the book values of identifiable non-current assets, and any remaining amount of such excess after this allocation is credited to extraordinary gains. Negative goodwill, created before December 31, 2005, should still be amortized.

B.Exchange differences arising from translation of financial statements of overseas investee companies accounted for under the equity method are recorded as "cumulative translation adjustments" under stockholders' equity.

(12) Property, plant and equipment

A.Property, plant and equipment are stated at cost. Interests incurred on the loans used to bring the assets to the condition and location necessary for their intended uses are capitalized.

B.Depreciation is provided under the straight-line method based on the assets' estimated economic service lives. Salvage value of the fully depreciated assets that are still in use is depreciated based on the re-estimated economic service lives.

C.Major improvements and renewals are capitalized and depreciated accordingly. Maintenance and repairs are expensed as incurred.

(13) Deferred charges

Deferred expenses refer to the expenses incurred for dock and wharf equipment, computer software and cable installation. The expenses incurred for dock and wharf equipment are amortized on a straight-line basis over the lease period and the other deferred expenses are amortized over 3 years.

(14) Impairment of non-financial assets

The Company recognizes impairment loss when there is indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. When the impairment no longer exists, the impairment loss recognized in prior years shall be recovered.

(15) Corporate bonds payable

A.For the bonds payable issued after January 1, 2006, in which call option, put option and conversion rights are embedded, the issuer of a financial instrument shall classify the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument. These bonds are accounted for as follows:

(a) The difference between the issue price and face value of corporate bonds is accounted for as premium or discount which is required to be amortized over the period from the date of issuance to maturity date using the interest method and is recorded as "interest expense".

(b) The value of any derivative features (such as a call option and put option) embedded in the compound financial instrument is recognized as "financial assets or financial liabilities at fair value through profit or loss". These derivative features are subsequently remeasured and stated at fair value on each balance sheet date, and the gain or loss is recognized in "gain or loss on valuation of financial assets or financial liabilities". At the expiration date, if the fair value of common stock exceeds the exercise price of put option, the fair value of the put option is recognized as "paid-in capital"; however, if the fair value of common stock is lower than the exercise price, the fair value of the put option is recognized as "gain or loss".

(c) A conversion option embedded in the bonds issued by the Company, which is convertible to an equity instrument, is recognized in “capital reserve from stock warrants”. When a bondholder exercises his/her conversion rights, the liability component of the bonds (including corporate bonds and embedded derivatives) shall be revalued at fair value on the conversion date, and the resulting difference shall be recognized as “gain or loss” in the current period. The book value of the common stock issued due to the conversion shall be based on the adjusted book value of the above-mentioned liability component plus the book value of the stock warrants.

(d) Costs incurred on issuance of convertible bonds are proportionally charged to the liabilities and equities of the underlying instruments based on initial recognition costs.

B.If the bondholders have the right, within one year, to exercise the put option embedded in bonds, the Company should classify the bond under current liability. After the right expires, the corporate bonds unconverted or not exchanged should be reclassified under non-current liability.

(16) Pension

Under the defined benefit pension plan, net periodic pension costs are recognized in accordance with the actuarial calculations. Net periodic pension costs include service cost, interest cost, and expected return on plan assets, amortization of unrecognized net transition obligation and gains or losses on plan assets. Unrecognized net transition obligation is amortized on a straight-line basis over 15 years. Under the defined contribution pension plan, net periodic pension costs are recognized as incurred.

(17) Income tax

A.Inter-period and intra-period income tax allocation methods are employed. Over or under provision of prior years’ income tax liabilities is included in current year’s income tax. When a change in the tax laws is enacted, the deferred tax liability or asset should be recomputed accordingly in the period of change. The difference between the new amount and the original amount, that is, the effect of changes in the deferred tax liability or asset, should be recognized as an adjustment to income tax expense (benefit) for income from continuing operations in the current period.

B.Investment tax credits arising from expenditures incurred on acquisitions of equipment or technology, research and development, employees’ training, and equity investments are recognized in the year the related expenditures are incurred.

C.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 distribute the earnings.

(18) Employees' bonuses and directors' and supervisors' remuneration

Effective January 1, 2008, pursuant to EITF96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007, “Accounting for Employees’ Bonuses and Directors’ and Supervisors’ Remuneration”, the costs of employees’ bonuses and directors’ and supervisors’ remuneration are accounted for as expenses and liabilities, provided that such a recognition is required under legal or constructive obligation and those amounts can be estimated reasonably. However, if the accrued amounts for employees' bonuses and directors' and supervisors' remuneration are significantly different from the actual distributed amounts resolved by the stockholders at their annual stockholders' meeting subsequently, the differences shall be recognized as gain or loss in the following year. In addition, according to EITF97-127 of the Accounting Research and Development Foundation, R.O.C., dated March 31, 2008, "Criteria for Listed Companies in Calculating the Number of Shares of Employees' Stock Bonus", the Company calculates the number of shares of employees' stock bonus based on the closing price of the Company's common stock at the previous day of the stockholders' meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

(19) Revenue, cost and expense recognition

Revenues are recognized when the earning process is substantially completed and are realized or realizable. Costs and expenses are recognized as incurred.

(20) Use of estimates

A.The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those assumptions and estimates.

B.Accrued expenses are recorded at the amounts stated in the original supporting documents. Foreign port charges without supporting documents are estimated based on past records and period-end sailing schedules. Differences between the expenses actually incurred in the following year and the estimated accrued expenses are credited or charged to operating costs or expenses in the following year.

(21) Operating segments

A.The information on operating segments is consistent with that of internal management reports provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

B.In accordance with R.O.C. SFAS No. 41, "Operating Segments", segment information is disclosed in the consolidated financial statements rather than in the separate financial statements of the Company.

3. CHANGES IN ACCOUNTING PRINCIPLES

(1) Notes and accounts receivable, other receivables

Effective January 1, 2011, the Company adopted the amendments of R.O.C. SFAS No. 34, "Financial Instruments: Recognition and Measurement". The losses on impairment are incurred if there is objective evidence of impairment. This change in accounting principle had no effect on net loss and losses per share for the year ended December 31, 2011.

(2) Operating segments

Effective January 1, 2011, the Company adopted the newly issued R.O.C. SFAS No. 41, "Operating Segments" to replace the original R.O.C. SFAS No. 20, "Segment Reporting". In accordance with such standard, the Company re-prepared the segment information for 2010 upon the first adoption of R.O.C. SFAS No. 41. This change in accounting principle had no significant effect on net (loss) income and (losses) earnings per share for the years ended December 31, 2011 and 2010.

4. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2011	December 31, 2010
Cash	$ 5,639	$ 4,569
Checking accounts	1,017,505	509,567
Demand deposits	760,072	925,411
Foreign currency deposits	204,937	219,534
Time deposits (New Taiwan Dollars)	3,065,000	981,521
Time deposits (Foreign currencies)	314,517	882,431
Cash equivalents	299,664	-
Add(Less): Unrealized foreign exchange gain (loss)	3,148	(41,311)
	$ 5,670,482	$ 3,481,722

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

	December 31, 2011	December 31, 2010
Current items:		
Trading financial assets		
Listed (TSE and OTC) stocks	$ 10,292	$ 290
Beneficiary certificates	2,343,997	2,041,462
	2,354,289	2,041,752
Adjustments	(123,435)	(132,824)
	$ 2,230,854	$ 1,908,928
Non-current items:		
Financial assets designated as at fair value through profit or loss		
Corporate bonds	$ 100,000	$ 100,000
Adjustments	(37,041)	4,287
	$ 62,959	$ 104,287

As of December 31, 2011 and 2010, the Company recognized net loss of $33,383 and $72,835, respectively.

(3) Available-for-sale financial assets

	December 31, 2011	December 31, 2010
Non-current items：		
Listed (TSE and OTC) stocks		
Central Reinsurance Corp.	$ 490,801	$ 490,801
Fubon Financial Holding Co., Ltd.	1,523	3,871
	492,324	494,672
Adjustments	110,580	462,436
	$ 602,904	$ 957,108

(4) Held-to-maturity financial assets

	December 31, 2011	December 31, 2010
Current items:		
Financial bonds	$ 800,000	$ -
Non-current items:		
Financial bonds	$ 370,000	$ 1,170,000

(5) Financial assets carried at cost

	December 31, 2011	December 31, 2010
Non-current items:		
Unlisted stocks	$ 1,344,119	$ 1,344,595

A.In June 2011, Fu-Ji Management Consultancy Co., Ltd. (formerly known as Fubon Securities Finance Co., Ltd.), an investee accounted for under the cost method, reduced its capital. The conversion rate on the capital reduction was 98.44%, and the amount returned to the stockholders was $10 (par value) per share. As a result of the capital reduction, the proceeds received by the Company based on its proportionate equity interest in Fu-Ji Management Consultancy Co., Ltd. amounted to $62,107 and the carrying amount of the Company’s investment in Fu-Ji Management Consultancy Co., Ltd. was written down by $476. Accordingly, $61,631 of income was generated, which was recorded under “non-operating income – others”.

B.The Company’s investment in unlisted securities was measured at cost since its fair value cannot be measured reliably.

(6) Accounts receivable

	December 31, 2011	December 31, 2010
Non-related parties	$ 686,108	$ 772,043
Add (Less): Unrealized foreign exchange gain (loss)	735	(23,461)
	686,843	748,582
Related parties	131,006	106,501
	$ 817,849	$ 855,083

(7) Other financial assets - current

	December 31, 2011	December 31, 2010
Futures transaction margin	$ -	$ 158,383

(8) Other current assets

	December 31, 2011	December 31, 2010
Agency accounts	$ 446,048	$ 359,587
Agency reciprocal accounts	2,028,261	1,585,980
Temporary debits	50,497	49,343
	$ 2,524,806	$ 1,994,910

A.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.

B.Agency reciprocal accounts

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.

(9) Long-term equity investments accounted for under the equity method

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

	December 31, 2011	Carrying amount	
Investee company	Percentage of ownership	December 31, 2011	December 31, 2010
Peony Investment S.A.	100.00%	$ 44,769,469	$ 46,686,907
Everport Termonal Services Inc.	100.00%	3,028	-
Taiwan Terminal Service Co., Ltd.	55.00%	87,777	94,813
Charng Yang Development Co., Ltd.	40.00%	609,794	575,326
Evergreen International Storage and Transport Corporation	39.74%	7,991,293	8,418,428
Evergreen Security Corporation	31.25%	89,111	77,345
EVA Airways Corporation	19.32%	7,315,432	7,848,925
Taipei Port Container Terminal Corporation	21.03%	807,008	826,142
		$ 61,672,912	$ 64,527,886

B.Investment income (loss) accounted for under the equity method for the years ended December 31, 2011 and 2010 is set forth below:

	For the years ended December 31,	
Investee company	2011	2010
Peony Investment S.A.	($ 3,998,886)	$ 11,773,770
Everport Terminal Services Inc.	-	-
Taiwan Terminal Service Co., Ltd.	4,767	6,529
Charng Yang Development Co. Ltd.	59,868	56,468
Evergreen International Storage and Transport Corporation	305,923	471,099
Evergreen Security Corporation	11,766	3,425
EVA Airways Corporation	40,375	2,321,099
Taipei Port Container Terminal Corporation	(19,133)	(37,335)
	($ 3,595,320)	$ 14,595,055

C.On July 23, 2009, the Company issued its first domestic secured exchangeable bonds based on the resolution by the Board of Directors. Pursuant to the terms of issuance, the bondholders may exchange the exchangeable bonds into the common stocks of Evergreen International Storage and Transport Corporation (EITC) during the period from one month after the exchangeable bonds are issued to 10 days before the maturity of the exchangeable bonds. The Company has already appropriated 86,595 thousand shares of common stock of Evergreen International Storage and Transport Corporation to the account in Taiwan Depository and Clearing Corporation, for the use of exchange from exchangeable bonds to common stock of EITC. (For details of the issuance terms of the exchangeable bonds, please refer to Note 4(14)).

D.For the long-term development of the west coast of U.S. on December 24, 2010, the Company invested in it's subsidiary, Everport terminal Services Inc. based on the resolution by the Board of Directors. The Company has provided capital financing funds since May 2011 and the capital amounted to USD100, equivalent to 1,000 shares of stock. The Company held all the shares of stocks as of December 31, 2011.

(10) Property, plant and equipment

	December 31, 2011		
Asset	Initial cost	Accumulated depreciation	Net book value
Land	$ 1,972,540	$ -	$ 1,972,540
Building	1,360,388	(511,419)	848,969
Loading and unloading equipment	4,261,946	(3,813,161)	448,785
Computer and communication equipment	120,766	(93,263)	27,503
Transportation equipment	12,076,977	(6,887,305)	5,189,672
Ships	3,596,904	(2,023,869)	1,573,035
Office equipment	203,662	(175,175)	28,487
	23,593,183	(13,504,192)	10,088,991
Prepaymetn for equipment	4,918,166	-	4,918,166
	$ 28,511,349	($ 13,504,192)	$ 15,007,157

	December 31, 2010		
Asset	Initial cost	Accumulated depreciation	Net book value
Land	$ 1,972,540	$ -	$ 1,972,540
Building	1,512,002	(500,059)	1,011,943
Loading and unloading equipment	4,530,476	(3,838,906)	691,570
Computer and communication equipment	114,390	(98,203)	16,187
Transportation equipment	11,346,789	(6,569,182)	4,777,607
Ships	2,110,916	(1,730,638)	380,278
Office equipment	209,750	(175,396)	34,354
	21,796,863	(12,912,384)	8,884,479
Prepaymetn for equipment	2,476,296	-	2,476,296
	$ 24,273,159	($ 12,912,384)	$ 11,360,775

A.All the aforementioned ships have been insured based on the market value of each vessel or the requirement of the creditor banks. As of December 31, 2011 and 2010, the insurance coverage amounted to USD109,620 and USD48,000, respectively. In addition, the ships were covered by the protection and indemnity insurance with GARD. The indemnity amounts were unlimited except for oil pollution which was limited to USD 8,000,000 and USD 5,000,000 as of December 31, 2011 and 2010, respectively.

B.The Company’s loading and unloading equipment were covered by the general insurance for construction machinery with insurance coverage amounting to $1,135,682 and $1,416,287 as of

December 31, 2011 and 2010, respectively. The fire and car insurance coverage for the office equipment and building was $742,135 and $768,519 as of December 31, 2011 and 2010, respectively. Container facilities were insured with full coverage amounting to USD255,161 and USD243,516 as of December 31, 2011 and 2010, respectively.

C.Interest capitalized to the property, plant and equipment amounted to $45,572 for the years ended December 31, 2011.

(11) Short-term loans

	December 31, 2011	December 31, 2010
Unsecured loans	$ -	$ 2,602,020
Add: unrealized foreign exchange loss	-	1,152
	-	2,603,172

(12) Financial liabilities at fair value through profit or loss

	December 31, 2011	December 31, 2010
Current item:		
Trading financial liabilities		
Cross currency swap	$ -	$ 72,338
Foreign exchange rate option	-	271,141
Embedded derivatives	5,163	260,928
	$ 5,163	$ 604,407

A.As of December 31, 2011 and 2010, the Company recognized net gain of $236,346 and $407,458, respectively.

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

(13) Long-term liabilities - current portion

	December 31, 2011	December 31, 2010
Corporate bonds payable	$ 2,955,661	$ 1,156,100
Long-term bank loans	1,503,572	3,735,691
	$ 4,459,233	$ 4,891,791

(14) Corporate bonds payable

	December 31, 2011	December 31, 2010
Domestic unsecured convertible bonds	$ 594,100	$ 1,252,700
Domestic secured exchangeable bonds	2,500,000	2,500,000
Less: discount on corporate bonds	(138,439)	(377,825)
	2,955,661	3,374,875
Less: current portion	(2,955,661)	(1,156,100)
	$ -	$ 2,218,775

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

a)Period: 3 years (July 23, 2009 to July 23, 2012)

b)Coupon rate: 0% per annum

c)Principal repayment and interest payment

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

d)Collaterals

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

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

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

e) Object exchanged

Common stock of Evergreen International Storage and Transport Corporation (EITC) which belongs to the Company (Related information is stated in Note 4 (9)).

f) Redemption at the Company’s option

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

(b)During the period from one month after the Exchangeable Bonds are issued to 40 days before the maturity of the Exchangeable Bonds, if the total amount of the Exchangeable Bonds outstanding is less than 10% of the total issued amount, the Company may redeem the outstanding bonds in cash at their face value any time during the 40 days before the maturity of the Exchangeable Bonds (c)When the Company issues its redemption notice, and the bondholders do not reply in written form before the effective redemption date, the Company may convert the bonds held by those bondholders into common stock at the exchange price in effect at the expiration of the notice period.

g) Terms of exchange

(a)Exchange period

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

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

(b)Exchange price

The base day for setting exchange price is July 15, 2009. The exchange price can be any of the three average closing prices of the common stock of EITC during the 1, 3 and 5 trading days before the base day multiplied by the number ranging from 101.00% to 110.00%. If any cash or stock dividends are distributed before the base day, the closing price used in the computation of the exchange price must be adjusted for the effect of the dividend distribution. If any cash or stock dividends are distributed during the period from the date on which the exchange price is set to the date on which the Exchangeable Bonds are issued, the exchange price is required to be adjusted in accordance with the adjusting formula specified in the bond agreement. The exchange price at the issuance of the Exchangeable Bonds was set at $30.31(in dollars). Until the report release date, the exchange price at the issuance of the Exchangeable Bonds was set at $28.87(in dollars).

h) Entitlement to cash dividends

The bondholders who request to exchange the Exchangeable Bonds during the period from January 1 of the current year to any date which is more than 3 trading days before the announcement of cash or stock dividends are entitled to the cash or stock dividends resolved by the stockholders in the current year. Exchange of the Exchangeable Bonds is prohibited during the period from 3 trading days before the announcement of cash or stock dividends to the ex-dividend date.

The bondholders who request to exchange the Exchangeable Bonds during the period from the date following the ex-dividend date to December 31 of the current year are not entitled to the cash or stock dividends resolved by the stockholders in the current year, but are entitled to the cash or stock dividends resolved by the stockholders in the following year.

i) Others

The Company did not repurchase the Exchangeable Bonds and the bondholders did not exercise the exchange right before December 31, 2011.

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

a) Period: 5 years (August 7, 2009 to August 7, 2014)

b) Coupon rate: 0% per annum

c) Principal repayment and interest payment

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

d) Collaterals

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

e) Redemption at the Company’s option

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

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

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

f) Redemption at the bondholders’ option

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

g) Terms of conversion

(a)Conversion period

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

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

(b)Conversion price

The base day for setting conversion price is July 30, 2009. The conversion price can be any of the three average closing prices of the Company's common stock during the 1, 3 and 5 trading days before the base day multiplied by 101.00%. If any cash or stock dividends are distributed before the base day, the closing price used in the computation of the conversion price must be adjusted for the effect of the dividend distribution. If any cash or stock dividends are distributed during the period from the date on which the conversion price is set to the date on which the Third Bonds are issued, the conversion price is required to be adjusted in accordance with the adjusting formula specified in the bond agreement. The conversion price at the issuance of the Third Bonds was set at $20.04 (in dollars). Until the report release date, the conversion price at the issuance of the Exchangeable Bonds was set at $17.20(in dollars).

h) Entitlement to cash dividends

The bondholders who request to convert the Third Bonds during the period from January 1 of the current year to any date which is more than 3 trading days before the announcement of cash or stock dividends are entitled to the cash or stock dividends resolved by the stockholders in the current year. Conversion of the Third Bonds is prohibited during the period from 3 trading days before the announcement of cash or stock dividends to the ex-dividend date.

The bondholders who request to convert the Third Bonds during the period from the date following the ex-dividend date to December 31 of the current year are not entitled to the cash or stock dividends resolved by the stockholders in the current year, but are entitled to the cash or stock dividends resolved by the stockholders in the following year.

i) Others

As of years ended December 31, 2011, the Third Bond holders to request convertible bonds of the Company common stock, total convertible bonds face value was $ 1,905,900. Convertible for the Third Bonds to increase conversion transaction capital reserves - paid-in capital in excess of par value of common stock $1,004,958 and reduce the capital reserves - stock warrants $ 195,320.

C.The conversion rights and debt component of the Third Bonds, abovementioned, are recognized separately in accordance with R.O.C. SFAS No. 36.

The issuance cost of the Third Bonds is allocated to debt and equity components by the amount initially recognized. Accordingly, the account of "capital reserve - stock warrants" amounted to $256,205.

The net value of the rights of repurchase and resold embedded in bonds payable was separated from bonds payable, and was recognized in "financial liabilities at fair value through profit or loss" in accordance with R.O.C. SFAS No. 34.

(15) Long-term loans

	December 31, 2011	December 31, 2010
Secured bank loans	$ 2,400,000	$ 1,500,000
Unsecured bank loans	20,277,412	10,564,745
Add (Less): unrealized foreign exchange loss (gain)	41,890	(80,840)
Less: deferred charges - hosting fee credit	(6,196)	(9,634)
	22,713,106	11,974,271
Less: current portion	(1,503,572)	(3,735,691)
	$ 21,209,534	$ 8,238,580

Please refer to Note 6 for details of the collaterals pledged for the above long-term loans.

(16) Pension

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 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 Department of Trust of Bank of Taiwan under the name of Labor Pension Fund Supervisory Committee.

B.The following sets forth the pension information based on the actuarial report:

a)Actuarial assumptions

	December 31, 2011	December 31, 2010
Discount rate	2.00%	2.25%
Increase in future salary level	2.00%	2.00%
Expected rate of return on plan assets	2.00%	2.00%

b)Reconciliation of the funded status of the plan to the carrying amount of accrued pension liability is as follows:

	December 31, 2011	December 31, 2010
Benefit obligations:		
Vested benefit obligation (VBO)	($ 243,725)	($ 233,057)
Non-vested benefit obligation	(1,459,512)	(1,126,857)
Accumulated benefit obligation (ABO)	(1,703,237)	(1,359,914)
Effects of future salary increments	(209,470)	(307,866)
Projected benefit obligation (PBO)	(1,912,707)	(1,667,780)
Fair value of plan assets	371,252	391,849
Funded status	(1,541,455)	(1,275,931)
Unrecognized net transaction obligation	-	-
Unamortized prior service cost	14,465	16,073
Unrecognized loss on plan assets	1,118,765	907,767
Additional accrued pension liability	(923,760)	(615,974)
Accrued pension liability	($ 1,331,985)	($ 968,065)

c)The pension costs comprise the following:

	2011	2010
Service cost	$ 20,797	$ 30,517
Interest cost	37,168	30,538
Expected return on plan assets	(9,949)	(10,765)
Deferred amortization		
Unrecognized net transaction obligation	-	20,076
Prior service cost	1,607	1,607
Unrecognized loss on plan assets	56,999	33,401
Net pension costs	$ 106,622	$ 105,374

C. Effective July 1, 2005, the Company established a funded defined contribution plan (the "New Plan") under the Labor Pension Act ("the Act"). Employees have the option to be covered under the New Plan. 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 are to be paid monthly or in lump sum upon termination of employment.

D. The pension costs under the defined benefit plan and the defined contribution plan for the years ended December 31, 2011 and 2010 were $132,760 and $134,634, respectively.

(17) Capital stock

A.As of December 31, 2011, the Company's authorized capital was $36,000,000, and the paid-in capital was $34,734,581, divided into 3,473,458 thousand shares of common stocks, with a par value of $10 per share.

B.Details of the common stock converted from the unsecured domestic convertible bonds issued by the Company for the years ended December 31, 2011 and 2010 are set forth below:

	For the years ended December 31,			
	2011		2010	
	No. of Shares (in 000's)	Amount	No. of Shares (in 000's)	Amount
Third unsecured convertible bonds	$ 32,864	$ 328,642	$ 62,240	$ 622,403

(18) Capital surplus

A.Pursuant to the R.O.C. Company Law, capital reserve arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital reserve to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B.Information related to "capital reserve from stock warrants" is stated in Note 4(14).

(19) Appropriation of retained earnings and dividend policy

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

B.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.

C.Special reserve

If there is any negative stockholders' equity item recognized by the Company, such as unrealized loss on the decline in market value of long-term equity investments and cumulative translation adjustments, the Company is required to set aside an amount equal to the amount of the negative stockholders' equity item as special reserve from the after-tax net income. If the negative stockholders' equity items are subsequently reversed, an amount not exceeding the reversed amount can be appropriated from the special reserve.

D.Appropriation of the 2010 and 2009 earnings as resolved by the stockholders on June 24, 2011 and June 18, 2010, respectively, is set forth below:

	2010		2009	
	Total Amount	Dividend per share (in dollars)	Total Amount	Dividend per share (in dollars)
Legal Reserve	$ 1,516,545		$ -	
Special Reserve	3,621,980		-	
Cash dividends	3,157,544	$ 1.0	-	$ -
Stock dividends	3,157,544	1.0	-	-

The appropriation of 2010 earnings stated above is the same as that proposed by the Board of Directors on March 22, 2011.

E.On March 16, 2012, the earnings available for appropriation had been resolved not to appropriate by the Board of Directors in order to facilitate future operating plans. As of March 27, 2012, the above-mentioned 2011 earnings appropriation had not been approved by the stockholders.

F.The estimated amounts of employees' bonus and directors' and supervisors' remuneration of 2010 were $40,000 and $55,000 and is the same as that resolved by the Board of Directors in 2011.

G.The information on the appropriation of the Company's employees' bonus and directors' and supervisors' remuneration as resolved by the Board of Directors and approved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(20) Operating revenue

	For the years ended December 31,	
	2011	2010
Marine freight income	$ 14,558,973	$ 16,049,182
Ship rental income	204,844	424,215
Commission income and Agency service income	244,236	230,540
Others	353,182	322,074
	$ 15,361,235	$ 17,026,011

(21) Income tax

Income tax expsense and income tax profit are reconciled as follows:

	For the years ended December 31,	
	2011	2010
Income tax (benefit) expense	($ 54,347)	$ 699,431
Add (Less):		
Prepaid and withholding taxes	(3,985)	(2,303)
Separate income tax	-	(101)
Adjustments for changes in tax estimates	(23,194)	-
Net change in deferred income tax assets/ liabilities	111,224	(699,330)
Income tax payable (refundable)	$ 29,698	($ 2,303)

A.Deferred income tax assets and liabilities

	December 31, 2011	December 31, 2010
Deferred income tax assets-current	$ 254,120	$ 315,710
Deferred income tax assets-non-current	69,952	60,029
Deferred income tax liabilities-current	-	-
Deferred income tax liabilities-non-current	(1,343,637)	(1,506,528)
Valuation allowance for deferred income tax assets	-	-
	($ 1,019,565)	($ 1,130,789)

B. Details of temporary differences, loss carryforwards and investment tax credits resulting in deferred income tax assets and liabilities are as follows:

	December 31, 2011		December 31, 2010	
	Amount	Tax effect	Amount	Tax effect
Current item:				
Bad debts expense	$ 1,937	$ 329	$ 1,766	$ 300
Unrealized foreign exchange loss	28,843	4,903	44,300	7,531
Loss on valuation of financial assets	131,434	22,342	131,424	22,342
Loss on valuation of financial liabilities	-	-	337,501	57,375
Bonds issued cost	-	-	2,874	489
Deffered profit of selling loading and unloading equipment	383	65	-	-
Loss carryforwards	1,186,162	201,648	1,222,605	207,843
Investment tax credits	-	24,833	-	19,830
		$ 254,120		$ 315,710
Non-current item:				
Bonds issued cost	$ -	$ -	$ 1,020	$ 173
Pension expense	408,225	69,398	352,091	59,856
Equity-accounted investment income	(7,903,745)	(1,343,637)	(8,861,931)	(1,506,528)
Deffered profit of selling loading and unloading equipment	3,258	554	-	-
		($ 1,273,685)		($ 1,446,499)

C. The Company is eligible for investment tax credits under the Statute for Upgrading Industry. Details as of December 31, 2011 are as follows:

Qualifying item	Total tax credits	Unused tax credits	Final year tax credits are due
Significant Public Works	$ 36,000	$ 24,833	2015

D. As of December 31, 2011, losses available to be carried forward were as follows:

Year in which losses incurred	Amount filed	Losses available to be carried forward	Unused loss carryforwards	Final year losses can be carried forward
2009	$ 2,456,334	$ 417,577	$ 201,648	2019

E. As of December 31, 2011, the Company's income tax returns through 2009 has been assessed and approved by the Tax Authority.

F. Unappropriated retained earnings

	December 31, 2011	December 31, 2010
Earnings generated in and before 1997	$ 5,570,596	$ 5,570,596
Earnings generated in and after 1998	3,291,427	17,837,278
	$ 8,862,023	$ 23,407,874

G.As of December 31, 2011 and 2010, the balance of the imputation tax credit account was $1,013,143 and $2,509,271, respectively. The creditable tax rate was 14.97% for 2010 and was estimated to be 30.78% for 2011.

(22) Losses (Earnings) per share

	For the year ended December 31, 2011				
	Amount		Weighted-average outstanding common shares (in thousands)	Losses per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Basic EPS					
Net losses	($ 3,146,708)	($ 3,092,361)	3,469,771	($ 0.91)	($ 0.89)
Dilutive effect of common stock equivalents:					
Convertible bonds	NOTE	NOTE	NOTE		
Dilutive EPS					
Net losses attributable to common stockholders plus dilutive effect of common stock equivalents	($ 3,146,708)	($ 3,092,361)	3,469,771	($ 0.91)	($ 0.89)

Note：According to R.O.C. SFAS NO. 24, “Earnings Per Share”, the potential common stock should not be considered in calculation of basic earnings per share, due to net loss from continuing operation, which leads to anti-diluted effect.

	For the year ended December 31, 2010				
	Amount		Weighted-average outstanding common shares	Earnings per share (in dollars)	
	Before tax	After tax	(in thousands)	Before tax	After tax
Basic EPS					
Net Income	$ 15,864,882	$15,165,451	3,377,843	$ 4.70	$ 4.49
Dilutive effect of common stock equivalents:					
Convertible bonds	47,693	47,693	128,225		
Employs' bonus	-	-	1,652		
Diluted EPS					
Net income attributable to common stockholders plus dilutive effect of common stock equivalents	$ 15,912,575	$15,213,144	3,507,720	$ 4.54	$ 4.34

The weighted-average outstanding common shares of 2010 have been adjusted retroactively in proportion to retained earnings capitalized during the years ended December 31, 2010 .

(23) Personnel, depreciation and amortization expenses

Personnel, depreciation and amortization expenses are summarized as follows:

	For the year ended December 31, 2011		
	Operating cost	Operating expense	Total
Personnel expenses			
Salaries	$ 293,980	$ 773,142	$ 1,067,122
Labor and health insurance	17,024	57,711	74,735
Pension expense	26,033	106,727	132,760
Others	17,030	25,293	42,323
Depreciation	1,520,794	38,526	1,559,320
Amortization	248,744	13,555	262,299

	For the year ended December 31, 2010		
	Operating cost	Operating expense	Total
Personnel expenses			
Salaries	$ 269,234	$ 943,984	$ 1,213,218
Labor and health insurance	13,322	56,339	69,661
Pension expense	10,829	123,805	134,634
Others	18,789	23,997	42,786
Depreciation	1,575,148	40,856	1,616,004
Amortization	276,743	23,399	300,142

5. RELATED PARTY TRANSACTIONS

(1) Names of the related parties and their relationships with the company

Related Party	Relationship with the Company
Evergreen International S.A. (EIS)	Major stockholder of the Company
Taiwan Terminal Services Co., Ltd. (TTSC)	Subsidiary of the Company
Peony Investment S.A. (Peony)	Subsidiary of the Company
Everport Terminal Services Inc. (ETS)	Subsidiary of the Company (Established on April 2011)
Evergreen International Storage and Transport Corporation (EITC)	Investee accounted for under the equity method
EVA Airways Corporation (EVA)	Investee accounted for under the equity method
Evergreen Security Corporation (ESRC)	Investee accounted for under the equity method
Charng Yang Development Co., Ltd. (CYD)	Investee accounted for under the equity method
Taipei Port Container Terminal Corporation (TPCT)	Investee accounted for under the equity method
Evergreen International Corporation (EIC)	Investee of the Company’s major stockholder
Evergreen Airline Services Corporation(EGAS)	Investee of the Company’s major stockholder
Evergreen Marine (Singapore) Pte. Ltd. (EMS)	Investee of the Company’s major stockholder
Evergreen Marine (Hong Kong) Ltd. (EGH)	Investee of the Company’s major stockholder
Chang Yung-Fa Charity Foundation	Its chairman being the Company's director
Chang Yung-Fa Foundation	Its chairman being the Company's director

Related Party	Relationship with the Company
Shenzhen Greentrans Transportation Co., Ltd. (SGTC)	Indirect subsidiary of the Company
Kingtrans International Logistics (Tianjin) Co.,Ltd (KTIL)	Indirect subsidiary of the Company
Vigor Enterprise S.A. (VIGOR)	Indirect subsidiary of the Company
Clove Holding Ltd. (CLOVE)	Indirect subsidiary of the Company
Evergreen Marine (UK) Limited (EMU)	Indirect subsidiary of the Company
PT. Multi Bina Transport (MBT)	Indirect subsidiary of the Company
PT. Multi Bina Pura International (MBPI)	Indirect subsidiary of the Company
Greencompass Marine S.A. (GMS)	Indirect subsidiary of the Company
Evergreen Heavy Industrial Co., (Malaysia) Berhad. (EHIC(M))	Indirect subsidiary of the Company
Evergreen Shipping Agency(Deutschland) GmbH (EGD)	Indirect subsidiary of the Company
Evergreen Shipping Agency(Ireland) Ltd. (EGUD)	Indirect subsidiary of the Company
Evergreen Shipping Agency(Netherlands) B.V. (EGN)	Indirect subsidiary of the Company
Evergreen Shipping Agency(Poland) SP.ZO.O (EGD-WWX)	Indirect subsidiary of the Company
Evergreen Argentina S.A. (EGB)	Indirect subsidiary of the Company
Evergreen Shipping Agency France S.A.S. (EGF)	Indirect subsidiary of the Company
Evergreen Shipping (Spain)S.L. (EES)	Indirect subsidiary of the Company
Island Equipment LLC. (Island)	Indirect subsidiary of the Company
Evergreen Shipping Agency(Italy) S.p.A. (EIT)	Indirect subsidiary of the Company
Evergreen Shipping Agency(Vietnam) Corp. (EGV)	Indirect subsidiary of the Company
Evergreen Agency (South Africa) (PTY) Ltd.(ESA)	Indirect subsidiary of the Company
Armand Investment (Netherlands) N.V. (Armand N.V.)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Australia) Pty. Ltd. (EMA)	Indirect subsidiary of the Company
PT. Evergreen Shipping Agency Indonesi (EMI)	Indirect subsidiary of the Company

Related Party	Relationship with the Company
Evergreen Shipping Agency (Thailand) Co., Ltd. (EGT)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Singapore) Pte. Ltd. (EGS)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Korea) Corporation (EGK)	Indirect subsidiary of the Company
Evergreen Shipping Agency (India) Pvt. Ltd. (EGI)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Russia) Ltd. (ERU)	Indirect subsidiary of the Company
Ample Holding Ltd. (Ample)	Indirect subsidiary of the Company
Armand Estate B.V. (Armand B.V.)	Indirect subsidiary of the Company
Luanta Investment (Netherlands) N.V.(Luanta)	Investee of Peony
Ningbo Victory Container Co., Ltd. (NVC)	Investee of Peony
Qingdao Evergreen Container Storage and Transportation Co., Ltd. (QECT)	Investee of Peony
Green Peninsula Agencies SDN. BHD. (GPA)	Investee of Peony
Whitney Equipment LLC. (Whitney)	Indirect subsidiary of the Company
Hemlock Equipment LLC. (Hemlock)	Indirect subsidiary of the Company
Taranto Container Terminal S.p.A. (TCT)	Investee of Luanta
Italia Marittima S.p.A.(ITS)	Investee of Balsam
Evergreen Container Terminal (Thailand) Ltd. (ECTT)	Investee of Peony (Disposal of in March, 2011)
Evergreen Shipping Agency Co. (U.A.E.) LLC. (UAE)	Investee of Peony (Acquisition of in December, 2011)
Colon Container Terminal S.A. (CCT)	Investee of Peony
Gaining Enterprise S.A. (GESA)	Investee of EITC
Balsam Investment N. V. (Balsam)	Investee of Peony
Seaside Transportation Service LLC. (STS)	Investee of Island with significant influence
Sinotrans Group Shenzhen Co. (SGSC)	Investee of SGTC with significant influence

(2) Significant transactions and balances with related parties

A. Operating revenues from related parties

	For the years ended December 31,			
	2011		2010	
	Amount	% of Total Operating Revenues	Amount	% of Total Operating Revenues
EIC	$ 1,900,307	12	$ 1,824,329	11
EITC	91,125	1	94,864	1
GMS	87,171	1	414,213	3
EIS	59,764	1	53,921	-
EMS	54,812	-	36,989	-
ITS	40,625	-	19,816	-
EMU	33,821	-	35,458	-
GESA	31,026	-	28,510	-
EGH	23,644	-	21,646	-
Others	2,946	-	2,930	-
	$ 2,325,241	15	$ 2,532,676	15

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

B. Expenditures on services rendered by related parties

	For the years ended December 31,			
	2011		2010	
	Amount	% of Total Operating Costs and Expenses	Amount	% of Total Operating Costs and Expenses
TTSC	$ 684,593	4	$ 672,076	4
EITC	551,703	3	776,310	5
EIC	360,052	2	339,241	2
TPCT	77,080	1	56,697	-
ESRC	45,174	1	46,718	-
GESA	1,552,673	10	1,660,616	10
GMS	41,749	1	242,542	2
EGH	33,555	-	47,689	-
EMS	32,821	-	-	-
EMI	28,170	-	35,203	-
EGT	20,732	-	17,884	-
EGD	9,097	-	11,490	-
EGS	11,744	-	11,204	-
EGV	10,111	-	8,102	-
Others	30,142	-	34,004	-
	$ 3,489,396	22	$ 3,959,776	23

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

C. Asset transactions

a) Acquisitions of property, plant and equipment

	Items	2011	2010
EIC	Office equipment	$ 3,351	$ 274
EITC	Vessel-PRMT	502,254	-
"	Vessel-PRBT	492,993	-
"	Vessel-PRSP	470,324	-
EHIC(M)	Transportation equipment - containers	1,690,051	-
		$ 3,158,973	$ 274

b) Disposal of property, plant and equipment

		For the years ended December 31,			
		2011		2010	
	Item	Price	Gain on disposal	Price	Gain on disposal
EVA	Office equipment	$ 1,626	$ -	$ -	$ -
EITC	Office equipment	32	32	-	-
"	Loading and unloading equipment	9,666	9,644	-	-
"	Computer and communication equipment	163	21	-	-
Chang Yung-Fa Charity Foundation	Transportation equipment - containers	-	-	88	82
		$ 11,487	$ 9,697	$ 88	$ 82

D.Lease

a) Rental income (recorded as non-operating income and gains) generated from the operating premises and parking lots leased to the related parties are as follows:

		For the years ended December 31,			
		2011		2010	
	Leasehold Property	Amount	% of Total Rental Income	Amount	% of Total Rental Income
EIC	Office building	$ 95,040	96	$ 94,708	97
"	Vehicles	1,056	1	1,122	1
EVA	Office building	1,595	2	497	1
ESRC	Parking lots	96	-	92	-
Chang Yung-Fa Charity Foundation	Office building	218	-	208	-
		$ 98,005	99	$ 96,627	99

b) Rental expense (recorded as general and administrative expenses) incurred for operating premises and parking lots leased from the related parties are as follows:

		For the years ended December 31,			
		2011		2010	
	Leasehold Property	Amount	% of Total Rental Expenses	Amount	% of Total Rental Expenses
EIC	Office buildings	$ 43,456	99	$ 43,047	99
EVA	Office buildings & parking lots	53	1	221	1
		$ 43,509	100	$ 43,268	100

c) Rental expsense incurred for the vessels and slot lease from the related parties are recorded as direct operating costs. Details are set forth below:

	For the years ended December 31,			
	2011		2010	
	Amount	% of Total Charter and Slottage Expenses	Amount	% of Total Charter and Slottage Expenses
EITC	$ 369,925	14	$ 603,087	19
GESA	1,552,673	61	1,660,616	53
GMS	41,749	2	242,542	8
EMS	32,821	1	-	-
ITS	3,499	-	-	-
	$ 2,000,667	78	$ 2,506,245	80

E. Receivables from and payables to related parties

The receivables from and payables to related parties bear no interest, and are set forth as follows:

	December 31, 2011		December 31, 2010	
	Amount	% of Account Balance	Amount	% of Account Balance
Accounts receivable				
EIC	$ 71,856	9	$ 61,904	7
EITC	22,889	3	22,062	2
ITS	12,117	1	1,362	-
Others	24,144	3	21,173	3
	$ 131,006	16	$ 106,501	12

	December 31, 2011		December 31, 2010	
	Amount	% of Account Balance	Amount	% of Account Balance
Other receivables				
EIC	$ 71,416	10	$ 62,237	12
EIS	70,679	9	1,041	-
Others	6,758	1	10,946	2
	$ 148,853	20	$ 74,224	14

	December 31, 2011			December 31, 2010		
	Amount		% of Account Balance	Amount		% of Account Balance
Accounts Payable						
TTSC	$	38,695	2	$	50,949	4
EIC		22,761	1		34,509	2
EITC		10,728	-		12,208	1
GMS		135,838	7		25,280	2
ITS		179,590	9		-	-
Others		9,040	-		10,770	-
	$	396,652	19	$	133,716	9

(3) Endorsements and guarantees with related parties

Endorsements and guarantees provided for its related parties are as follows:

	December 31, 2011		December 31, 2010	
PEONY	USD	14,800	USD	5,000
GMS	USD	915,837	USD	774,833
EMU	USD	1,730,816	USD	605,927
CCT	USD	9,600	USD	9,600
Whitney	USD	94,164	USD	94,164
TCT	USD	20,250	USD	20,772
Hemlock	USD	57,810	USD	20,600
Balsam	USD	49,000	USD	49,000
ESA	USD	-	USD	2,500

(4) Significant contracts with related parties

A. The Company entered into an agreement with EIC for consulting services on business management, computer information, and shipping affairs. Except for payments made on behalf of the Company which are charged on actual amounts, the remaining fees are charged on an hourly basis or by cost plus method. The contract took effect on July 1, 1996 and continues to be effective unless terminated.

B. The Company entered into an agreement with EIC for services, such as cargo-forwarding and freight-collecting. As of December 31, 2011 and 2010, the receivables were $71,856 and $61,904, respectively. The contract has been effective since 2002.

C. The Company entered into an agreement with ESRC for security service in the Taipei office, the Kaohsiung office, and the Kaohsiung container yards. The monthly service fees were $940 for Taipei and $1,614 for Kaohsiung.

D. The Company entered into agency agreements with its related parties to manage petty cash required by their vessels, and payments of Taiwanese crew salaries and insurance premiums. The transactions are recorded as “temporary debits”. As of December 31, 2011 and 2010, the debit balances of the account are as follows:

	December 31, 2011	December 31, 2010
GMS	$ 15,396	$ 9,660
EMS	10,436	9,983
EMU	7,793	6,313
GESA	7,345	8,920
EGH	4,308	3,821
EIS	3,468	2,734
	$ 48,746	$ 41,431

E.The Company entered into agency agreements with its related parties, whereby the related parties act as the Company’s overseas agents to deal with foreign port formalities, such as arrival and departure of the Company’s ships, cargo stevedoring and forwarding, freight collection, and payment of expenses incurred in foreign ports. The transactions are recorded as “agency accounts in other assets (liabilities) – current”. As of December 31, 2011 and 2010, the balances of the accounts are as follows:

a) Debit balances of agency accounts

	December 31, 2011	December 31, 2010
EGI	$ 76,227	$ 1,932
EMI	21,245	15,352
EIT	12,822	4,381
EGT	9,660	10,877
EGD	2,421	-
ESA	1,379	469
EGS	951	-
EGK	768	-
EGUD	459	-
EGD-WWX	69	755
EES	-	279
	$ 126,001	$ 34,045

b) Credit balances of agency accounts

	December 31, 2011	December 31, 2010
EIC	$ 16,486	$ 2,063
EGN	83,252	75,829
EGV	3,722	22,565
ERU	1,133	-
UAE	145	-
EMA	64	115
EGF	38	7
EES	10	-
EGD	-	1,721
EGK	-	295
EGUD	-	256
EGS	-	98
	$ 104,850	$ 102,949

F. 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. incur due to foreign port formalities and pier rental expenses are recognized as “agency reciprocal accounts in other assets (liabilities) – current”. Details of the balance as of December 31, 2011 and 2010 are as follows:

a) Debit balances of agency reciprocal accounts

	December 31, 2011	December 31, 2010
GMS	$ 855,421	$ 623,468
EIS	794,255	650,832
ITS	282,757	283,771
EMU	43,492	-
EMS	31,483	-
GESA	20,853	27,909
	$ 2,028,261	$ 1,585,980

b) Credit balances of agency reciprocal accounts

	December 31, 2011	December 31, 2010
EGH	$ 96,977	$ 102,294
EMS	-	83,047
EMU	-	2,750
	$ 96,977	$ 188,091

G. The Company has been commissioned by its related parties to manage their vessel affairs. The management fees are charged monthly and are recorded as operating revenues. Details of the management fees recognized for the years ended December 31, 2011 and 2010 are as follows:

	For the years ended December 31,	
	2011	2010
EITC	$ 85,711	$ 89,595
GMS	78,576	71,252
EIS	54,520	49,054
EMS	29,423	30,916
EMU	28,313	30,550
GESA	23,088	20,937
EGH	21,243	19,405
ITS	9,073	8,426
	$ 329,947	$ 320,135

(5) Disclosure of managements' salaries, bonuses, and allowance

	For the years ended December 31,	
	2011	2010
Salaries and bonuses	$ 32,868	$ 39,742
Administrative fees	2,606	2,521
Employees' bonuses and directors' and supervisors' remuneration	-	56,012
	$ 35,474	$ 98,275

A. “Salaries and bonuses” includes salaries, premiums, pensions, severance pay, bonuses, and incentives.

B. Administrative fees include travel allowances, discretionary allowances, stipends, and provision of vehicles and housing, etc.

C. Employees’ bonuses and directors’ and supervisors’ remuneration is estimated in income statement in this period.

(6) As a means to give back to society, the Company sponsored charities for the public good and donated $50,000 to Chang Yung-Fa Foundation in 2010.

6. PLEDGED ASSETS

The Company's assets pledged as collaterals as of December 31, 2011 and 2010 are as follows:

Pledged assets	Book value December 31, 2011	Book value December 31, 2010	Purpose
Restricted assets			
- Time deposits	$ 121,790	$ 275,751	Performance guarantee
Property, plant and equipment			
-Land	1,800,093	1,800,093	Long-term loan
-Buildings	813,889	839,659	〃
Long-term equity investments accounted for under the equity method - EITC	1,631,851	1,670,471	Exchange corporate bonds payable as subject
	$ 4,367,623	$ 4,585,974	

7. COMMITMENTS AND CONTINGENT LIABILITIES

A.As of December 31, 2011, the Company had delegated Deutsche Bank to issue Letter of Certificate amounting to USD5,000 .

B.As for the list and amount of the Company’ s endorsement and guarantee, please refer to Notes 5, Related Party Transaction.

C.A former stockholder of the Company sold some of its shares through issuance of global depository receipts (GDRs). The issuance of GDRs was approved by the SEC on June 19, 1996 as per Letter (85) Tai-Cai-Zheng (1) No. 35410. On August 2, 1996, the GDRs were approved by the UK governing authority to be listed on the London Stock Exchange and were issued in Asia, Europe and the US. The initial number of units issued was 5,449,592, representing 54,495,920 shares of the Company’s common stock at $50.50 (in dollars) per share, and the number of supplementary units issued was 817,438. In total, the number of units issued was 6,267,030, representing 62,670,300 shares of the Company’s common stock at $50.50 (in dollars) per share, and the GDRs issued amounted to USD115,000. Another 2,085,856 units, representing 20,858,634 shares of the Company’s common stock, were issued during the period from 1997 to December 31, 2011. As of December 31, 2011, 7,975,440 units were redeemed and 377,446 units were outstanding, representing 3,774,534 shares of the Company’s common stock.

D.As of December 31, 2011, the 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 containers and general working capital requirement amounted to $39,361,699 and the unutilized credits was $16,642,398.

E.As of December 31, 2011, the estimated amount of charter expense in the following years under long-term contracts is set forth as follows:

Year	Amount	
within 1 year	USD	59,841
1-2 years		41,927
	USD	101,768

F. As of December 31, 2011, the amount of guarantee notes issued by the Company for loans borrowed was $19,252,067.

G.To operational needs, the company respectively in July 2, 2010, and September 28, 2010, signed the shipbuilding contracts of thirteen container vessels from Samsung Heavy Industries Co., Total contract price is USD1,339,000. Because of meeting the needs of the fleet configuration within the group, The Company signed a tripartite agreement and transferred the four container vessels to indirect subsidiary of the Company, Greencompass Marine S.A. and Evergreen Marine (UK) Limited in October 29, 2010 and June 3, 2011. By the end of the year 2011, the Company signed the shipbuilding contracts of total price USD412, 000, which includes USD267, 800 unpaid.

H.To meet operational needs, the Company signed on May 20, 2011, the shipbuilding contracts for three container vessels from Taiwan Shipbuilding Corporation. As of December 31, 2011, the total price of shipbuilding contracts amounted to USD309, 000, which includes USD293, 550 unpaid.

8. SIGNIFICANT CATASTROPHE

None.

9. SUBSEQUENT EVENTS

A.The Company's Board of Directors passed the decision for appropriation of profit and loss on March 16, 2012 and the related information is illustrated in Note 4(19).

B.The Company's Board of Directors passed the decision for the 12th issuance of collateral corporate bond for $3,000,000. The face amount per share is $1,000 and time period is 5 years. The coupon rate is fixed and does not exceed 2%.

10. OTHERS

(1) Financial statement disclosure

Certain accounts in the 2010 financial statements had been reclassified to conform to the 2011 financial statement presentation.

(2) Fair value information of financial instruments

	December 31, 2011		
		Fair Value	
	Book value	Quotations in an active market	Estimated using a valuation technique
Non-derivative financial instruments：			
Assets			
Cash and cash equivalents	$ 5,670,482	$ -	$ 5,670,482
Notes and accounts receivable	1,548,548	-	1,548,548
Financial assets at fair value through profit or loss			
Equity securities	10,003	10,003	-
Beneficiary certificates	2,220,851	2,220,851	-
Corporate bonds	62,959	-	62,959
Held-to-maturity financial assets-current	800,000	-	800,000
Restricted assets	121,790	-	121,790
Available-for-sale financial assets-non-current	602,904	602,904	-
Held-to-maturity financial assets-non-current	370,000	-	370,000
Financial assets carried at cost-non-current	1,344,119	-	-
Refundable deposits	46,037	-	46,037
Liabilities			
Notes and accounts payable	2,777,838	-	2,777,838
Corporate bonds payable (including current portion)	2,955,661	-	2,955,661
Long-term loans (including current portion)	222,713,106	-	222,713,106
Guarantee deposits received	48	-	48
Derivative financial instruments：			
Liabilities			
Embedded derivatives	5,163	-	5,163

	December 31, 2010		
		Fair Value	
	Book value	Quotations in an active market	Estimated using a valuation technique
Non-derivative financial instruments：			
Assets			
Cash and cash equivalents	$ 3,481,722	$ -	$ 3,481,722
Notes and accounts receivable	1,369,016	-	1,369,016
Financial assets at fair value through profit or loss			
Equity securities	334	334	-
Beneficiary certificates	1,908,594	1,908,594	-
Corporate bonds	104,287	-	104,287
Other financial assets-current	158,383	-	158,383
Restricted assets	275,751	-	275,751
Available-for-sale financial assets-non-current	957,108	957,108	-
Held-to-maturity financial assets-non-current	1,170,000	-	1,170,000
Financial assets carried at cost-non-current	1,344,595	-	-
Refundable deposits	42,416	-	42,416
Liabilities			
Short-term loans	2,603,172	-	2,603,172
Notes and accounts payable	1,940,106	-	1,940,106
Corporate bonds payable (including current portion)	3,374,875	-	3,374,875
Long-term loans (including current portion)	11,974,271	-	11,974,271
Guarantee deposits received	48	-	48
Derivative financial instruments：			
Liabilities			
Cross currency swap	72,338	-	72,338
Foreign exchange option (FX option)	271,141	-	271,141
Embedded derivatives	260,928	-	260,928

The methods and assumptions used to estimate the fair values of the above financial instruments are summarized below:

A. For short-term instruments, the fair values were determined based on their carrying values because of the short maturities of the instruments. This method was applied to Cash and cash equivalents, Notes receivable, Accounts receivable, Other financial assets, Restricted assets, Refundable deposits, Guarantee deposits received, Short–term loans, Notes payable, and Accounts payable.

B. For financial assets at fair value through profit or loss and available-for-sale financial assets with quoted market price available in an active market, the fair value is determined using the quoted market price. When there is no quoted market price for reference, a substitute valuation technique is used to measure the fair value which incorporates all factors that market participants would consider in making estimations and assumptions for setting a price and wherein such information is available to the Company.

C. Held-to-maturity financial assets are those with fixed or determinable payments and a fixed time-to-maturity which the Company has positive intent and ability to hold. Upon measurement, held-to-maturity financial assets are carried at amortized cost. Any profits or losses incurred due to changes in fair value should be recognized in the statement of income when the financial asset is derecognized, impaired or amortized.

D. Financial assets carried at the cost, consists of unlisted stocks or those not actively traded in an active market. Their fair value could not be measured reliably; hence, such instruments are measured at cost in compliance with applicable accounting standards.

E. Fair values of long-term loans are estimated based on the present values of future cash flows. For bank loans associated with floating interest rate, the carrying value represents its fair value.

F. Fair values of corporate bonds payable are determined as the quoted market prices when available. When the quoted market prices are not available, fair values are estimated based on financial information or other information.

G.The fair values of derivative financial instruments are determined based on the estimated amounts to be received or paid upon termination of contracts on the balance sheet date. Unrealized gains or losses arising from unsettled contracts are generally included. Quotation prices from counterparties are available for reference in setting fair values of the Company's derivative financial instruments.

(3) Information on significant gain/loss on financial instruments and equity items

A. For the years ended December 31, 2011 and 2010, total interest income from financial assets and liabilities that are not at fair value through profit or loss amounted to $33,688 and $31,442, respectively; whereas the total interest expense amounted to $341,288 and $324,799, respectively.

B. For the years ended December 31, 2011 and 2010, the adjustment of shareholders' equity resulting from available-for-sale financial assets was credit $387,812 and $264,796; whereas the total loss or gain deducted from the adjustment of shareholders' equity resulting from available-for-sale financial assets was $35,957 and $0, respectively.

(4) Information on interest rate risk positions

As of December 31, 2011 and 2010, the financial assets with cash flow risk due to the change of interest rate amounted to $964,377 and $1,139,897; whereas the financial liabilities with cash flow risk due to the change of interest rate amounted to $19,719,302 and $11,983,905, respectively.

(5) Risk policy and hedging strategy

The financial instruments held by the Company, other than derivative instruments, are composed of cash and cash equivalents, stocks, funds, bank loan, and corporate bonds. Such financial instruments are held for maintaining adequate operating capital. The Company also held other financial assets and liabilities, such as accounts receivable and payable generated from operating activity.

The transactions associated with derivative instruments mainly include oil swap and cross currency swap. The primary objective is to avoid the fuel price variation and exchange rate risk arising from operating and financing activities.

The primary risks of financial instruments are cash flow risk associated with interest rate fluctuations, exchange rate risk, credit risk, and liquidity risk. The risk management policies are set forth below:

Cash flow risk associated with interest rate fluctuations

The Company's major exposure to cash flow risk associated with interest rate variations comes primarily from long-term financing with floating interest. The Company adopts a combination of fixed and floating interest rates methods upon issuance of loans to manage such interest rate risks. In addition, the Company also engages in interest rate swaps to minimize cost of borrowings.

As of December 31, 2011, the carrying values of the Company's financial instruments exposed to interest rate are summarized in the order of maturity as follows:

a) Fixed interest rate

	Within 1 year	1-2 years	2-3 years	over 3 years	Total
Cash and cash equivalents	$ 3,682,926	$ -	$ -	$ -	$ 3,682,926
Bank loan	(200,000)	(200,000)	(200,000)	(2,400,000)	(3,000,000)

b) Floating interest rate

	Within 1 year	1-2 years	2-3 years	over 3 years	Total
Cash and cash equivalents	$ 964,377	$ -	$ -	$ -	$ 964,377
Bank loan	(1,303,572)	(4,023,632)	(5,476,812)	(8,915,286)	(19,719,302)

The interest of financial instruments associated with the floating interest rates is remeasured within 1 year period and the interest for financial instruments associated with the fixed interest rate is fixed to maturity. The financial instruments not included in the above table are not subject to interest payments and thus, do not have inherent interest rate risk.

Exchange rate risk

Although the Company is exposed to exchange rate risk, the Company has stable cash inflows denominated in foreign currencies for meeting cash outflows denominated in foreign currency due to the fact that the Company operates in international transportation industry. In order to minimize exchange rate risk, the Company also engages in activities, such as borrowing of US dollar loans, etc. The Company is engaged in the business involves a number of non-functional currencies. Details of the foreign currency and exchange rate are as follows:

	December 31,2011		December 31,2010	
	Foreign currency	Exchange rate	Foreign currency	Exchange rate
Financial assets :				
Monetary				
USD	$ 58,670	30.2765	$ 66,396	29.183
Non-monetary				
USD	11,321	30.2765	10,413	29.183
Long-term equity investments accounted for under the equity method				
USD	1,484,110	30.2765	1,599,628	29.183
Financial liabilities :				
Monetary				
USD	141,710	30.2765	76,802	29.183

Credit risk

The Company only deals with third parties with good credit standings. In compliance with the Company's policies, strict credit assessment is to be performed by the Company prior to providing credit to customers. The occurrence of bad debts is also minimized by the Company's practices in continuously monitoring and assessing collections on notes and accounts receivables and making adjustments to the credit terms granted for each customer based on the conclusion drawn from such assessment. Moreover, the Company is restricted from engaging in credit trading with other business units operating under other functional currencies unless permission from the highest instruction unit has been received.

Other financial instruments held by the Company are subject to credit risk arising from the failure of counterparty to settle their contractual obligations as and when they fall due. Since the Company only deals with third parties with qualifying credit standings, no collateral is required by the Company which also represents that the maximum credit exposure amount equals to the relative carrying value. The maximum credit exposure amount for various financial assets held by the Company is analyzed as below:

	December 31, 2011	
Financial instruments	Book value	Maximum credit exposure amount
Financial assets at fair value through profit or loss		
Trading financial assets	$ 2,230,854	$ 2,230,854
Financial assets designated as at fair value through profit or loss	62,959	62,959
Held-to-maturity financial assets		
Financial bonds	1,170,000	1,170,000
Available-for-sale financial assets		
Equity security	602,904	602,904
Financial assets carried at cost		
Equity security	1,344,119	1,344,119

	December 31, 2010	
Financial instruments	Book value	Maximum credit exposure amount
Financial assets at fair value through profit or loss		
Trading financial assets	$ 1,908,928	$ 1,908,928
Financial assets designated as at fair value through profit or loss	104,287	104,287
Held-to-maturity financial assets		
Corporate bonds	1,170,000	1,170,000
Available-for-sale financial assets		
Equity security	957,108	957,108
Financial assets carried at cost		
Equity security	1,344,595	1,344,595

Credit risk refers to the risk of counterparty's failure to settle contractual obligations as and when they fall due. The credit risk presented in the above table is the positive net amount of all contracts with positive fair values at the balance sheet date. The credit risk amount presented is the loss that may be incurred by the Company in the case of counterparty's default. Since the counterparties of the Company are business enterprises or financial institutions with good credit rating, the potential credit risk event is remote. In addition, since the Company is not concentrated in transactions with one individual or counterparty, no concentration of credit risk is evident.

Liquity risk

The Company achieves the objectives of effective use of capital and stabilization of capital by adjusting capital through the use of cash and cash equivalents, financial instruments held for trading, bank loans and corporate bonds, etc. The operating capital of the Company is sufficient in meeting capital on demand; therefore, no significant liquidity risk is expected.

11. ADDITIONAL DISCLOSURES REQUIRED BY THE SECURITIES AND FUTURE

(1)Related information of significant transaction

A. Loans granted during the year period ended December 31, 2011 : None.

B. Endorsements and guarantees provided during the year ended December 31, 2011

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ gurantees provided for a single party	Maximum outstanding endorsement/ guarantee amount during the year ended December 31, 2011	Outstanding endorsement/ guarantee amount at December 31, 2011	Amount of endorsement/ guarantee secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the Company	Ceiling on total amount of endorsements/ guarantees provided (Note 3 and 4)
0	Evergreen Marine Corporation	Greencompass Marine S.A.	3	$ 130,701,004	$ 27,728,344 (USD 915,837)	$ 27,728,344 (USD 915,837)	$ -	42.43%	$ 163,376,255
0	Evergreen Marine Corporation	Peony Investment S.A.	2	130,701,004	451,178 (USD 14,800)	448,093 (USD 14,800)	-	0.69%	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Ltd.	3	130,701,004	52,403,055 (USD 1,730,816)	52,403,055 (USD 1,730,816)	-	80.19%	
0	Evergreen Marine Corporation	Taranto Container Terminal S.p.A.	6	32,675,251	620,633 (USD 20,792)	613,099 (USD 20,250)	-	0.94%	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	3	130,701,004	2,870,590 (USD 94,164)	2,850,956 (USD 94,164)	-	4.36%	
0	Evergreen Marine Corporation	Hemlock Equipment LLC.	3	130,701,004	1,762,338 (USD 57,810)	1,750,284 (USD 57,810)	-	2.68%	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	32,675,251	292,656 (USD 9,600)	290,654 (USD 9,600)	-	0.44%	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	32,675,251	1,493,765 (USD 49,000)	1,483,549 (USD 49,000)	-	2.27%	
0	Evergreen Marine Corporation	Evergreen Agency (South Africa) (PTY) Ltd.	3	130,701,004	117,854 (USD 4,000)	- (USD-)	-	0.00%	

Note 1: The number are assigned as follows:
"0" denotes issuer
The investee is numbered from "1" in sequence by different company.

Note 2: Nature of the counterparty's relationship with the Company or its subsidiaries
"1" denotes the endorsements/guarantees provided to the companies which have transactions with the Company or its subsidiaries.
"2" denotes the endorsements/guarantees provided to the subsidiaries of which the Company holds more than 50% of the common stock.
"3" denotes the endorsements/guarantees provided to the investees of which the Company together with its subsidiaries hold more than 50% of the common stock.
"4" denotes the endorsements/guarantees provided to the companies which directly or indirectly hold more than 50% of the Company's common stock.
"5" denotes the endorsements/guarantees provided pursuant to construction contracts.
"6" denotes the endorsements/guarantees provided to joint venture companies based on the Company's or its subsidiaries proportionate equity interest in the Company.

Note 3: The equation of the maximum limits and amounts should be explained. If there are contingent losses in the financial statemnents, the amount should be interpreted by the Company.

Note 4: According to the Company's credit policy, the total amount of endorsements or guarantees provided by the Company or its subsidiaries should not exceeded 250% of the net worth states in the latest financial statement.
The calculation is as follows:
The Company: 65,350,502 *250%=163,376,255

C. Marketable securities held as of December 31, 2011

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2011				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Evergreen Marine Corporation	Stock:							
	Peony Investment S.A.	Subsidiary of the Company	Long-term equity investment accounted for under the equity method	4,765	$ 44,769,469	100.00	$ 44,930,636	
	Taiwan Terminal Service Co., Ltd.	〃	〃	5,500	87,777	55.00	87,777	
	Everport Terminal Service Inc.	〃	〃	1	3,028	100.00	3,028	
	Charng Yang Development Co., Ltd.	Investee company accounted for under the equity method	〃	47,204	609,794	40.00	609,794	
	Evergreen International Storage and Transport Corp.	〃	〃	424,062	7,991,293	39.74	6,000,482	12/31 market price
	Evergreen Security Corporation	〃	〃	5,280	89,111	31.25	89,111	
	EVA Airways Corporation	〃	〃	629,483	7,315,432	19.32	12,086,078	12/31 market price
	Taipei Port Container Terminal Corporation	〃	〃	88,344	807,008	21.03	805,459	
	Power World Fund Inc.	None	Financial assets carried at cost - non-current	1,290	12,898	5.68	6,908	
	Fu-Ji Management Consultancy Co., Ltd.	〃	〃	99	-	4.93	4,735	
	Taiwan HSR Consortium	〃	〃	126,735	1,250,000	1.95	631,140	
	Ever Accord Construction Corp.	〃	〃	7,000	43,749	17.50	86,869	
	Linden Technologies, Inc.	〃	〃	50	15,372	2.53	-	Convertible Preferred Stocks (no fair value)
	Toplogis, Inc.	〃	〃	2,464	22,100	17.48	18,195	
	Central Reinsurance Corp.	〃	Available-for-sale financial assets - non-current	46,561	582,008	8.45	582,008	12/31 market price
	Fubon Financial Holding Co., Ltd.	〃	〃	652	20,896	0.01	20,896	12/31 market price

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2011				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Evergreen Marine Corporation	China Man-Made Fiber Corporation	None	Financial assets at fair value through profit or loss -current	22	$ 193	-	$ 193	12/31 market price
	Hua Nan Financial Holdings	〃	〃	600	9,810	0.01	9,810	12/31 market price
	Beneficiary certificates:							
	Fubon Chi-Hsiang Fund	None	Financial assets at fair value through profit or loss -current	37,185	563,121	-	563,121	
	PCA Well Pool Money Market Fund	〃	〃	4,609	60,408	-	60,408	
	Polaris De-Li Fund	〃	〃	26,155	411,411	-	411,411	
	FSITC Money Market Fund	〃	〃	4,318	743,039	-	743,039	
	Yuanta Wan Tai Bond Fund	〃	〃	8,944	130,642	-	130,642	
	Mega Diamond Bond Fund	〃	〃	25,879	312,230	-	312,230	
	Financial bonds:							
	Ta Chong Commercial Bank Credit Linked Note	None	Held-to-Maturity Securities - current	-	800,000	-	800,000	
	TLG Private Placement Subordinated Mandatory Convertible Bond at Maturity	〃	Financial assets at fair value through profit or loss -non-current	-	62,959	-	62,959	
	Bank of Taichung 1st Unsecured Subordinated Financial Debentures Issue in 2010	〃	Held-to-Maturity Securities -non current	-	220,000	-	220,000	
	Ta Chong Commercial Bank 1st Unsecured Subordinate Financial Debentures-B Issue in 2009	〃	〃	-	100,000	-	100,000	
	Sunny Bank 1st Subordinate Financial Debentures-B Issue in 2010	〃	〃	-	50,000	-	50,000	

D. Acquisition or disposal of the same security with the accumulated cost exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2011

Securities held by	Marketable securities	General ledger account	Counterparty	Relationship with the Company	Beginning balance		Addition		Disposal				Ending balance	
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount
Evergreen Marine Corporation	Beneficary Certificates:													
	Fubon Chi-Hsiang Fund	Financial Assets at fair value through profit or loss	Open market transaction	None	33,882	$510,005	102,760	$1,550,000	99,457	$ 1,500,187	$1,498,883	$ 1,304	37,185	$561,122
	Mega Diamond Bond Fund	〃	〃	〃	10,015	120,000	111,519	1,340,000	95,655	1,150,086	1,148,871	1,215	25,879	311,129
	FSITC Money Market Fund	〃	〃	〃	-	-	7,531	1,290,000	3,213	550,005	549,754	251	4,318	740,246
	Yuanta Wan Tai Bond Fund	〃	〃	〃	-	-	8,944	130,000	-	-	-	-	8,944	130,000
	Polaris De-Li Fund	〃	〃	〃	5,754	90,000	28,705	450,000	8,304	130,000	129,945	55	26,155	410,055
	Fuh-Hwa Money Market Fund	〃	〃	〃	12,987	180,021	32,443	450,000	45,430	630,231	630,021	210	-	-
	TLG Solomon Bond Fund	〃	〃	〃	42,137	510,011	56,126	680,000	98,263	1,191,190	1,190,011	1,179	-	-
	IBT 1699 Bond Fund	〃	〃	〃	18,548	240,000	-	-	18,548	240,098	240,000	98	-	-

E. Aquisition of real estate properties exceeding $100 million or 20% of the Company’s paid-in capital for the year ended December 31, 2011 : None

F. Disposal of real estate properties exceeding $100 million or 20% of the Company’s paid-in capital for the year ended December 31, 2011 :

Property disposed of by	Property	Date of disposal	Date of acquisition	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the Company	Reason for disposal	Basis or reference used in setting the price	Other commitments
Evergreen Marine Corporation	Central international trade centre (Include parking lots)	2011/5/31	2005/11/30	$ 135,264	$ 300,366	The fund had been remitted to the Master International Shipping Agency Co.'s Bank account	$ 165,102	Beijing ChengXuan Auctions Co.	None	Disposal	Price Comparsion	

G. Purchases from or sales to related parties exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2011

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transactions term compared to a third party transactions		Notes/accounts receivable (payable)		Remark
			Purchases/ Sales	Amount	% of total purchases/sales	Credit term	Unit price	Credit term	Balance	% of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Evergreen International Storage & Transport Corp. (EITC)	Investee accounted for under equity method	Purchases	$ 551,703	3%	30~60 Days	$ -	-	($ 10,728)	1%	-
	Evergreen International Corp.	Investee of the Company's major shareholder	Purchases	360,052	2%	30~60 Days	-	-	(22,761)	1%	-
	〃	〃	Sales	1,900,307	12%	30~60 Days	-	-	71,856	9%	-
	Taiwan Terminal Services Co., Ltd.	Subsidiary of the Company	Purchases	684,593	4%	30~60 Days	-	-	(38,695)	2%	-
	Gaining Enterprise S.A.	Subsidiary of EITC accounted for under equity method	Purchases	1,552,673	10%	30~60 Days	-	-	-	-	-

H. Receivables from related parties exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2011

Creditor	Counterparty	Relationship with the Company	Balance	Turnover rate	Overdue receivables		Amount received subsequent to the balance sheet date	Allowance for bad debts
					Amount	Action Taken		
Evergreen Marine Corporation	Evergreen International Corp.	Investee of the Company's major shareholder	$ 143,272		$ -	-	$ 134,803	$ -

I. Derivative financial instruments undertaken for the year ended December 31, 2011 ： For related information, please see Note 10(2).

(2)Disclosure information of investee company

A. Disclosure of location and related information of investee companies:

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Evergreen Marine Corporation	Peony Investment S.A.	East 53rd Street, Marbella, MMG Building, 2nd Floor, Panama, Republic of Panama	Investment activities	USD 476,500	USD 476,500	4,765	100.00	$ 44,769,469	($ 3,832,744)	($ 3,998,886)	Subsidiary of the Company
	Taiwan Terminal Services Co., Ltd.	2F No.177 Szu Wei 4th Rd. Lingya District, Kaohsiung, Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	87,777	8,667	4,767	〃
	Everport Terminal Services Inc.	1209 N Orange St Wilmington, DE, USA	Termial Services	USD 100	USD -	1	100.00	3,028	-	-	〃
	Charng Yang Development Co., Ltd.	2F, No.369, Jingguo Rd., Taoyuan City, Taoyuan County, Taiwan	Development, rental, and sale of residential and commercial buildings	320,000	320,000	47,204	40.00	609,794	149,671	59,868	Investee accounted for under the equity method
	Evergreen International Storage and Transport Corporation	No.899, Jingguo Rd., Taoyuan City, Taoyuan County, Taiwan	Container transportation and gas stations	4,753,514	4,753,514	424,062	39.74	7,991,293	813,397	305,923	〃
	Evergreen Security Corporation	4&5F, No.111, Sungjiang Rd., Taipei, Taiwan	General security guards services	25,000	25,000	5,280	31.25	89,111	37,652	11,766	〃
	EVA Airways Corporation	11F, No.376, Section 1, Hsinnan Rd., Lu Chu Township, Taoyuan County, Taiwan	International passenger and cargo transportation	10,767,879	10,767,879	629,483	19.32	7,315,432	209,027	40,375	〃
	Taipei Port Container Terminal Corporation	No.25 Siajhuwei, Syuntang Village,Bali District, New Taipei City, Taiwan	Container distribution and cargo stevedoring	883,731	883,731	88,344	21.03	807,008	(90,963)	(19,133)	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Clove Holding Ltd.	Craigmuir Chambers, P. O. Box71, Road Town, Tortola, B.V.I.	Investment holding company	USD 52,549	USD 52,549	10	100.00	USD 64,025	USD 52,349	USD 52,349	Indirect subsidiary of the Company
	Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Building Amsinckstrasse 55 20097 Hamburg, Germany	Shipping agency	USD 8,316	USD 8,316	-	100.00	USD 8,909	USD 373	USD 373	
	Evergreen Shipping Agency (Iteland) Ltd.	22 Fiztwilliam Place,Dublin 2, Ireland	Shipping agency	USD 95	USD 95	0.1	100.00	USD 205	USD 24	USD 24	〃
	Evergreen Shipping Agency (Korea) Corporation.	12FL, Royal Building 5, Dangju-Dong, Chongro-Ku Seoul Korea	Shipping agency	USD 2,426	USD 2,426	121	100.00	USD 1,379	(USD 89)	(USD 89)	〃
	Evergreen Shipping Agency (Netherlands) B.V.	PortCity Ⅱ - Havennummer 2235 Waalhaven ZZ 19 3089 JH Rotterdam, The Netherlands	Shipping agency	USD 3,977	USD 3,977	0.047	100.00	USD 4,966	USD 278	USD 278	〃
	Evergreen Shipping Agency (Poland) SP. ZO. O	UL.SOLEC 22,00-410 Warszawa, Poland	Shipping agency	USD 662	USD 662	2	100.00	USD 551	USD 32	USD 32	〃
	Greencompass Marine S. A.	East 53rd Street, Marbella, MMG Building, 2nd Floor, Panama, Republic of Panama	Marine transportation	USD 353,500	USD 353,500	3,535	100.00	USD 880,387	(USD 100,623)	(USD 100,623)	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Vigor Enterprise S.A.	East 53Rd Street, Marbella, MMG Building, 2nd Floor, Panama, Republic of Panama	Investment holding company	USD 500	USD 500	5	100.00	USD 512	(USD 15)	(USD 15)	Indirect subsidiary of the Company
	Evergreen Shipping Agency (India) Pvt. Ltd.	Mararhon Nextgon Innova"A"G01,Opp.Peninsula Corporate Park,Off G.K.Marg. Lower Parel (W), MUMBAI 400 013, INDIA	Shipping agency	USD 184	USD 184	100	99.99	USD 2,859	USD 1,015	USD 1,015	〃
	Evergreen Argentina S.A.	Pje. Carabelas 344, CABA, Bs. As. Argentina	Leasing	USD 140	USD 140	150	95.00	USD 64	(USD 190)	(USD 180)	〃
	Evergreen Shipping Agency France S.A.S.	Tour Franklin-La Defense 8, 92042 Paris La Defense Cedex-France.	Shipping agency	USD 907	USD 907	5	100.00	USD 1,484	USD 195	USD 195	〃
	PT. Multi Bina Pura International	JL. Raya Cakung Cilincing,KM.4,Jakarta Utara 14260,Indonesia	Loading and discharging operations of container yards and inland transportation	USD 20,204	USD 20,204	68	95.03	USD 20,438	USD 3,540	USD 3,364	〃
	PT. Multi Bina Transport	JL. Raya Cakung Cilincing,KM.4,Jakarta Utara 14260,Indonesia	Container repair, cleaning and inland transportation	USD 804	USD 804	2	17.39	USD 393	USD 918	USD 160	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Lot 139, Jalan, Cecair, Phase 2 Free Trade Zone Johor Port Authority, 81700 Pasir Gudang, Johor, Johore Bahru, Malaysia	Container manufacturing	USD 27,295	USD 27,295	42,120	84.44	USD 45,914	USD 5,719	USD 4,829	Indirect subsidiary of the Company
	Armand Investment (Netherlands) N.V.	Van Engelenweg 23 Curacao Netherlands Antilles	Investment holding company	USD 9,203	USD 9,203	4	70.00	USD 8,734	(USD 356)	(USD 249)	〃
	Evergreen Shipping (Spain) S.L.	Calle Siete Aguas, 11 - Entlo. 46023 Valencia, Spain	Shipping agency	USD 3,870	USD 3,870	3	55.00	USD 5,001	USD 4,442	USD 2,443	〃
	Evergreen Shipping Agency (Italy) S.p.A.	Scali Cerere, 9 Livorno Italy	Shipping agency	USD 2,352	USD 2,352	0.55	55.00	USD 1,811	(USD 563)	(USD 309)	〃
	ShenZhen Greentrans Transportation Co., Ltd.	San Jiao Long Warehouse & Storage Zone, Fu kang Rd., Hengang town, Shenzhen, China	Loading, discharging, storage, repair, cleaning and transportation of containers	USD 3,134	USD 3,134	-	55.00	USD 3,191	(USD 122)	(USD 67)	〃
	Evergreen Marine (UK) Ltd.	160 Euston Road, London NW 12 DX, U.K.	Marine transportation	USD 1,503	USD 1,503	765	51.00	USD 98,097	(USD 59,660)	(USD 30,427)	〃
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Level 13,181 Miller Street, North Sydney NSW 2060 Australia	Shipping agency	USD 247	USD 247	0.675	67.50	USD 416	USD 418	USD 282	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Shipping Agency (Russia) Ltd.	Evergreen Office, 11 Millionnaya Streeet, ST. Petersburg, 191186 RUSSIA	Shipping agency	USD 848	USD 848	-	51.00	USD 976	USD 1,886	USD 962	Indirect subsidiary of the Company
	Evergreen Shipping Agency (Singapore) PTE. Ltd.	200 Cantonment Road #12-02 Southpoint, Singapore 089763	Shipping agency	USD 2,157	USD 2,157	765	51.00	USD 4,720	USD 685	USD 349	〃
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Green Tower, 24-25th Floors 3656/81 Rama IV Road Klongton Klongtoey Bangkok 10110	Shipping agency	USD 1,474	USD 1,474	408	51.00	USD 2,165	USD 1,388	USD 708	〃
	Evergreen Shipping Agency (Vietnam) Corp.	11F, Fideco Tower 81-85 Ham Nghi St., Dist.1, Ho Chi Minh City, Vietnam	Shipping agency	USD 454	USD 454	-	51.00	USD 1,429	USD 2,330	USD 1,188	〃
	PT. Evergreen Shipping Agency Indonesia	GD. MEGA PLAZA 9th Floors Jl. H.R. Rasuna said kav. C-03 Jakarta 12920, Indonesia	Shipping agency	USD 973	USD 973	0.459	51.00	USD 2,168	USD 1,452	USD 740	〃
	Evergreen Agency (South Africa) (PTY) Ltd.	9B Riley Road, Bedfordview, Johannesburg 2007, South Africa	Shipping agency	USD 581	USD 581	5,500	55.00	USD 3,119	USD 2,417	USD 1,329	〃
	Kingstrans International Logistics (Tianjing) Co., Ltd.	No.295 JiYun East Road, Tianjin Port Container Logistics Center,Binhai New District,Tianjin	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 2,000	USD 2,000	-	20.00	USD 2,556	USD 841	USD 168	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Luanta Investment (NetherLands) N.V.	Waalhaven Z. z. 19, PortCity Ⅱ, 3089JH Rotterdam	Investment holding company	USD 33,161	USD 27,559	460	50.00	USD 83,307	(USD 10,449)	(USD 5,225)	Investee company of Peony accounted for under the equity method
	Balsam Investment (NetherLands) N.V.	21-A Van Engelenweg, Curacao, Netherlands, Antilles	Investment holding company	USD 122,696	USD 106,213	0.451	49.00	USD 47,366	(USD 164,908)	(USD 80,805)	〃
	Ningbo Victory Container Co., Ltd.	No. 201 Xiaoshan Road, Beilun District, Ningbo, China	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 1,199	USD 1,199	-	40.00	USD 2,257	USD 516	USD 206	〃
	Qingdao Evergreen Container Storage & Transportation Co., Ltd.	No.114 Huangho E. Rd., Huangdao District Qingdao, China	Inland container transportation, container storage, loading, discharging, leasing, repair, clearing, and related activities	USD 4,447	USD 4,447	-	40.00	USD 7,666	USD 3,117	USD 1,247	〃
	Green Peninsula Agencies SDN. BHD	NO.7, Jalan Jurutera U1/23, Section U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia	Investment holding company	USD 7,255	USD 7,255	1,500	30.00	USD 7,203	USD 4,413	USD 1,324	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Shipping Agency Co (U.A.E.) Ltd.	5F, Shipping Tower, Al-Mina Road, P.O. Box 34984, Dubai, U.A.E	Shipping agency	USD 2,082	USD -	-	49.00	USD 2,082	USD 1,976	USD -	The shares of new purchase in the end of this period. So investment gain or loss is not recongized.
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Amsteldijk 166, 1101LH, Amsterdam	Investment holding company	USD 13,636	USD 13,636	0.04	100.00	USD 12,448	(USD 344)	(USD 344)	Indirect subsidiary of the Company
Armand Estate B.V.	Taipei Port Container Terminal Corporation	No.25 Siajhuwei, Syuntang Village,Bali District,New Taipei City, Taiwan	Container distribution and cargo stevedoring	USD 12,678	USD 12,678	41	9.76	USD 12,344	(USD 3,095)	(USD 302)	Investee company of Armand Estate B.V. accounted for under the equity method
Clove Holding Ltd.	Ample Holding Ltd.	Craigmuir Chambers,P.O.BOX71, Road Town,Tortola, B.V.I.	Investment holding company	USD 9	USD 9	9	90.00	USD 35,882	USD 3,828	USD 3,445	Indirect subsidiary of the Company
	Island Equipment LLC.	655 Deep Valley Drive, Suite 300, Rolling Hils Estates, CA	Investment holding company	USD 144	USD 144	-	36.00	USD 2,050	USD 984	USD 354	〃
Ample Holding Ltd.	Colon Container Terminal S.A.	COCO SOLO NORTH ADM BUILDING PANAMA	Inland container storage and loading	USD 22,860	USD 22,860	22,860	40.00	USD 72,514	USD 10,091	USD 4,036	Investee company of Ample Holding Ltd. accounted for under the equity method
Island Equipment LLC.	Whitney Equipment LLC.	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	Equipment leasing company	USD 200	USD 200	-	100.00	USD 1,883	USD 617	USD 617	Indirect subsidiary of the Company
	Hemlock Equipment LLC.	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	Equipment leasing company	USD 200	USD 200	-	100.00	USD 4,271	USD 916	USD 916	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Evergreen Marine (UK) Ltd.	Kingstrans International Logistics (Tianjing) Co., Ltd.	No.295 JiYun East Road, Tianjin Port Container Logistics Center,Binhai New District,Tianjin	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 2,000	USD 2,000	-	20.00	GBP 1,350	GBP 525	GBP 105	Indirect subsidiary of the Company
	Island Equipment LLC.	655 Deep Valley Drive, Suite 300, Rolling Hils Estates, CA	Investment holding company	USD 60	USD 60	-	15.00	GBP 493	GBP 614	GBP 92	〃
PT. Multi Bina Pura International	PT. Multi Bina Transport	JL. Raya Cakung Cilincing KM.4,Jakarta Utara 14260,Indonesia	Container repair, cleaning and inland transportation	USD 3,301	USD 3,301	8	72.95	IDR 14,929,939	IDR 8,045,989	IDR 5,869,549	〃

B. Loans granted for the year ended December 31, 2011

No.	Creditor	Borrower	General ledger account	Maximum outstanding balance for the year ended December 31, 2011	Balance at December 31, 2011	Utilized Credits	Interest rate (%)	Nature of loan (Note 1)	Amount of transaction with the borrower	Reason for short-term financing (Note 2)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)
												Item	Value		
1	Peony Investment S.A.	Kingtrans Intl. Logistics (Tianjin)Co.,Ltd	Receivables from related parties	$ 45,728	$ 45,415	$ 45,415	1.699	2	$ -	Working capital requirement	$ -	-	$ -	$ 13,070,100	$ 26,140,201
		Luanta Investment (NetherLands) N.V.	〃	483,527	546,359	437,556	1.350 ~4.585	2	-	〃	-	-	-	13,070,100	26,140,201
2	Clove Holding Ltd.	Island Equipment LLC.	〃	143,009	-	-	-	2	-	〃	-	-	-	13,070,100	26,140,201
3	Evergreen Marine (UK) Ltd.	Island Equipment LLC.	〃	59,585	-	-	-	2	-	〃	-	-	-	13,070,100	26,140,201
		Kingtrans Intl. Logistics (Tianjin)Co.,Ltd	〃	45,728	45,415	45,415	1.699	2	-	〃	-	-	-	13,070,100	26,140,201

Note 1:Nature of loans extended

"1" denotes the loans extended to the companies which have transactions with the Company or its subsidiaries.

"2" denotes the loans extended to the companies which require short-term financing.

Note 2:The reason that the loan was granted and the usage of the loan should be stated, if the nature of the loan is "2".

Note 3: The explanation of the equation of the limits and amounts is required and set forth as follows:

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.

The calculation is as follows:

The Company:65,350,502*20%=13,070,100

2.According to the Company's credit policy, the total amount of loans granted by the Company or its subsidiaries should not exceed 40% of the net worth stated in the latest financial statements.

The calculation is as follows:

65,350,502 *40%=26,140,201

C. Endorsements and guarantees provided as of December 31, 2011:

Number (Note 1)	Endorser	Party Being endorsed		Limit on endorsement provided for a single party	Maximum outstanding endorsement amount at December 31, 2011	Outstanding endorsement amount at December31, 2011	Amount of endorsements secured with collateral	Ratio of accumulated endorsement amount to net asset value of the Company	Ceiling on total amount of endorsements provided
		counterparty	Relationship with the Company						
1	Greencompass Marine S.A.	Taranto Container Terminal S.p.A.	1	$ 180,902	$ 84,020 (USD 2,775)	$ 84,020 (USD 2,775)	$ -	0.28%	$ 74,638,695

Note 1: The number are assigned as follows:
"0" denotes issuer
The investee is numbered from "1" in sequence by different company.

Note 2: Nature of the counterparty's relationship with the Company or its subsidiaries
"1" denotes the endorsements/guarantees provided to the companies which have transactions with the Company or its subsidiaries.
"2" denotes the endorsements/guarantees provided to the subsidiaries of which the Company holds more than 50% of the common stock.
"3" denotes the endorsements/guarantees provided to the investees of which the Company together with its subsidiaries hold more than 50% of the common stock.
"4" denotes the endorsements/guarantees provided to the companies which directly or indirectly hold more than 50% of the Company's common stock.
"5" denotes the endorsements/guarantees provided pursuant to construction contracts.
"6" denotes the endorsements/guarantees provided to joint venture companies based on the Company's or its subsidiaries proportionate equity interest in the Company.

Note 3: The equation of the maximum limits and amounts should be explained. If there are contingent losses in the financial statemnents, the amount should be interpreted by the Company.
According to the Company's credit policy, the total amount of endorsements or guarantees provided by the Company or its subsidiaries should not exceeded 250% of the net worth states in the latest financial statement.
The calculation is as follows:
The Company: 29,855,478 *250%=74,638,695

D. Marketable securities held as of December 31, 2011

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2011						Remark
				Number of shares (in thousands)	Book value		Ownership (%)	Market value		
Peony Investment S.A.	Clove Holding Ltd.	Indirect subsidiary of the Company	Long-term equity investment accounted for under the equity method	10	USD	64,025	100.00	USD	64,025	
	Evergreen Shipping Agency (Deutschland) GmbH	〃	〃	-	USD	8,909	100.00	USD	8,909	
	Evergreen Shipping Agency (Ireland) Ltd.	〃	〃	0.1	USD	205	100.00	USD	205	
	Evergreen Shipping Agency (Korea) Corporation	〃	〃	121	USD	1,379	100.00	USD	1,379	
	Evergreen Shipping Agency (Netherlands) B.V.	〃	〃	0.047	USD	4,966	100.00	USD	4,966	
	Evergreen Shipping Agency (Poland) SP.ZO.O	〃	〃	2	USD	551	100.00	USD	551	
	Greencompass Marine S.A.	〃	〃	3,535	USD	880,387	100.00	USD	880,387	
	Vigor Enterprise S.A.	〃	〃	5	USD	512	100.00	USD	512	
	Evergreen Shipping Agency (India) Pvt Ltd.	〃	〃	100	USD	2,859	99.99	USD	2,859	
	Evergreen Argentina S.A.	〃	〃	150	USD	64	95.00	USD	64	
	Evergreen Shipping Agency France S.A.	〃	〃	5	USD	1,484	100.00	USD	1,484	
	PT Multi Bina Pura International	〃	〃	68	USD	20,438	95.03	USD	20,438	
	PT Multi Bina Transport	〃	〃	2	USD	393	17.39	USD	393	
	Evergreen Heavy Industrial Corp (Malaysia) Bhd.	〃	〃	42,120	USD	45,914	84.44	USD	45,914	
	Armand Investment (Netherlands) N.V.	〃	〃	4	USD	8,734	70.00	USD	8,734	
	Evergreen Shipping (Spain) S.L.	〃	〃	3	USD	5,001	55.00	USD	5,001	
	Evergreen Shipping Agency (Italy) S.p.A.	〃	〃	0.55	USD	1,811	55.00	USD	1,811	
	Shenzhen Greentrans Transportation Co., Ltd.	〃	〃	-	USD	3,191	55.00	USD	3,191	
	Evergreen Marine (UK) Ltd.	〃	〃	765	USD	98,097	51.00	USD	98,097	

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2011							Remark
				Number of shares (in thousands)	Book value		Ownership (%)	Market value			
Peony Investment S.A.	Evergreen Shipping Agency (Australia) Pty Ltd.	Indirect subsidiary of the Company	Long-term equity investment accounted for under the equity method	0.675	USD	416	67.50	USD	416		
	Evergreen Shipping Agency (Russia) Ltd.	〃	〃	-	USD	976	51.00	USD	976		
	Evergreen Shipping Agency (Singapore) Pte Ltd	〃	〃	765	USD	4,720	51.00	USD	4,720		
	Evergreen Shipping Agency (Thailand) Co., Ltd.	〃	〃	408	USD	2,165	51.00	USD	2,165		
	Evergreen Shipping Agency (Vietnam) Corp.	〃	〃	-	USD	1,429	51.00	USD	1,429		
	PT. Evergreen Shipping Agency Indonesia	〃	〃	0.459	USD	2,168	51.00	USD	2,168		
	Evergreen Agency (South Africa) (PTY) Ltd.	〃	〃	5,500	USD	3,119	55.00	USD	3,119		
	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	〃	〃	-	USD	2,556	20.00	USD	2,556		
	Luanta Investment (Netherlands) N.V.	Investee of Peony Investment S.A. accounted for under the equity method	〃	460	USD	83,307	50.00	USD	83,307		
	Balsam Investment (Netherlands) N.V.	〃	〃	0.451	USD	47,366	49.00	USD	47,366		
	Evergreen Shipping Agency Co. (U.A.E.) LLC	〃	〃	-	USD	2,082	49.00	USD	2,082		
	Ningbo Victory Container Co., Ltd.	〃	〃	-	USD	2,257	40.00	USD	2,257		
	Qingdao Evergreen Container Storage & Transportation Co., Ltd.	〃	〃	-	USD	7,666	40.00	USD	7,666		
	Green Peninsula Agencies SDN. BHD.	〃	〃	1,500	USD	7,203	30.00	USD	7,203		
	Dongbu Pusan Container Terminal Co. Ltd.	None	Financial assets carried at cost - non-current	300	USD	1,556	15.00	USD	1,556		
	Hutchison Inland Container Depots Ltd.	〃	〃	0.75	USD	1,492	7.50	USD	1,492		
	Colombo - South Asia Gateway Terminal	〃	〃	18,942	USD	2,412	5.00	USD	2,412		

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2011						Remark
				Number of shares (in thousands)	Book value		Ownership (%)	Market value		
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indirect subsidiary of the Peony	Long-term equity investment accounted for under the equity method	8	IDR	14,929,939	72.95	IDR	14,929,939	
Clove Holding Ltd.	Ample Holding LTD.	〃	〃	9	USD	35,882	90.00	USD	35,882	
	Island Equipment LLC.	〃	〃	-	USD	2,050	36.00	USD	2,050	
Ample Holding Ltd.	Colon Container Terminal S.A.	Investee of the Ample accounted for under the equity method	〃	22,860	USD	72,514	40.00	USD	72,514	
Island Equipment LLC	Whitney Equipment LLC.	Investee of the Island accounted for under the equity method	〃	-	USD	1,883	100.00	USD	1,883	
	Hemlock Equipment LLC.	〃	〃	-	USD	4,271	100.00	USD	4,271	
Evergreen Marine (UK) Ltd.	Island Equipment LLC.	Investee of the EMU accounted for under the equity method	〃	-	GBP	493	15.00	GBP	493	
	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Indirect subsidiary of the Peony	〃	-	GBP	1,350	20.00	GBP	1,350	
	Evergreen Shipping Agency (UK) Limited	Investee of the EMU accounted for under cost method	Financial assets carried at cost - non-current	-	GBP	0.001	100.00	GBP	0.001	
	Lloyd triestino UK Limited	〃	〃	-	GBP	0.3	100.00	GBP	0.3	
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Indirect subsidiary of the Peony	Long-term equity investment accounted for under the equity method	0.04	USD	12,448	100.00	USD	12,448	

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2011							Remark
				Number of shares (in thousands)	Book value		Ownership (%)	Market value			
Armand Estate B.V.	Taipei Port Container Terminal Corporation	Investee of the Armand Estate B.V. accounted for under the equity method	〃	41	USD	12,344	9.76	USD	12,344		
Greencompass Marine S.A.	Financial bonds	None	Held-to-maturity financial assets-non-current	-	USD	5,000	-	USD	5,000		
Evergreen Shipping Agency (Singapore) Pte Ltd.	RTW AIR SERVICES (S) PL	Investee of the EGS accounted for under cost method	Financial assets carried at cost - non-current	30	SGD	44	2.00	SGD	44		
Evergreen Shipping Agency (Thailand) Co., Ltd.	Green Siam Air Service Co.	Investee of the EGT accounted for under cost method	〃	4	THB	1,160	2.00	THB	1,160		
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Austria) GmbH	Investee of the EGD accounted for under cost method	〃	-	EUR	18	100.00	EUR	18		
	Zoll Pool Hafen Hamburg AG	〃	〃	10	EUR	10	3.36	EUR	10		
	Evergreen Shipping Agency (Switzerland) S.A.	〃	〃	0.1	EUR	69	100.00	EUR	69		

E. Acquisition or disposal of the same security with the accumulated cost exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2011 : None.

F. Acquisition of real estate properties exceeding $100 million or 20% of the Company’s paid-in capital or the year ended December 31, 2011 : None.

G. Disposal of real estate properties exceeding $100 million or 20% of the Company’s paid-in capital or the year ended December 31, 2011 : None.

H. Purchases from or sales to related parties exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2011

Purchaser/seller	Counterparty	Relationship with the Company	Transaction					Differences in transactions term compared to a third party transactions		Notes/accounts receivable (payable)		Remark
			Purchases/ Sales		Amount	% of total purchases/sales	Credit term	Unit price	Credit term	Balance	% of total notes/accounts receivable (payable)	
Taiwan Terminal Services Co., Ltd.	Evergreen Marine Corp.	The parent	Sales	$	684,593	97%	30~60 Days	$ –	–	$ 38,695	51%	
Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	Related party	Sales	USD	13,148	1%	15~30 Days	–	–	-	-	
		〃	Purchases	USD	30,519	1%	15~30 Days	–	–	-	-	
	Evergreen International S.A.	Related party	Purchases	USD	31,968	2%	15~30 Days	–	–	-	-	
	Italia Marittima S.p.A	〃	Purchases	USD	18,461	1%	15~30 Days	–	–	-	-	
	Evergreen Marine (Singapore) Pte. Ltd .	Related party	Purchases	USD	16,437	1%	15~30 Days	–	–	-	-	
	Evergreen Shipping Agency (Deutschland) GmbH	Related party	Purchases	USD	4,216	0%	15~30 Days	–	–	-	-	
	Evergreen Shipping Agency (Netherlands) B.V.	Related party	Purchases	USD	3,798	0%	15~30 Days	–	–	-	-	
	Evergreen Shipping Agency France S.A.S.	Related party	Purchases	USD	5,680	0%	15~30 Days	–	–	-	-	
	Evergreen International Corp.	Related party	Purchases	USD	4,079	0%	15~30 Days	–	–	-	-	
Evergreen Marine (UK) Ltd.	Evergreen International Corp.	Related party	Purchases	GBP	2,829	0%	30~60 Days	–	–	GBP 158	1%	
Evergreen Shipping Agency (Deutschland) GmbH	Greencompass Marine S.A.	Related party	Sales	EUR	2,702	26%	None	–	–	EUR 244	3%	
	Italia Marittima S.p.A	Related party	Sales	EUR	2,947	28%	"	–	–	EUR 266	4%	

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transactions term compared to a third party transactions		Notes/accounts receivable (payable)		Remark
			Purchases/ Sales	Amount	% of total purchases/sales	Credit term	Unit price	Credit term	Balance	% of total notes/accounts receivable (payable)	
Evergreen Shipping Agency (Netherlands) B.V.	Greencompass Marine S.A.	Related party	Sales	EUR 2,654	25%	None	$ –	–	-	-	
	Evergreen Marine (Singapore) Pte. Ltd .	Related party	Sales	EUR 2,749	25%	"	–	–	-	-	
Evergreen Shipping Agency France S.A.S.	Greencompass Marine S.A.	〃	Sales	EUR 3,999	63%	"	–	–	-	-	
Island Equipment LLC	Seaside Transporation Service LLC	〃	Sales	USD 4,496	27%	5 Days	–	–	USD 9	100%	
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Evergreen Marine Corp.	The parent	Sales	MYR 174,227	64%	45 Days	–	–	-	-	
	Greencompass Marine S.A.	Related party	Sales	MYR 72,026	26%	45 Days	–	–	MYR 20,126	100%	
	Evergreen Marine (Singapore) Pte. Ltd .	Related party	Sales	MYR 27,820	10%	45 Days	–	–	-	-	

I. Receivables from related parties exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2011

Creditor	Counterparty	Relationship with the Company	Balance	Turnover rate	Overdue receivables		Amount received subsequent to the balance sheet date	Allowance for bad debts
					Amount	Action Taken		
Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Related party	USD 14,603		USD -	-	USD 14,603	USD -
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Greencompass Marine S.A.	〃	MYR 20,126		MYR -	-	MYR 20,126	MYR -
Greencompass Marine S.A.	Evergreen Marine Corp.	The Parent	USD 4,489		USD -	-	USD 4,489	USD -

J. Derivative financial instruments transactions:

Evergreen Marine (UK) Ltd. -investee of the Company- is engaged in interest rate swaps and cross currency swaps in order to hedge the risks resulting from the fluctuation of interest rates and exchange rates. As of December 31, 2011, the outstanding derivative instruments are as follows:

	December 31, 2011	
Derivative financial instruments	Notional Principal (Contractual Amount)	Fair Value
Interest rate swaps (IRS)	USD 39,700	(USD 8,260)
Cross currency swaps (CCS)	USD 321	USD 60

(3)Disclosure of information on indirect investments in Mainland China

Investee in Mainland China	Main activities	Paid-in Capital	Investment method (Note 1)	Accumulated amount of remittance to Mainland China as of January 1, 2011	Amount remitted		Accumulated amount of remittance to Mainland China as of December 31, 2011	Ownership held by the Company (direct/ indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2011 (Note 2)	Book value of investment in Mainland China as of December 31, 2011	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2011
					to Mainland China	back to Taiwan					
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, and discharging	CNY 24,119	(2)	$ 30,806 (USD 1,018)	$ -	$ -	$ 30,806 (USD 1,018)	40.00	$ 6,062 (USD 206)	$ 68,332 (USD 2,257)	$ -
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, container storage, loading, and discharging	CNY 92,500	(2)	$ 134,637 (USD 4,447)	-	-	$ 134,637 (USD 4,447)	40.00	$ 36,651 (USD 1,247)	$ 232,092 (USD 7,666)	-
Shenzhen Greentrans Transportation Co., Ltd.	Inland container loading, discharging, restore, repair, clearing, and related activities	CNY 44,960	(2)	$ 94,894 (USD 3,134)	-	-	$ 94,894 (USD 3,134)	55.00	($ 1,971) (-USD 67)	96,614 (USD 3,191)	-
Shenzhen Hutchison Inland Container Depots Co., Ltd.	Inland container yards	HKD 92,000	(2)	$ 24,560 (HKD 6,304)	-	-	$ 24,560 (HKD 6,304)	6.85	$ - -	$ 24,560 (HKD 6,304)	-

Investee in Mailand China	Main activities	Paid-in Capital	Investment method (Note1)	Accumulated amount of remittance to Mainland China as of January 1, 2011	Amount remitted		Accumulated amount of remittance to Mainland China as of December 31, 2011	Ownership held by the Company (direct/ indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2011 (Note 2)	Book value of investment in Mainland China as of December 31, 2011	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2011
					to Mainland China	back to Taiwan					
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	CNY 77,929	(2)	$ 121,106 (USD 4,000)	$ -	$ -	$ 121,106 (USD 4,000)	40.00	$ 9,886 (USD 336)	$ 154,777 (USD 5,112)	$ -

Balance of investments in Mainland China as of December 31, 2011	Investment Amount Approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 3)	Quota of Investments in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs (MOEA)
$406,003 (USD 12,599) (HKD 6,304)	$1,092,749 (USD 36,092)	$ 39,210,301

(Net worth of the Company:$65,350,502)

1.Note 1:Investment in Mainland China can be conducted by the following ways:

(1) Remitting the funds to Mainland China via a third country

(2) Via a new investee to be set up in a third country

(3) Via an existing investee set up in a third country

(4) Investing directly in Mainland China

(5) Others

Note 2:Investment income (loss) for the year

(1) Denotes that the investee is still in the start-up stage.

(2) Denotes the basis on which the investment income (loss) is recognized.

(a) Based on the investee's financial statements audited by an international accounting firm other than the Company's auditor

(b) Based on the investee's financial statements audited by the Company's auditor

(c) Others

Note 3:The amount in the table should be stated in New Taiwan Dollars.

2.Investment company and the mainland is directly or indirectly through a third country of significant transactions occurred：None.

12. SEGMENT INFORMATION

In accordance with R.O.C. SFAS No. 41, “Segment Reporting”, segment information is disclosed in the consolidated financial statements.

13. THE ADOPTIONS RELATED TO IFRSs

The Company discloses the following information in advance prior to the adoption of IFRSs under the requirements of Jin-Guan-Zheng-Shen-Zi Order No. 0990004943 of the Financial Supervisory Commission, dated February 2, 2010 in the consolidated financial statements.

4. Consolidated Financial Statements with Report of Independent Auditors

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen Marine Corporation

We have audited the accompanying consolidated balance sheets of Evergreen Marine Corporation (the "Company") as of December 31, 2011 and 2010, and the related consolidated statements of income, of changes in stockholders' equity, and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit all the affiliated companies included in the consolidated financial statements of the Company's wholly owned subsidiary, Peony Investment S.A. and the financial statements of Everport Terminal Services Inc., which statements reflect total assets of 49,203,361 and 48,120,287 thousand New Taiwan dollars, constituting 35.65% and 37.14% of the consolidated total assets as of December 31, 2011 and 2010, respectively, and net operating revenues of 32,773,492 and 37,796,175 thousand New Taiwan dollars, constituting 30.30% and 34.56% of the consolidated net operating revenues for the years then ended, respectively. In addition, we didn't audit the financial statements of all the investee companies accounted for under the equity method. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our report expressed herein, insofar as it relates to the amounts included for those investee companies accounted for under the equity method and information disclosed in Note 11 relating to these long-term equity investments, is based solely on the reports of other auditors. Long-term investments in these investee companies amounted to 14,447,282 and 17,329,990 thousand New Taiwan dollars, constituting 10.47% and 13.38% of the consolidated total assets as of December 31, 2011 and 2010, respectively, and the related investment loss was 2,259,160 and investment income was 3,876,206 thousand New Taiwan dollars for the years then ended, respectively.

We conducted our audits in accordance with the "Rules Governing the Examination 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 evidence which is supporting the amounts and disclosures in the financial statements in sampling way. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Evergreen Marine Corporation and its affiliated as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with the "Rules Governing Preparation of Financial Statements by Securities Issuers" and generally accepted accounting principles in the Republic of China.

PricewaterhouseCoopers, Taiwan

PricewaterhouseCoopers, Taiwan
March 27, 2012
Taipei, Taiwan
Republic of China

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

ASSETS	Notes	2011	2010
Current Assets			
Cash and cash equivalents	4(1)	$ 23,006,258	$ 19,716,091
Financial assets at fair value through profit or loss - current	4(2)	2,232,678	1,914,301
Held-to-maturity financial assets - current	4(4)	951,382	-
Notes receivable, net		93,263	73,622
Accounts receivable, net	4(6)	7,835,603	9,613,758
Accounts receivable, net - related parties	5	142,525	297,685
Other receivables		1,743,448	1,261,468
Other receivables - related parties	5	591,340	534,090
Other financial assets - current	4(7)	-	158,383
Inventories	4(8)	4,814,786	3,536,327
Prepaid expenses		482,422	531,083
Prepayments		234,790	175,458
Deferred income tax assets - current	4(22)	253,930	315,403
Restricted assets	6	520,132	561,663
Other current assets - other	4(9) and 5	3,419,358	1,669,374
Total current assets		46,321,915	40,358,706
Funds and Investments			
Financial assets at fair value through profit or loss - non-current	4(2)	62,959	104,287
Available-for-sale financial assets - non-current	4(3)	602,904	957,108
Held-to-maturity financial assets - non-current	4(4)	370,000	3,135,915
Financial assets carried at cost - non-current	4(5)	1,515,391	4,497,128
Long-term equity investments accounted for under the equity method	4(10)	23,919,745	27,363,307
Other long-term investments		312	3,527
Total funds and investments		26,471,311	36,061,272
Property, Plant and Equipment, Net	4(11), 5, 6 and 7		
Land		2,177,397	2,173,390
Buildings		2,898,319	2,920,953
Machinery and equipment		724,077	718,259
Loading and unloading equipment		6,420,851	7,965,773
Computer and communication equipment		319,673	297,946
Transportation equipment		25,093,249	23,583,460
Ships		53,534,978	49,271,864
Office equipment		507,486	502,976
Leased assets		2,489,407	8,278
Leasehold improvements		16,604	15,841
Cost and revaluation increments		94,182,041	87,458,740
Less: Accumulated depreciation		(45,942,449)	(41,500,058)
Construction in progress and prepayments for equipment		16,523,249	6,771,838
Total property, plant and equipment, net		64,762,841	52,730,520
Intangible Assets			
Deferred pension costs		61,058	59,300
Other Assets			
Refundable deposits		118,412	110,902
Deferred expenses		274,235	243,506
Other assets - other		2,912	1,277
Total other assets		395,559	355,685
TOTAL ASSETS		$ 138,012,684	$ 129,565,483

(Continued)

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	2011	2010
Current Liabilities			
Short-term loans	4(12)	$ 3,910,312	$ 2,603,172
Financial liabilities at fair value through profit or loss - current	4(13)	255,246	842,874
Accounts payable		4,685,219	4,750,305
Accounts payable - related parties	5	287,538	135,028
Income tax payable	4(22)	184,138	181,516
Accrued expenses		8,817,050	10,274,414
Other payables - related parties	5	148,623	161,416
Other payables		1,140,061	801,266
Receipts in advance		29,461	481,734
Long-term liabilities - current portion	4(14)	7,102,812	6,942,992
Other current liabilities	5	2,121,915	2,224,936
Total current liabilities		28,682,375	29,399,653
Long-term Liabilities			
Bonds payable	4(15)	-	2,218,775
Long-term loans	4(16)	37,863,525	24,139,352
Long-term Leases payable		1,953,360	-
Total long-term liabilities		39,816,885	26,358,127
Other Liabilities			
Accrued pension liabilities	4(17)	1,450,813	1,079,875
Guarantee deposits received		40,231	32,191
Deferred income tax liabilities - non-current	4(22)	1,316,628	1,493,738
Other liabilities - other		1,104,217	980,334
Total other liabilities		3,911,889	3,586,138
Total liabilities		72,411,149	59,343,918
Stockholders' Equities			
Capital	4(18)		
Common stock		34,734,581	31,248,395
Capital Surplus	4(19)		
Paid-in capital in excess of par value of common stock		5,805,861	5,456,524
Capital reserve from donated assets		372	371
Capital reserve from long-term investments		1,606,562	1,611,003
Capital reserve from stock warrants		60,884	128,379
Capital reserve - other		6,713	6,713
Retained Earnings	4(20)		
Legal reserve		9,102,785	7,586,240
Special reserve		4,579,324	957,344
Undistributed earnings		8,862,023	23,407,874
Other Adjustments on Stockholders' Equities			
Cumulative translation adjustments		(2,656,053)	(5,055,677)
Unrecognized pension cost		(1,229,959)	(707,771)
Unrealized gain or loss on financial instruments		292,733	1,184,125
Total Parent Company Stockholders' Equities		61,165,826	65,823,520
Minority Interest		4,435,709	4,398,045
Total stockholders' equity		65,601,535	70,221,565
Commitments And Contingent Liabilities	7		
Subsequent Evevts	9		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 138,012,684	$ 129,565,483

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 27, 2012.

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except (losses) earnings per share)

Items	Notes	2011	2010
Operating income	4(21) and 5	$ 108,156,058	$ 109,353,176
Operating costs	4(24) and 5	(108,325,035)	(91,609,132)
Gross (loss) profit		(168,977)	17,744,044
Operating Expenses			
General and administrative expenses	4(24) and 5	(4,948,726)	(5,025,347)
Operating (loss) income		(5,117,703)	12,718,697
Non-operating Income and Gains			
Interest income		239,521	220,627
Investment Income accounted for under the equity method	4(10)	-	4,337,426
Dividend income		473,482	309,428
Gain on disposal of property, plant and equipment	5	1,125,260	1,136,610
Gain on disposal of investments		1,128,393	14,162
Foreign exchange gain		219,735	-
Rental income	5	119,773	121,127
Gain on valuation of financial liabilities	4(13)	232,863	390,685
Other non-operating income		640,726	168,983
Non-operating Income and Gains		4,179,753	6,699,048
Non-operating Expenses and Losses			
Interest expense		(415,765)	(484,217)
Investment loss accounted for under the equity method	4(10)	(1,938,535)	-
Loss on disposal of property, plant and equipment		(23,587)	(29,680)
Foreign exchange losses		-	(1,738)
Financing charges		(17,207)	(18,509)
Loss on valuation of financial assets	4(2)	(36,992)	(90,590)
Other non-operating losses		(49,119)	(37,434)
Non-operating Expenses and Losses		(2,481,205)	(662,168)
(Loss) income from continuing operations before income tax		(3,419,155)	18,755,577
Income tax expense	4(22)	(260,647)	(983,010)
Consolidated net (loss) income		($ 3,679,802)	$ 17,772,567
Attributable to :			
Equity holder of the Company		($ 3,092,361)	$ 15,165,451
Minority interest		(587,441)	2,607,116
		($ 3,679,802)	$ 17,772,567

	Notes	2011 Before Tax	2011 After Tax	2010 Before Tax	2010 After Tax
Basic (losses) earnings per share	4(23)				
Net (loss) income from continuing operations		($ 0.99)	($ 1.06)	$ 5.55	$ 5.26
Minority interest loss (income)		0.16	0.17	(0.81)	(0.77)
Net (loss) income		($ 0.83)	($ 0.89)	$ 4.74	$ 4.49
Diluted (losses) earnings per share	4(23)				
Net (loss) income from continuing operations		($ 0.99)	($ 1.06)	$ 5.36	$ 5.08
Minority interest loss (income)		0.16	0.17	(0.78)	(0.74)
Net (loss) income		($ 0.83)	($ 0.89)	$ 4.58	$ 4.34

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 27, 2012.

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Retained Earnings							
	Common stock	Capital Reserves	Legal reserve	Special reserve	Undistributed earnings	Cumulative translation adjustments	Unrecognized pension cost	Unrealized gain or loss on financial instruments	Minority interest	Total
Year 2010										
Balance at January 1, 2010	$ 30,625,992	$ 6,675,194	$ 7,586,240	$ 957,344	$ 8,242,423	$ 640,363	($ 483,688)	$ 207,729	$ 2,566,776	$ 57,018,373
Conversion of convertible bonds into common stock	622,403	655,621	-	-	-	-	-	-	-	1,278,024
Stock warrants of convertible bonds	-	(127,826)	-	-	-	-	-	-	-	(127,826)
Adjustments on retained earnings due to changes in investees' capital surplus based on percentage of shareholding	-	1	-	-	-	(1,075,152)	(68,319)	711,600	-	(431,870)
Translation adjustments arising from investees' financial statement denominated in foreign currencies	-	-	-	-	-	(4,620,888)	-	-	-	(4,620,888)
Unrecognized pension cost	-	-	-	-	-	-	(155,764)	-	-	(155,764)
Unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	264,796	-	264,796
Consolidated net income for the year ended December 31,2010	-	-	-	-	15,165,451	-	-	-	2,607,116	17,772,567
Minority interest	-	-	-	-	-	-	-	-	(775,847)	(775,847)
Balance at December 31, 2010	$ 31,248,395	$ 7,202,990	$ 7,586,240	$ 957,344	$ 23,407,874	($ 5,055,677)	($ 707,771)	$ 1,184,125	$ 4,398,045	$ 70,221,565
Year 2011										
Balance at January 1, 2011	$ 31,248,395	$ 7,202,990	$ 7,586,240	$ 957,344	$ 23,407,874	($ 5,055,677)	($ 707,771)	$ 1,184,125	$ 4,398,045	$ 70,221,565
Appropriation of 2010 earnings (Note)										
Legal reserve	-	-	1,516,545	-	(1,516,545)	-	-	-	-	-
Special reserve	-	-	-	3,621,980	(3,621,980)	-	-	-	-	-
Stock dividends	3,157,544	-	-	-	(3,157,544)	-	-	-	-	-
Cash dividends	-	-	-	-	(3,157,544)	-	-	-	-	(3,157,544)
Conversion of convertible bonds into common stock	328,642	349,337	-	-	-	-	-	-	-	677,979
Stock warrants of convertible bonds	-	(67,494)	-	-	-	-	-	-	-	(67,494)
Adjustments on retained earnings due to changes in investees' capital surplus based on percentage of shareholding	-	(4,441)	-	-	123	318,021	(212,794)	(539,536)	-	(438,627)
Translation adjustments arising from investees' financial statements denominated in foreign currencies	-	-	-	-	-	2,081,603	-	-	-	2,081,603
Unrecognized pension cost	-	-	-	-	-	-	(309,394)	-	-	(309,394)
Unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	(351,856)	-	(351,856)
Consolidated net loss for the year ended December 31,2011	-	-	-	-	(3,092,361)	-	-	-	(587,441)	(3,679,802)
Minority interest	-	-	-	-	-	-	-	-	625,105	625,105
Balance at December 31, 2011	$ 34,734,581	$ 7,480,392	$ 9,102,785	$ 4,579,324	$ 8,862,023	($ 2,656,053)	($ 1,229,959)	$ 292,733	$ 4,435,709	$ 65,601,535

Note: Directors' and supervisors' remuneration of $55,000 and employees' bonuses of $40,000 have been deducted from the statement of income.

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 27, 2012.

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net (loss) income	($ 3,679,802)	$ 17,772,567
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	5,264,002	5,348,986
Amortization	28,480	33,911
Reclassification of depreciation of loading and unloading equipment to operating costs and others	248,744	276,743
Reclassification of amortization of deferred charges to others	43,029	54,195
Net gain on disposal of property, plant and equipment	(1,101,673)	(1,106,930)
(Less than) excess of equity-accounted investment (gain) / loss over cash dividends	2,996,453	(3,811,698)
Amortization of bond discounts	190,021	210,914
Gain on sale of available-for-sale financial assets	(42,500)	-
Realized gain on financial assets carried at cost	(752,975)	-
Net gain on disposal of long-term equity investments accounted for under the equity method	(324,305)	-
Loss on disposal of other long-term investments	2,557	-
Realized income from capital reduction of financial assets	(61,631)	(6,828)
Changes in assets and liabilities		
Financial assets and liabilities at fair value through profit or loss	(535,106)	1,359,963
Notes and accounts receivable	2,256,129	(2,726,091)
Other receivables	(505,832)	216,465
Other financial assets	158,383	80,525
Inventories	(1,157,338)	(1,449,362)
Prepaid expenses and prepayments	9,783	13,607
Restricted assets	52,245	(310,585)
Agent accounts	349,234	964,593
Agency reciprocal accounts	(1,448,173)	877,217
Other current assets	(986,898)	65,459
Refundable deposits	(5,018)	11,376
Other assets	(1,586)	952
Notes and accounts payable	(43,007)	2,015,151
Income tax payable	(4,094)	55,516
Accrued expenses	(1,829,157)	4,751,716
Other payables	566,373	230,710
Receipts in advance	(470,228)	429,027
Other current liabilities	179,778	47,941
Accrued pension liabilites	58,982	86,909
Other liabilities	37,303	7,002
Deferred income tax assets / liabilities	(117,855)	725,321
Net cash (used in) provided by operating activities	(625,682)	26,225,272

(Continued)

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial assets and liabilities at fair value through profit or loss	($ 337,054)	($ 544,019)
(Decrease) increase in other receivables	15,031	(118,755)
Proceeds from sale of available-for-sale financial asset - non current	44,848	-
Proceeds from sale of held-to-maturity financial assets	1,820,000	460,000
Acquisition of held-to-maturity financial assets	-	(470,000)
Proceeds from capital reduction of financial assets carried at cost - non current	62,107	196,674
Proceeds from sale of financial assets carried at cost - non current	3,761,685	-
Acquisition of long-term equity investments accounted for under the equity method	(710,377)	(794,744)
Realized capital reduction income from long-term investments	-	164,063
Proceeds from sale of long-term equity investments accounted for under the equity method	1,152,233	-
Proceeds from sale of other long-term investments	752	-
Acquisition of property, plant and equipment	(20,502,299)	(12,007,534)
Proceeds from disposal of property, plant and equipment	5,226,423	1,191,782
Increase in deferred expenses	(90,633)	(26,797)
Net cash used in investing activities	(9,557,284)	(11,949,330)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	1,307,140	339,346
Decrease in short-term bills payable	-	(99,959)
Increase (decrease) in long-term loans	11,408,325	(3,075,498)
Increase in long-term leases payable - non-current	1,953,360	-
Decrease in other payables	(190,297)	(19,455)
Increase (decrease) in guarantee deposits received	6,835	(2,279)
Distribution of cash dividends	(3,157,544)	-
Net change in minority interest	625,105	(775,847)
Net cash provided by (used in) financing activities	11,952,924	(3,633,692)
Effect of exchange rate changes	1,618,446	(787,948)
Effect of initial consolidation of subsidiaries	(98,237)	-
Increase in cash and cash equivalents	3,290,167	9,854,302
Cash and cash equivalents at beginning of year	19,716,091	9,861,789
Cash and cash equivalents at end of year	$ 23,006,258	$ 19,716,091
SUPPLEMENTAL INFORMATION OF CASH FLOW		
Interest paid	$ 281,831	$ 293,411
Less: interest capitalized	(45,572)	(7,000)
Interest paid, excluding interest capitalized	$ 236,259	$ 286,411
Income tax paid	$ 336,383	$ 230,771
FINANCING ACTIVITIES NOT AFFECTING CASH FLOWS		
Long-term liabilities due within one year	$ 7,102,812	$ 6,942,992
Conversion of convertible bonds into common stock	$ 658,600	$ 1,247,300

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 27, 2012.

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Expressed in thousands of New Taiwan Dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

(1)The Company

A.Established on September 25, 1968, Evergreen Marine Corporation (the “Company”) 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 Commission (SFC), Ministry of Finance (MOF) (currently known as 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 SFC 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. The Company and its subsidiaries included in the consolidated financial statements had 4,395 employees as of December 31, 2011.

B.The Company and its subsidiaries are collectively referred herein as the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements of the Group are prepared in conformity with the “Rules Governing Preparation of Financial Reports by Securities Issuers” and accounting principles generally accepted in the Republic of China. The Group’s significant accounting polices are summarized below:

(1) Basis for preparation of consolidated financial statements

A.All majority-owned subsidiaries and controlled entities are included in the consolidated financial statements. Effective January 1, 2008, the Company prepares consolidated financial statements on a quarterly basis. Any entity acquired is consolidated starting the acquisition date; once the Company loses its controlling power over an entity, the entity is excluded from the consolidation, and any effect is not retrospective.

B.Significant inter-company transactions and assets and liabilities arising from inter-company transactions are eliminated.

C.Subsidiaries included in the consolidated financial statements and their changes in 2011

Investor	Subsidiary	Main activities	Ownership (%) December 31, 2011	Ownership (%) December 31, 2010	Description
The Company	TTSC	Cargo loading and discharging	55.00	55.00	
〃	Peony	Investments in transport-related business	100.00	100.00	
〃	ETS	Terminal Services	100.00	-	
Peony	GMS	Container Shipping	100.00	100.00	
〃	Clove	Investments holding company	100.00	100.00	
〃	Vigor	〃	100.00	100.00	
〃	EMU	Container shipping	51.00	51.00	
〃	EHIC(M)	Manufacturing of dry steel containers and container parts	84.44	84.44	
〃	Armand N.V.	Investments holding company	70.00	70.00	
〃	SGTC	Loading, discharging,storage, repairs, cleaning and inland transportation of containers	55.00	55.00	

Investor	Subsidiary	Main activities	Ownership (%) December 31, 2011	Ownership (%) December 31, 2010	Description
Peony	KTIL	Loading, discharging,storage, repairs and cleaning	20.00	20.00	
〃	MBPI	Containers storage and inspections of containers at the customs house	95.03	95.03	
〃	MBT	Inland transportation, repairs and cleaning of containers	17.39	17.39	
〃	EGS	Agency services dealing with port formalities	51.00	51.00	
〃	EGK	〃	100.00	100.00	
〃	EMI	〃	51.00	51.00	
〃	EGT	〃	51.00	51.00	
〃	EGI	〃	99.99	99.99	
〃	EMA	〃	67.50	67.50	
〃	EIT	〃	55.00	55.00	
〃	EES	〃	55.00	55.00	
〃	ERU	〃	51.00	51.00	
〃	EGD	〃	100.00	100.00	
〃	EGUD	〃	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership (%) December 31, 2011	Ownership (%) December 31, 2010	Description
Peony	EGD-WWX	Agency services dealing with port formalities	100.00	100.00	
〃	EGF	〃	100.00	99.40	
〃	EGN	〃	100.00	100.00	
〃	EGV	〃	51.00	51.00	
〃	ESA	〃	55.00	55.00	
〃	EGB	Real estate leasing	95.00	95.00	
EMU	Island	Investments holding company	15.00	15.00	
〃	KTIL	Loading, discharging,storage, repairs and cleaning	20.00	20.00	
Clove	Ample	Investments holding company	90.00	90.00	
〃	Island	〃	36.00	36.00	
Armand N.V.	Armand B.V.	〃	100.00	100.00	

			Ownership (%)		
Investor	Subsidiary	Main activities	December 31, 2011	December 31, 2010	Description
Island	Whitney	Investments and leases of operating machinery and equipment of port terminals	100.00	100.00	
〃	Hemlock	〃	100.00	100.00	
MBPI	MBT	Inland transportation, repairs and cleaning of containers	72.95	72.95	

(a)For the information on investee companies included in the consolidated financial statements for the year ended December 31, 2011, please refer to Note 11.

(b)Subsidiaries that are included in the consolidated financial statements:

①100% of ETS's equity was acquired by The Company on April 29, 2011. ETS had been consolidated thereafter.

②On June 24,2011, EGF changed it's characteristics from Evergreen Shippping Agency France S.A. to Evergreen Shippping Agency France S.A.S., and Peony increased the holding shares from 99.4% to 100%

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

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

F.Special operating risks in foreign subsidiaries: None.

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

H.Contents of subsidiaries' securities issued by the parent company: None.

I.Information on convertible bonds and common stock issued by subsidiaries: None.

(2) Translation of financial statements of foreign subsidiaries

Assets and liabilities of foreign subsidiaries are translated into New Taiwan dollars using the exchange rates at the balance sheet date. Equity accounts are translated at historical rates except for beginning retained earnings, which are carried forward from prior year's balance. Dividends are translated at the rates prevailing at the date of declaration. Profit and loss accounts are translated at weighted-average rates of the year. The resulting translation differences are included in "cumulative translation adjustments" under stockholders' equity.

(3) Foreign currency transactions

A. Transactions denominated in foreign currencies are translated into New Taiwan Dollars and their functional currencies at the spot exchange rates prevailing at the transaction dates. Exchange gains or losses due to the difference between the exchange rate on the transaction date and the exchange rate on the date of actual receipt and payment are recognized in current year's profit or loss.

B. Monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses are recognized in profit or loss.

C. When a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss shall be recognized directly in equity. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss shall be recognized in profit or loss. However, non-monetary items that are measured on a historical cost basis are translated using the exchange rate at the date of the transaction.

(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 consumed, or are intended to be sold 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 arising from operating activities 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.

(5) Cash and cash equivalents

Cash equivalents refer to other short-term highly liquid investments which are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value resulting from fluctuations in interest rates. The consolidated statements of cash flows were prepared on the basis of cash and cash equivalents.

(6) Financial assets and financial liabilities at fair value through profit or loss

A. Equity financial instruments are recognized and derecognized using trade date accounting; whereas debt, beneficiary certificate, and derivative financial instruments are recognized and derecognized using settlement date accounting. These instruments are initially recognized at their fair values.

B. These financial instruments are subsequently remeasured and stated at fair value, and the gain or loss is recognized in profit or loss. The fair value of listed stocks, OTC stocks and closed-end mutual funds is based on latest quoted fair prices of the accounting period. The fair value of open-end and balanced mutual funds is based on the net asset value at the balance sheet date.

C. When a derivative is an ineffective hedging instrument, it is initially recognized at fair value on the date a derivative contract is entered into and is subsequently remeasured at its fair value. If a derivative is a non-option derivative, the fair value initially recognized is zero.

D. For call options, put options and conversion rights without character of equity, which are embedded in corporate bonds payable, please refer to Note 2 (16).

E. Financial assets and financial liabilities designated as at fair value through profit or loss at inception are those that conform to one of the following conditions：

(a) Hybrid products.

(b) As a result of the designation, measurement and recognition inconsistency could be decreased significantly or eliminated.

(c) The financial products are managed under the method of risk management and investment strategy management established by the Company and performance of the product is assessed by fair value.

(7) Available-for-sale financial assets

A. Equity financial instruments are recognized and derecognized using trade date accounting. These instruments are initially recognized at their fair values plus transaction costs that are directly attributable to the acquisition.

B. The financial assets are remeasured and stated at fair value, and the gain or loss is recognized in equity, until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in equity shall be recognized in profit or loss. The fair value of listed stocks and OTC stocks and closed-end mutual funds are based on latest quoted fair prices of the accounting period. The fair values of open-end and balanced mutual funds are based on the net asset value at the balance sheet date.

C. If there is any objective evidence that the financial asset is impaired, the cumulative loss that has been recognized directly in equity shall be transferred from equity to profit or loss. When the fair value of an equity instrument subsequently increases, impairment losses recognized previously in profit or loss shall not be reversed. When the fair value of a debt instrument subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss recognized in profit or loss.

(8) Held-to-maturity financial assets

A. Held-to-maturity financial asset is recognized or derecognized using trade date accounting and is stated initially, at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

B. The financial assets are carried at amortized cost.

C. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. If the fair value of the financial asset subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. The book value after such reversal should not exceed the amortized had no impairment loss been recognized.

(9) Financial assets and financial liabilities carried at cost

A. Financial assets and financial liabilities carried at cost are recognized or derecognized using trade date accounting and are stated initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

B. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. Such impairment loss shall not be reversed when the fair value of the asset subsequently increases.

(10) Notes and accounts receivable, other receivables

A. 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 and accounts receivable and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

B. The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. If such evidence exists, a provision for impairment of financial asset is recognized. The amount of impairment loss is determined based on the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the fair value of the asset subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. Such recovery of impairment loss shall not result to the asset's carrying amount greater than its amortized cost where no impairment loss was recognized. Subsequent recoveries of amounts previously written off are recognized in profit or loss.

(11) Inventories

Inventories refer to fuel inventories and steel inventories. Fuel inventories are physically measured by the crew of each ship and reported back to the Head Office through telegraph for recording purposes at balance sheet date. Valuation of inventories is based on the exchange rate prevailing at balance sheet date. The perpetual inventory system is adopted for steel inventory recognition. Steel inventories are stated at cost. The cost is determined using the weighted-average method. At balance sheet date, inventories are evaluated at the lower of aggregate cost or net realizable value. The market value is based on the replacement cost for raw materials and supplies and net realizable value for work in process, finished goods and merchandise.

(12) Long-term equity investments accounted for under the equity method

A.Long-term equity investments in which the Group holds more than 20% of the investee company's voting shares or has significant influence on the investee's operational decisions are accounted for under the equity method. The excess of the initial investment cost over the acquired net asset value of the investee attributable to goodwill is no longer amortized, effective January 1, 2006. Retrospective adjustment of the amount of goodwill amortized in previous year is not required. The excess of acquired net asset value of investee over the initial investment cost is allocated proportionately and applied as a reduction to the book values of identifiable non-current assets, and any remaining amount of such excess after this allocation is credited to extraordinary gains. Negative goodwill, incurred before December 31, 2005, should still be amortized.

B.Exchange differences arising from translation of financial statements of overseas investee companies accounted for under the equity method are recorded as "cumulative translation adjustments" under stockholders' equity.

(13) Property, plant and equipment

A.Property, plant and equipment are stated at cost. Interests incurred on the loans used to bring the assets to the condition and location necessary for their intended uses are capitalized.

B.Depreciation is provided under the straight-line method based on the assets' estimated economic service lives. Salvage value of the fully depreciated assets that are still in use is depreciated based on the re-estimated economic service lives.

C.Major improvements and renewals are capitalized and depreciated accordingly. Maintenance and repairs are expensed as incurred.

D. Rents paid on capital leases are capitalized and depreciated accordingly. Lease assets whose ownerships are transferred at the end of the lease term or which contain a bargain purchase option are depreciated over the estimated useful lives; lease assets other than these are depreciated over the lease term.

(14) Deferred charges

Deferred charges refer to the expenses incurred for dock and wharf equipment, computer software and cable installation. In addition to dock and wharf equipment amortized by the lease period. The expenses incurred are amortized on a straight-line basis and the remaining are amortized 3 years.

(15) Impairment of non-financial assets

The Group recognizes impairment loss when there is an indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. When the impairment no longer exists, the impairment loss recognized in prior years shall be recovered.

(16) Corporate bonds payable

A.For the bonds payable issued after January 1, 2006, in which call option, put option and conversion rights are embedded, the issuer of a financial instrument shall classify the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument. These bonds are accounted for as follows:

(a)The difference between the issue price and face value of corporate bonds is accounted for as premium or discount which is required to be amortized over the period from the date of issuance to maturity date using the interest method and is recorded as "interest expense".

(b)The value of any derivative features (such as a call option and put option) embedded in the compound financial instrument is recognized as "financial assets or financial liabilities at fair value through profit or loss". These derivative features are subsequently remeasured and stated at fair value on each balance sheet date, and the gain or loss is recognized in "gain or loss on valuation of financial assets or financial liabilities". At the expiration date, if the fair value of common stock exceeds the exercise price of put option, the fair value of the put option is recognized as "paid-in capital"; however, if the fair value of common stock is lower than the exercise price, the fair value of the put option is recognized as "gain or loss".

(c)A conversion option embedded in the bonds issued by the Company, which is convertible to an equity instrument, is recognized in "capital reserve from stock warrants". When a bondholder exercises his/her conversion rights, the liability component of the bonds (including corporate bonds and embedded derivatives) shall be revalued at fair value on the conversion date, and the resulting difference shall be recognized as "gain or loss" in the current period. The book value of the common stock issued due to the conversion shall be based on the adjusted book value of the above-mentioned liability component plus the book value of the stock warrants.

(d)Costs incurred on issuance of convertible bonds are proportionally charged to the liabilities and equities of the underlying instruments based on initial recognition costs.

B.If the bondholders have the right, within one year, to exercise the put option embedded in bonds, the Company should classify the bond under current liability. After the right expires, the corporate bonds unconverted or not exchanged should be reclassified under non-current liability.

(17) Pensions

Under the defined benefit pension plan, net periodic pension costs are recognized in accordance with the actuarial calculations. Net periodic pension costs include service cost, interest cost, and expected return on plan assets, amortization of unrecognized net transition obligation and gains or losses on plan assets. Unrecognized net transition obligation is amortized on a straight-line basis over 15 years. Under the defined contribution pension plan, net periodic pension costs are recognized as incurred.

(18) Income taxes

A. Inter-period and intra-period income tax allocation methods are employed. Over or under provision of prior years' income tax liabilities is included in current year's income tax. When a change in the tax laws is enacted, the deferred tax liability or asset should be recomputed accordingly in the period of change. The difference between the new amount and the original amount, that is, the effect of changes in the deferred tax liability or asset, should be recognized as an adjustment to income tax expense (benefit) for income from continuing operations in the current period.

B. Investment tax credits arising from expenditures incurred on acquisitions of equipment or technology, research and development, employees' training, and equity investments are recognized in the year the related expenditures are incurred.

C. 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..

(19) Employees' bonuses and directors' and supervisors' remuneration

Effective January 1, 2008, pursuant to EITF96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007, "Accounting for Employees' Bonuses and Directors' and Supervisors' Remuneration", the costs of employees' bonuses and directors' and supervisors' remuneration are accounted for as expenses and liabilities, provided that such a recognition is required under legal or constructive obligation and those amounts can be estimated reasonably. However, if the accrued amounts for employees' bonuses and directors' and supervisors' remuneration are significantly different from the actual distributed amounts resolved by the stockholders at their annual stockholders' meeting subsequently, the differences shall be recognized as gain or loss in the following year. In addition, according to EITF97-127 of the Accounting Research and Development Foundation, R.O.C., dated March 31, 2008, "Criteria for Listed Companies in Calculating the Number of Shares of Employees' Stock Bonus", the Company calculates the number of shares of employees' stock bonus based on the closing price of the Company's common stock at the previous day of the stockholders' meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

(20) Revenue, cost and expense recognition

Revenues is recognized when the earning process is substantially completed and are realized or realizable. Costs and expenses are recognized as incurred.

(21) Use of estimates

A. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those assumptions and estimates.

B. Accrued expenses are recorded at the amounts stated in the original supporting documents. Foreign port charges without supporting documents are estimated based on past records and period-end sailing schedules. Differences between the expenses actually incurred in the following year and the estimated accrued expenses are credited or charged to operating costs or expenses in the following year.

(22) Operating segments

The information on operating segments is consistent with that of internal management reports provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

In accordance with R.O.C. SFAS No. 41, "Operating Segments", the consolidated financial statements are required to disclose segment information. However, segment information is not required in the separate financial statements.

3. CHANGES IN ACCOUNTING PRINCIPLES

(1) Notes and accounts receivable, other receivables

Effective January 1, 2011, the Group adopted the amendments of R.O.C. SFAS No. 34, "Financial Instruments: Recognition and Measurement". The losses on impairment are incurred if there is objective evidence of impairment. This change in accounting principle had no effect on net consolidated net loss and consolidated losses per share for the year ended December 31, 2011.

(2) Operating segments

Effective January 1, 2011, the Group adopted the newly issued R.O.C. SFAS No. 41, "Operating Segments" to replace the original R.O.C. SFAS No. 20, "Segment Reporting". In accordance with such standard, the Group re-prepared the segment information for 2010 upon the first adoption of R.O.C. SFAS No. 41. This change in accounting principle had no significant effect on consolidated net (loss) income and consolidated (losses) earnings per share for the years ended December 31, 2011 and 2010.

4. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2011	December 31, 2010
Cash	$ 22,989	$ 30,788
Checking accounts	1,017,506	509,567
Demand deposits	781,753	947,025
Foreign currency deposits	3,508,988	2,972,687
Time deposits (New Taiwan Dollars)	3,243,500	1,174,521
Time deposits (Foreign currencies)	14,128,710	14,122,814
Cash equivalents	299,664	-
Add(Less): Unrealized foreign exchange (loss) gain	3,148	(41,311)
	$ 23,006,258	$ 19,716,091
Interest rates on the above time deposits	0.01%~14.00%	0.05%~14.00%

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

	December 31, 2011	December 31, 2010
Current items:		
Trading financial assets		
Listed (TSE and OTC) stocks	$ 10,292	$ 290
Beneficiary certificates	2,366,704	2,041,462
Interest rate swap (IRS)	-	158
Cross currency swap (CCS)	1,824	5,215
	2,378,820	2,047,125
Adjustments	(146,142)	(132,824)
	$ 2,232,678	$ 1,914,301
Non-current item:		
Financial assets designated as at fair value through profit or loss		
Corporate bonds	$ 100,000	$ 100,000
Adjustments	(37,041)	4,287
	$ 62,959	$ 104,287

A.As of December 31, 2011 and 2010, the Group recognized net loss of $36,992 and $90,590, respectively.

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

(3) Available-for-sale financial assets

	December 31, 2011	December 31, 2010
Non-current items:		
Listed (TSE and OTC) stocks		
Central Reinsurance Corp.	$ 490,801	$ 490,801
Fubon Financial Holding Co., Ltd.	1,523	3,871
	492,324	494,672
Adjustments	110,580	462,436
	$ 602,904	$ 957,108

(4) Held-to-maturity financial assets

	December 31, 2011	December 31, 2010
Current item:		
Financial bonds	$ 951,382	$ -
Non-current items:		
Financial bonds	$ 370,000	$ 1,315,915
Corporate bonds	-	1,820,000
	$ 370,000	$ 3,135,915

(5) Financial assets carried at cost

	December 31, 2011	December 31, 2010
Non-current item:		
Unlisted stocks	$ 1,515,391	$ 4,497,128

A.In June 2011, Fu-Ji Management Consultancy Co., Ltd. (formerly known as Fubon Securities Finance Co., Ltd.) an investee accounted for under the cost method, reduced its capital. The conversion rate on the capital reduction was 98.44%, and the amount returned to the stockholders was $10 (in dollars) (par value) per share. As a result of the capital reduction, the proceeds received by the Company based on its proportionate equity interest in Fu-Ji Management Consultancy Co., Ltd. amounted $62,107 and the carrying amount of the Company's investment in Fu-Ji Management Consultancy Co., Ltd. was written down by $476. Accordingly, $61,631 of income was generated, which was recorded under "non-operating income – others".

B.The Board of Directors adopted a resolution of Clove Holding Ltd. ("Clove") held by the "Classic" Outlook Investment Ltd. ("Classic") and Everup Profit Ltd.("Everup") USD29 per share, all shares sold, a total of USD128,120, net of Classic and Everup equity book value, the disposition of this transactions Clove investment income for the USD25,761.

C.The Group's investments in unlisted securities was measured at cost since its fair value cannot be measured reliably.

(6) Accounts receivable, net

	December 31, 2011	December 31, 2010
Non-related parties	$ 7,853,755	$ 9,655,574
Add (Less) : Unrealized foreign exchange gain (loss)	735	(23,461)
Less: Allowance for doubtful accounts	(18,887)	(18,355)
	7,835,603	9,613,758
Related parties	142,525	297,685
	$ 7,978,128	$ 9,911,443

(7) Other financial assets - current

	December 31, 2011	December 31, 2010
Futures transaction margin	$ -	$ 158,383

(8) Inventories

	December 31, 2011	December 31, 2010
Ship fuel	$ 3,688,168	$ 2,709,121
Steel and others	1,126,618	827,206
	$ 4,814,786	$ 3,536,327

(9) Other current assets

	December 31, 2011	December 31, 2010
Agent accounts	$ 928,886	$ 1,173,694
Agency reciprocal accounts	1,353,068	348,828
Temporary debits	1,137,404	146,852
	$ 3,419,358	$ 1,669,374

A.Agency accounts

These accounts occur when domestic and foreign agencies, based on the agreement with the Group, 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.

B. Agency reciprocal accounts

Temporary accounts between the Group and Evergreen International S.A., Gaining Enterprise S.A., Italia Marittima S.p.A., Evergreen Marine (Hong Kong) Ltd. and Evergreen Marine (Singapore) Pte. Ltd. These accounts occur as these agencies incur foreign port expenses and related rental expenses.

(10) Long-term equity investments accounted for under the equity method

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

	December 31, 2011	Carrying amount	
	Percentage	December 31,	
Investee company	of ownership	2011	2010
Charng Yang Development Co., Ltd.	40.00%	$ 609,794	$ 575,326
Evergreen International Storage and Transport Corporation	39.74%	7,991,293	8,418,428
EVA Airways Corporation	19.32%	7,315,432	7,848,925
Taipei Port Container Terminal Corporation	27.87%	1,180,746	1,208,758
Luanta Investment (Netherlands) N.V.	50.00%	2,522,258	2,444,745
Balsam Investment (Netherlands) N.V.	49.00%	1,434,080	3,257,816
Colon Container Terminal S.A.	36.00%	2,195,474	2,035,250
Evergreen Container Terminal (Thailand) Ltd.	-	-	821,994
Others		670,668	752,065
		$ 23,919,745	$ 27,363,307

B. Investment income (loss) accounted for under the equity method for the year ended December 31, 2011 and 2010 is set forth below:

Investee company	For the years ended December 31, 2011	2010
Charng Yang Development Co. Ltd.	$ 59,868	$ 56,468
Evergreen International Storage and Transport Corporation	305,923	471,098
EVA Airways Corporation	40,375	2,321,099
Taipei Port Container Terminal Corporation	(28,011)	(54,659)
Luanta Investment (Netherlands) N.V.	(153,568)	(201,841)
Balsam Investment (Netherlands) N.V.	(2,375,158)	1,265,490
Colon Container Terminal S.A.	118,642	132,531
Evergreen Container Terminal (Thailand) Ltd.	-	251,950
Others	93,394	95,290
	($ 1,938,535)	$ 4,337,426

C.The Board of Directors on March 22, 2011 adopted a resolution of Peony Investment S.A.(Peony) held by long-term equity investment Evergreen Container Terminal (Thailand) Ltd. (ECTT) USD4.27 per share, all shares sold, a total of USD39,200, net of ECTT equity book value, the disposition of this transaction Peony investment income for the USD10,754.

D.On July 23, 2009, the Company issued its first domestic secured exchangeable bonds based on the resolution by the Board of Directors. Pursuant to the terms of issuance, the bondholders may exchange the exchangeable bonds into the common stocks of Evergreen International Storage and Transport Corporation (EITC) during the period from one month after the exchangeable bonds are issued to 10 days before the maturity of the exchangeable bonds. The Company has already appropriated 86,595 thousand shares of common stock of Evergreen International Storage and Transport Corporation to the account in Taiwan Depository and Clearing Corporation, for the use of exchange from exchangeable bonds to common stock of EITC. (For details of the issuance terms of the exchangeable bonds, please refer to Note 4(15)).

(11) Property, plant and equipment

Asset	December 31, 2011 Initial cost	Accumulated depreciation	Net book value
Land	$ 2,177,397	$ -	$ 2,177,397
Buildings	2,898,319	(1,268,501)	1,629,818
Machinery equipment	724,077	(572,786)	151,291
Loading and unloading equipment	6,420,851	(4,535,733)	1,885,118
Computer and communication equipment	319,673	(262,469)	57,204
Transportation equipment	25,093,249	(13,815,039)	11,278,210
Ships	53,534,978	(25,046,462)	28,488,516
Office equipment	507,486	(385,401)	122,085
Lease assets	2,489,407	(49,915)	2,439,492
Leasehold improvements	16,604	(6,143)	10,461
	94,182,041	(45,942,449)	48,239,592
Construction in progress and prepayments for equipment	16,523,249	-	16,523,249
	$ 110,705,290	($ 45,942,449)	$ 64,762,841

Asset	December 31, 2010 Initial cost	Accumulated depreciation	Net book value
Land	$ 2,173,390	$ -	$ 2,173,390
Buildings	2,920,953	(1,309,106)	1,611,847
Machinery equipment	718,259	(547,774)	170,485
Loading and unloading equipment	7,965,773	(4,879,032)	3,086,741
Computer and communication equipment	297,946	(258,481)	39,465
Transportation equipment	23,583,460	(12,394,327)	11,189,133
Ships	49,271,864	(21,726,921)	27,544,943
Office equipment	502,976	(371,449)	131,527
Lease assets	8,278	(7,333)	945
Leasehold improvements	15,841	(5,635)	10,206
	87,458,740	(41,500,058)	45,958,682
Construction in progress and prepayments for equipment	6,771,838	-	6,771,838
	$ 94,230,578	($ 41,500,058)	$ 52,730,520

A. All the aforementioned ships have been insured based on the market value of each vessel or the requirement of the creditor banks. As of December 31, 2011 and 2010, the insurance coverage amounted to USD1,337,820 and USD1,361,700, respectively. In addition, the ships were covered by the protection and indemnity insurance with GARD. The indemnity amounts were unlimited except for oil pollution which was limited to USD 8 billion and 5 billion as of December 31, 2011 and 2010.

B. The Group's loading and unloading equipment were covered by the general insurance for construction machinery with insurance coverage amounting to $6,004,878 and $6,108,545 as of December 31, 2011 and 2010, respectively. The fire and car insurance coverage for the office equipment and building was $4,313,542 and $3,936,788 as of December 31, 2011 and 2010, respectively. Container facilities were insured with full coverage amounting to USD631,663 and USD632,591 as of December 31, 2011 and 2010, respectively.

C. The interest capitalization of fixed assets for the year ended December 31, 2011 was $45,572.

(12) Short-term loans

	December 31, 2011	December 31, 2010
Unsecured loans	$ 3,910,312	$ 2,602,020
Less: Unrealized foreign exchange gain	-	1,152
	$ 3,910,312	$ 2,603,172
Interest rate	1.29~2.50%	0.69%~0.76%

(13) Financial liabilities at fair value through profit or loss

	December 31, 2011	December 31, 2010
Current items:		
Trading financial liabilities		
Interest rate swap	$ 250,083	$ 238,467
Cross currency swap	-	72,338
Foreign exchange option	-	271,141
Embedded derivatives	5,163	260,928
	$ 255,246	$ 842,874

A. As of December 31, 2011 and 2010, the Group recognized net gain of $232,863 and $390,685, respectively.

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

(14) Long-term liabilities - current portion

	December 31, 2011	December 31, 2010
Corporate bonds payable	$ 2,955,661	$ 1,156,100
Long-term bank loans	4,147,151	5,786,892
	$ 7,102,812	$ 6,942,992

(15) Corporate bonds payable

	December 31, 2011	December 31, 2010
Domestic unsecured convertible bonds	$ 594,100	$ 1,252,700
Domestic secured exchangeable bonds	2,500,000	2,500,000
Less: Discount on corporate bonds	(138,439)	(377,825)
	2,955,661	3,374,875
Less: Current portion	(2,955,661)	(1,156,100)
	$ -	$ 2,218,775

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

a)Period: 3 years (July 23, 2009 to July 23, 2012)

b)Coupon rate: 0% per annum

c)Principal repayment and interest payment

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

d) Collaterals

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

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

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

e) Object exchanged

Common stock of Evergreen International Storage and Transport Corporation (EITC) which belongs to the Company (Related information is stated in Note 4 (10)).

f) Redemption at the Company’s option

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

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

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

g) Terms of exchange

(a)Exchange period

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

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

(b)Exchange price

The base day for setting exchange price is July 15, 2009. The exchange price can be any of the three average closing prices of the common stock of EITC during the 1, 3 and 5 trading days before the base day multiplied by the number ranging from 101.00% to 110.00%. If any cash or stock dividends are distributed before the base day, the closing price used in the computation of the exchange price must be adjusted for the effect of the dividend distribution. If any cash or stock dividends are distributed during the period from the date on which the exchange price is set to the date on which the Exchangeable Bonds are issued, the exchange price is required to be adjusted in accordance with the adjusting formula specified in the bond agreement. The exchange price at the issuance of the Exchangeable Bonds was set at $30.31(in dollars). Until the report release date, the exchange price at the issuance of the Exchangeable Bonds was set at $28.87(in dollars).

h) Entitlement to cash dividends

The bondholders who request to exchange the Exchangeable Bonds during the period from January 1 of the current year to any date which is more than 3 trading days before the announcement of cash or stock dividends are entitled to the cash or stock dividends resolved by the stockholders in the current year. Exchange of the Exchangeable Bonds is prohibited during the period from 3 trading days before the announcement of cash or stock dividends to the ex-dividend date.

The bondholders who request to exchange the Exchangeable Bonds during the period from the date following the ex-dividend date to December 31 of the current year are not entitled to the cash or stock dividends resolved by the stockholders in the current year, but are entitled to the cash or stock dividends resolved by the stockholders in the following year.

i) Others

The Company did not repurchase the Exchangeable Bonds and the bondholders did not exercise the exchange right before December 31, 2011.

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

a) Period: 5 years (August 7, 2009 to August 7, 2014)

b) Coupon rate: 0% per annum

c) Principal repayment and interest payment

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

d) Collaterals

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

e) Redemption at the Company's option

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

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

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

f) Redemption at the bondholders' option

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

g) Terms of conversion

(a)Conversion period

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

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

(b)Conversion price

The base day for setting conversion price is July 30, 2009. The conversion price can be any of the three average closing prices of the Company's common stock during the 1, 3 and 5 trading days before the base day multiplied by 101.00%. If any cash or stock dividends are distributed before the base day, the closing price used in the computation of the conversion price must be adjusted for the effect of the dividend distribution. If any cash or stock dividends are distributed during the period from the date on which the conversion price is set to the date on which the Third Bonds are issued, the conversion price is required to be adjusted in accordance with the adjusting formula specified in the bond agreement. The conversion price at the issuance of the Third Bonds was set at $20.04 (in dollars). Until the report release date, the conversion price at the issuance of the Exchangeable Bonds was set at $17.20(in dollars).

h) Entitlement to cash dividends

The bondholders who request to convert the Third Bonds during the period from January 1 of the current year to any date which is more than 3 trading days before the announcement of cash or stock dividends are entitled to the cash or stock dividends resolved by the stockholders in the current year. Conversion of the Third Bonds is prohibited during the period from 3 trading days before the announcement of cash or stock dividends to the ex-dividend date.

The bondholders who request to convert the Third Bonds during the period from the date following the ex-dividend date to December 31 of the current year are not entitled to the cash or stock dividends resolved by the stockholders in the current year, but are entitled to the cash or stock dividends resolved by the stockholders in the following year.

i) Others

As of years ended December 31, 2011, the Third Bond holders to request convertible bonds of the Company common stock, total convertible bonds face value was $ 1,905,900. Convertible for the Third Bonds to increase conversion transaction capital reserves - paid-in capital in excess of par value of common stock $1,004,958 and reduce the capital reserves - stock warrants $ 195,320.

C.The conversion rights and debt component of the Third Bonds, abovementioned, are recognized separately in accordance with R.O.C. SFAS No. 36. The issuance cost of the Third Bonds is allocated to debt and equity components by the amount initially recognized. Accordingly, the account of "capital reserve - stock warrants" amounted to $256,205. The net value of the rights of repurchase and resold embedded in bonds payable was separated from bonds payable, and was recognized in "financial liabilities at fair value through profit or loss" in accordance with R.O.C. SFAS No. 34.

(16) Long-term loans

	December 31, 2011	December 31, 2010
Secured bank loans	$ 18,607,027	$ 16,602,217
Unsecured bank loans	23,367,955	11,586,149
Less: unrealized foreign exchange gain	41,890	(80,840)
Less: deferred expenses - hosting fee credit	(6,196)	(9,634)
	42,010,676	28,097,892
Less: current portion	(4,147,151)	(5,786,892)
Others	-	1,828,352
	$ 37,863,525	$ 24,139,352
Interest rate	0.95%~9.38%	0.75%~9.38%

Please refer to Note 6 for details of the collaterals pledged for the above long-term loans.

(17) Pension

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

B.Information on recognition in conformity with actuarial report is set forth below:

a) Actuarial assumptions

	December 31, 2011	December 31, 2010
Discount rate	2.00%	2.25%
Increase in future salary level	2.00%	2.00%
Expected rate of return on plan assets	2.00%	2.00%

b)Reconciliation of the funded status of the plan to the carrying amount of accrued pension liability is as follows:

	December 31, 2011	December 31, 2010
Benefit obligations:		
Vested benefit obligation (VBO)	($ 284,443)	($ 264,199)
Non-vested benefit obligation	(1,626,402)	(1,280,282)
Accumulated benefit obligation (ABO)	(1,910,845)	(1,544,481)
Effects of future salary increments	(247,168)	(343,017)
Projected benefit obligation (PBO)	(2,158,013)	(1,887,498)
Fair value of plan assets	460,033	464,606
Funded status	(1,697,980)	(1,422,892)
Unrecognized net transaction obligation	46,592	52,417
Unamortized prior service cost	14,465	16,073
Unrecognized loss on plan assets	1,157,923	933,729
Additional accrued pension liability	(971,813)	(659,202)
Accrued pension liability	($ 1,450,813)	($ 1,079,875)

c)The pension costs comprise the following:

	2011	2010
Service cost	$ 34,801	$ 45,092
Interest cost	41,563	34,647
Expected return on plan assets	(11,404)	(12,044)
Deferred amortization		
Unrecognized net transaction obligation	5,824	25,900
Prior service cost	2,112	1,607
Unrecognized loss on plan assets	57,199	33,401
Net pension costs	$ 130,095	$ 128,603

C.Effective July 1, 2005, the Company and its subsidiary-TTSC established a funded defined contribution pension plan (the “New Plan”) under the Labor Pension Act (“the Act”). Employees have the option to be covered under the New Plan. Under the New Plan, the Company and its subsidiary-TTSC contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits are to be paid monthly or in lump sum upon termination of employment.

D.The pension costs under the defined benefit plan and the defined contribution plan for the years ended December 31, 2011 and 2010 were $159,394 and $159,977, respectively.

(18) Capital stock

A.As of December 31, 2011, the Company's authorized capital was $36,000,000, and the paid-in capital was $34,734,581, divided into 3,473,458 thousand shares of common stocks with a par value of $10 (in dollars) per share.

B.Details of the common stock converted from the unsecured domestic convertible bonds issued by the Company for the years ended December 31, 2011 and 2010 are set forth below:

	For the years ended December 31,			
	2011		2010	
	No. of Shares (in 000's)	Amount	No. of Shares (in 000's)	Amount
Third unsecured convertible bonds	32,864	$ 328,642	62,240	$ 622,403

(19) Capital reserve

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

B.Information related to "capital reserve from stock warrants" is stated in Note 4(15).

(20) Appropriation of retained earnings and dividend policy

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

B.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.

C.Special reserve

If there is any negative stockholders' equity item recognized by the Company, such as unrealized loss on the decline in market value of long-term equity investments and cumulative translation adjustments, the Company is required to set aside an amount equal to the amount of the negative stockholders' equity item as special reserve from the after-tax net income. If the negative stockholders' equity items are subsequently reversed, an amount not exceeding the reversed amount can be appropriated from the special reserve.

D.Appropriation of the 2010 and 2009 earnings as resolved by the stockholders on June 24, 2011 and June 18, 2010, respectively, is set forth below:

	2010		2009	
	Total Amount	Dividend per share (in dollars)	Total Amount	Dividend per share (in dollars)
Legal Reserve	$ 1,516,545		$ -	
Special reserve	3,621,980		-	
Cash dividends	3,157,544	$ 1.0	-	$ -
Cash bonus to employees	3,157,544	1.0	-	-

The appropriation of 2010 earnings stated above is the same as that proposed by the Board of Directors on March 22, 2011.

E.On March 16, 2012, the earnings available for appropriation had been resolved not to appropriate by the Board of Directors in order to facilitate future operating plans. As of March 27, 2012, the above-mentioned 2011 earnings appropriation had not been approved by the stockholders.

F.The estimated amounts of employees' bonus and directors' and supervisors' remuneration of 2010 were $40,000 and $55,000 and is the same as that resolved by the Board of Directors in 2011.

G.The information on the appropriation of the Company's employees' bonus and directors' and supervisors' remuneration as resolved by the Board of Directors and approved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Operating revenue

	For the years ended December 31, 2011	For the years ended December 31, 2010
Marine freight income	$ 102,841,927	$ 104,680,813
Ship rental income	958,868	660,245
Commission income and agency service income	1,587,599	1,767,410
Container manufacturing income	289,147	261,955
Container income and others	2,478,517	1,982,753
	$ 108,156,058	$ 109,353,176

(22) Income tax

A. Income tax expsense is reconciled as follows:

	For the years ended December 31, 2011	For the years ended December 31, 2010
Income tax expenses	$ 260,647	$ 983,010
Add (Less):		
Prepaid and withholding taxes	(203,488)	(77,039)
Separate income tax	39,517	24,828
Parent Tax refund receivable	1,719	2,303
Adjustments for changes in tax estimates and effect of exchange rate changes	(32,112)	(26,265)
Net change in deferred income tax assets/ liabilities	117,855	(725,321)
Income tax payable	$ 184,138	$ 181,516

B. Deferred income tax assets and liabilities are as follows:

	December 31, 2011	December 31, 2010
Deferred income tax assets - current	$ 253,944	$ 315,468
Deferred income tax assets - non-current	96,582	78,447
Deferred income tax liabilities - current	(14)	(65)
Deferred income tax liabilities - non-current	(1,413,210)	(1,572,185)
Valuation allowance for deferred income tax assets	-	-
	($ 1,062,698)	($ 1,178,335)

C. Details of temporary differences, loss carryforwards and investment tax credits resulting in deferred income tax assets and liabilities are as follows:

	December 31, 2011		December 31, 2010	
	Amount	Tax effect	Amount	Tax effect
Current items:				
Bad debts expense	$ 1,937	$ 329	$ 1,766	$ 300
Unrealized gain	(63)	(14)	(267)	(65)
Unrealized foreign exchange loss	28,042	4,727	43,347	7,289
Loss on valuation of financial assets	131,424	22,342	131,424	22,342
Bonds issued cost	-	-	2,874	489
Property, plant and equipment and others	383	65	-	-
Loss on valuation of financial liabilities	-	-	337,501	57,375
Loss carryforwards	1,186,162	201,648	1,222,605	207,843
Investment tax credits	-	24,833	-	19,830
		$ 253,930		$ 315,403
Non-current items:				
Unrealized expense and losses	$ 52,344	$ 15,120	$ 23,101	$ 6,759
Pension expense	479,144	81,462	420,674	71,515
Bonds issued cost	-	-	1,020	173
Equity-accounted investment income	(7,936,746)	(1,354,294)	(8,934,533)	(1,527,007)
Property, plant and equipment and others	(236,197)	(58,916)	(181,914)	(45,178)
		($1,316,628)		($1,493,738)

D. The Company is eligible for investment tax credits under the Statute for Upgrading Industry. Details as of December 31, 2011 are as follows:

Qualifying item	Total tax credits	Unused tax credits	Final year tax credits are due
Significant Public Works	$ 36,000	$ 24,833	2015

E. As of December 31, 2011, losses available to be carried forward were as follows:

Year in which losses incurred	Amount filed	Losses available to be carried forward	Unused loss carryforwards	Final year losses can be carried forward
2009	$ 2,456,334	$ 417,577	$ 201,648	2019

F. As of December 31, 2011, the Company's income tax returns through 2009 has been assessed and approved by the Tax Authority.

G. Undistributed retained earnings

	December 31, 2011	December 31, 2010
Earnings generated in and before 1997	$ 5,570,596	$ 5,570,596
Earnings generated in and after 1998	3,291,427	17,837,278
	$ 8,862,023	$ 23,407,874

H.As of December 31, 2011 and 2010, the balance of the imputation tax credit account were $1,013,143 and $2,509,271, respectively. The creditable tax rate was 14.97% for 2010 and is estimated to be 30.78% for 2011.

(23) (Losses) Earnings per share

	For the year ended December 31, 2011				
	Amount		Weighted-average outstanding common shares (in thousands)	Losses per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Basic EPS					
Consolidated loss	($ 3,419,155)	($ 3,679,802)	3,469,771	($ 0.99)	($ 1.06)
Minority interest	545,832	587,441		0.16	0.17
Consolidated net loss	($ 2,873,323)	($ 3,092,361)		($ 0.83)	($ 0.89)
Dilutive effect of common stock equivalents:					
Convertible bonds	NOTE	NOTE	NOTE		
Dilutive EPS					
Consolidated net loss plus dilatve effect of common stock equivalents	($ 2,873,323)	($ 3,092,361)	3,469,771	($ 0.83)	($ 0.89)

Note：According to R.O.C. SFAS NO. 24, “Earnings Per Share”, the potential common stock should not be considered in calculation of basic earnings per share, due to net loss from continuing operation, which leads to anti-diluted effect.

	For the year ended December 31, 2010				
	Amount		Weighted-average outstanding common shares	Earnings per share (in dollars)	
	Before tax	After tax	(in thousands)	Before tax	After tax
Basic EPS					
Consolidated income	$ 18,755,577	$ 17,772,567	3,377,843	$ 5.55	$ 5.26
Minority interest	(2,751,317)	(2,607,116)		(0.81)	(0.77)
Consolidated net income	$ 16,004,260	$ 15,165,451		$ 4.74	$ 4.49
Dilutive EPS					
Consolidated income	18,755,577	17,772,567		$ 5.36	$ 5.08
Minority interest	(2,751,317)	(2,607,116)		(0.78)	(0.74)
Dilutive effect of common stock equivalents:					
Convertible bonds	47,693	47,693	128,225		
Employee profit-sharing	-	-	1,652		
Consolidated net income plus dilatve effect of common stock equivalents	$ 16,051,953	$ 15,213,144	3,507,720	$ 4.58	$ 4.34

The weighted-average outstanding common shares of 2010 have been adjusted retroactively in proportion to retained earnings capitalized during the years ended December 31, 2010 .

(24) Personnel, depreciation and amortization expenses

Personnel, depreciation and amortization expenses are summarized as follows:

	For the year ended December 31, 2011		
	Operating cost	Operating expense	Total
Personnel expenses			
Salaries	$ 1,485,326	$ 2,406,585	$ 3,891,911
Labor and health insurance	44,388	229,191	273,579
Pension expense	203,208	275,608	478,816
Others	123,973	92,266	216,239
Depreciation	5,149,181	114,821	5,264,002
Amortization	248,744	28,480	277,224

	For the year ended December 31, 2010		
	Operating cost	Operating expense	Total
Personnel expenses			
Salaries	$ 1,363,705	$ 2,518,724	$ 3,882,429
Labor and health insurance	34,236	209,416	243,652
Pension expense	200,289	285,637	485,926
Others	215,914	89,569	305,483
Depreciation	5,237,802	111,184	5,348,986
Amortization	276,743	33,908	310,651

5. RELATED PARTY TRANSACTIONS

(1) Names of the related parties and their relationship with the company

Names of related parties	Relationship with the Company
Evergreen International S.A. (EIS)	Major stockholder of the Company
Evergreen International Storage and Transport Corporation (EITC)	Investee accounted for under the equity method
EVA Airways Corporation (EVA)	Investee accounted for under the equity method
Evergreen Security Corporation (ESRC)	Investee accounted for under the equity method
Charng Yang Development Co., Ltd. (CYD)	Investee accounted for under the equity method
Taipei Port Container Terminal Corporation (TPCT)	Investee accounted for under the equity method
Evergreen International Corporation (EIC)	Investee of the Company’s major stockholder
Evergreen Airline Service Corporation (EGAS)	Investee of the Company’s major stockholder
Evergreen Marine (Hong Kong) Pte. Ltd. (EGH)	Investee of the Company’s major stockholder
Evergreen Marine (Singapore) Pte. Ltd. (EMS)	Investee of the Company’s major stockholder
Chang Yung-Fa Charity Foundation	Its chairman being the Company's director
Chang Yung-Fa Foundation	Its chairman being the Company's director
Ningbo Victory Container Co., Ltd. (NVC)	Investee of Peony
Qingdao Evergreen Container Storage and Transportation Co., Ltd. (QECT)	Investee of Peony
Green Peninsula Agencies SDN. BHD. (GPA)	Investee of Peony
Luanta Investment (Netherlands) N.V. (Luanta)	Investee of Peony
Balsam Investment N. V. (Balsam)	Investee of Peony

Names of related parties	Relationship with the Company
Evergreen Shipping Agency Co.(U.A.E) LLC(UAE)	Investee of Peony (Acquisition of in December, 2011)
Evergreen Container Terminal (Thailand) Ltd. (ECTT)	Investee of Peony (Disposal of in March, 2011)
Colon Container Terminal S.A. (CCT)	Investee of Peony
Taranto Container Terminal S.p.A. (TCT)	Investee of Luanta
Italia Marittima S.p.A.(ITS)	Investee of Balsam
Gaining Enterprise S.A. (GESA)	Investee of EITC
Seaside Transportation Service LLC. (STS)	Investee of ISLAND with significant influence
Sinotrans Group Shenzhen Co. (SGSC)	Investee of SGTC with significant influence

(2) Significant transactions and balances with related parties

A. Operating revenues from related parties

	For the years ended December 31,			
	2011		2010	
	Amount	% of Total Operating Revenues	Amount	% of Total Operating Revenues
EIC	$ 1,905,287	2	$ 1,831,264	2
EITC	91,125	-	94,864	-
EIS	140,052	-	267,962	-
EGH	447,607	-	445,124	-
ITS	614,043	1	582,953	1
EMS	860,756	1	803,694	1
STS	132,163	-	116,745	-
GESA	31,026	-	28,510	-
Others	-	-	27	-
	$ 4,222,059	4	$ 4,171,143	4

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

B. Expenditures on services rendered by related parties

	For the years ended December 31,			
	2011		2010	
	Amount	% of Total Operating Costs and Expenses	Amount	% of Total Operating Costs and Expenses
EITC	$ 551,703	-	$ 776,310	1
EIC	621,673	1	619,523	1
ESRC	45,174	-	46,718	-
TPCT	77,080	-	56,697	-
GESA	1,552,673	2	1,660,616	2
EIS	939,662	1	670,705	-
EGH	964,448	1	1,096,348	1
ITS	546,142	-	9,443	-
EMS	515,969	-	-	-
Others	5,761	-	5,456	-
	$ 5,820,285	5	$ 4,941,816	5

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

C. Asset transactions

a) Acquisitions of property, plant and equipment

		For the years ended December 31,	
	Items	2011	2010
EIC	Office equipment	$ 3,351	$ 274
EITC	Vessel-PRMT	502,254	-
"	Vessel-PRBT	492,993	-
"	Vessel-PRSP	470,324	-
		$ 1,468,922	$ 274

b) Disposal of property, plant and equipment

		For the years ended December 31,			
		2011		2010	
	Item	Price	Gain on disposal	Price	Gain on disposal
EVA	Office equipment	$ 1,626	$ -	$ -	$ -
EITC	Office equipment	32	32	-	-
"	Loading and unloading equipment	9,666	9,644	-	-
"	Computer and communication equipment	163	21	-	-
Chang Yung-Fa Charity Foundation	Transportation equipment - containers	-	-	88	82
		$11,487	$ 9,697	$ 88	$ 82

D.Lease

a) Rental income (recorded as non-operating income and gains) generated from the operating premises and parking lots leased to the related parties are as follows:

		For the years ended December 31,			
		2011		2010	
	Leasehold Property	Amount	% of Total Rental Income	Amount	% of Total Rental Income
EIC	Office building	$ 95,040	80	$ 94,708	78
"	Vehicles	1,056	1	1,122	1
EVA	Office building	1,595	1	497	-
ESRC	Parking lots	96	-	92	-
Chang Yung-Fa Charity Foundation	Office building	218	-	208	-
		$ 98,005	82	$ 96,627	79

b) Rental expense (recorded as general and administrative expenses) incurred for operating premises and parking lots leased from the related parties are as follows:

		For the years ended December 31,			
		2011		2010	
	Leasehold Property	Amount	% of Total Rental Expenses	Amount	% of Total Rental Expenses
EIC	Office buildings	$ 43,456	99	$ 43,047	99
EVA	Office buildings &Parking lots	53	1	221	1
		$ 43,509	100	$ 43,268	100

c) Rental expense incurred for the vessels and slot lease from the related parties are recorded as direct operating costs. Details are set forth below:

	For the years ended December 31,			
	2011		2010	
	Amount	% of Total Charter and Slottage Expenses	Amount	% of Total Charter and Slottage Expenses
EITC	$ 369,925	8	$ 603,087	17
GESA	1,552,673	35	1,660,616	46
EIS	939,662	21	670,705	19
ITS	546,142	12	9,443	-
EMS	515,969	11	-	-
EGH	4,232	-	4,785	-
	$ 3,928,603	87	$ 2,948,636	82

E.Receivables from and payables to related parties

The receivables from and payables to related parties bear no interest, and are set forth as follows:

	December 31, 2011		December 31, 2010	
Accounts receivable	Amount	% of Account Balance	Amount	% of Account Balance
EIC	$ 72,796	2	$ 115,167	1
EITC	22,889	-	22,062	-
ITS	22,549	-	48,207	1
EMS	11,120	-	100,207	1
Others	13,171	-	12,042	-
	$ 142,525	2	$ 297,685	3

	December 31, 2011		December 31, 2010	
Other receivables	Amount	% of Account Balance	Amount	% of Account Balance
EIC	$ 71,416	3	$ 62,237	3
Luanta	442,114	19	372,866	21
EIS	70,679	3	1,041	-
Others	7,131	-	97,946	6
	$ 591,340	25	$ 534,090	30

	December 31, 2011		December 31, 2010	
Accounts Payable	Amount	% of Account Balance	Amount	% of Account Balance
EIC	$ 30,148	1	$ 34,509	1
EITC	10,727	-	12,208	-
ITS	201,663	4	31,110	1
EIS	7,610	-	19,341	-
EMS	31,503	1	22,680	1
EGH	1,416	-	10,645	-
Others	4,471	-	4,535	-
	$ 287,538	6	$ 135,028	3

	December 31, 2011		December 31, 2010	
Other Payables	Amount	% of Account Balance	Amount	% of Account Balance
EIS	$ 103,208	9	$ 103,162	11
ITS	45,415	3	58,254	6
	$ 148,623	12	$ 161,416	17

(3) Endorsements and guarantees for related parties

Endorsements and guarantees provided for its related parties are as follows:

	December 31, 2011		December 31, 2010	
Balsam	USD	49,000	USD	49,000
CCT	USD	9,600	USD	9,600
TCT	USD	23,025	USD	20,772

(4) Significant contracts with related parties

A.The Company entered into an agreement with EIC for consulting services on business management, computer information, and shipping affairs. Except for payments made on behalf of the Company which are charged on actual amounts, the remaining fees are charged on an hourly basis or by cost plus method. The contract took effect on July 1, 1996 and will remain effective unless terminated.

B.The Company entered into an agreement with EIC for services, such as cargo-forwarding and freight-collecting. As of December 31, 2011 and 2010, the receivables were $71,856 and $61,904, respectively. The contract has been effective since 2002.

C.The Company entered into an agreement with ESRC for security service in the Taipei office, the Kaohsiung office, and the Kaohsiung container yards. The monthly service fees were $940 for Taipei and $1,614 for Kaohsiung.

D.The Group entered into agency agreements with its related parties to manage petty cash required by their vessels, and payments of Taiwanese crew salaries and insurance premiums. The transactions are recorded as "temporary debits". As of December 31, 2011 and 2010, the debit balances of the account are as follows:

	December 31, 2011		December 31, 2010	
EMS	$	10,436	$	9,983
GESA		7,345		8,920
EIS		3,468		2,734
EGH		4,308		3,821
	$	25,557	$	25,458

E.The Group entered into agency agreements with its related parties, whereby the related parties act as the Group's overseas agents to deal with foreign port formalities, such as arrival and departure of the Group's ships, cargo stevedoring and forwarding, freight collection, and payment of expenses incurred in foreign ports. The transactions are recorded as "agent accounts in other assets (liabilities) - current ". As of December 31, 2011 and 2010, the debit balances of the accounts are as follows:

	December 31, 2011		December 31, 2010	
EIC	$	43,760	$	376,262

F. Temporary accounts, between the Group and Evergreen International S.A., Gaining Enterprise S.A., Italia Marittima S.p.A., Evergreen Marine (Hong Kong) Ltd. and Evergreen Marine (Singapore) Pte. Ltd. incurred due to foreign port formalities and pier rental expenses are recognized as “other current assets (liabilities)” in agency reciprocal accounts. Details of the balance as of December 31, 2011 and 2010 are as follows:

a) Debit balance of agency reciprocal accounts

	December 31, 2011	December 31, 2010
EIS	$ 1,020,814	$ 135,877
ITS	94,018	86,798
GESA	20,853	27,908
	$ 1,135,685	$ 250,583

b) Credit balance of agency reciprocal accounts

	December 31, 2011	December 31, 2010
EGH	$ 178,794	$ 125,854
EMS	50,703	326,920
	$ 229,497	$ 452,774

G.The Company has been commissioned by its related parties to manage their vessel affairs. The management fees are charged monthly and are recorded as operating revenues. Details of the management fees recognized for the years ended December 31, 2011 and 2010 are as follows:

	For the years ended December 31,	
	2011	2010
EITC	$ 85,711	$ 89,595
EIS	54,520	49,054
EMS	29,423	30,916
GESA	23,088	20,937
EGH	21,243	19,405
ITS	9,073	8,426
	$ 223,058	$ 218,333

(5) Disclosure of managements salaries, bonuses and allowance

	For the years ended December 31,	
	2011	2010
Salary and bonuses	$ 128,837	$ 125,062
Administrative fees	3,635	6,018
Directors' and supervisors' remuneration and employees' bonuses	3,510	59,134
	$ 135,982	$ 190,214

A. Salaries and bonuses includes salaries, premiums, pensions, severance pay, bonuses, and incentives.

B. Administrative fees include travel allowances, discretionary allowances, stipends, and provision of vehicles and housing, etc.

C. Employees' bonuses and directors' and supervisors' remuneration is estimated in income statement in this period.

(6) As a means to give back to society, the Company sponsored charities for the public good and donated $50,000 to Chang Yung-Fa Foundation in 2010.

6. PLEDGED ASSETS

The Group's assets pledged as collateral as of December 31, 2011 and 2010 are as follows:

	Book value		
Pledged assets	December 31, 2011	December 31, 2010	Purpose
Restricted assets			
- Time deposits	$ 520,132	$ 561,663	Performance guarantee
Refundable deposits			
- Time deposits	2,000	2,000	〃
Property, plant and equipment			
-Land	1,800,093	1,800,093	Long-term loan
-Buildings	813,889	839,659	
-Loading and unloading equipment	1,337,866	2,349,818	〃
-Ships	13,362,686	12,840,771	〃
-Transportation equipment	1,642,626	1,477,864	〃
Financial assets carried at cost			
-Classic Outlook Investment Ltd.	-	2,987,135	〃
-Everup Profits Ltd.	-	7	〃
long-term equity investments accounted for under the equity method -EITC	1,631,851	1,670,471	Exchange corporate bonds payable as subject
	$ 21,111,143	$ 24,529,481	

7. COMMITMENTS AND CONTINGENT LIABILITIES

A. As of December 31, 2011, the Company had delegated Deutsche Bank to issue Letter of Certificate amounting to USD 5,000.

B. As for the list and amount of the Group's endorsement and guarantee, please refer to Notes 5, Related Party Transaction.

C. A former stockholder of the Company sold some of its shares through issuance of global depository receipts (GDRs). The issuance of GDRs was approved by the SEC on June 19, 1996 as per Letter (85) Tai-Cai-Zheng (1) No. 35410. On August 2, 1996, the GDRs were approved by the UK governing authority to be listed on the London Stock Exchange and were issued in Asia, Europe and the US. The initial number of units issued was 5,449,592, representing 54,495,920 shares of the Company's common stock at $50.50 (in dollars) per share, and the number of supplementary units issued was 817,438. In total, the number of units issued was 6,267,030, representing 62,670,300 shares of the Company's common stock at $50.50 (in dollars) per share, and the GDRs issued amounted to USD115,000. Another 2,085,856 units, representing 20,858,634 shares of the Company's common stock, were issued during the period from 1997 to December 31, 2011. As of December 31, 2011, 7,975,440 units were redeemed and 377,446 units were outstanding, representing 3,774,534 shares of the Company's common stock.

D. As of December 31, 2011, 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 containers and general working capital requirement amounted to $39,361,699 and the unutilized credits was $16,642,398.

E. As of December 31, 2011, the estimated amount of charter expense in the following years under long-term contracts is set forth as follows:

Year	Amount	
within 1 year	USD	208,982
1~2 years		117,104
2~3 years		53,838
3~4 years		51,036
4~5 years		38,111
over 5 years		82,794
	USD	551,865

F. As of December 31, 2011, the amount of guaranteed notes issued by the Company for loans borrowed was $19,252,067.

G. To meet operational needs, the Group signed the shipbuilding contracts from Samsung Heavy Industries Co., Ltd. Total contract price is USD1, 339,000. By the end of the year, 2011, the Group signed the shipbuilding contracts, which includes USD844,600 unpaid.

H. To meet operational needs, the Group signed on May 20, 2011, the shipbuilding contracts for seven container vessels from Taiwan Shipbuilding Co., As of December 31, 2011, the total price of shipbuilding contracts amounted to USD721,000, which includes USD684,950 unpaid.

8. SIGNIFICANT CATASTROPHE

None.

9. SUBSEQUENT EVENTS

A. The subsidiary company Peony Investment S.A. at annual board meeting on January 18 and March 21, 2012 adopted a resolution of Balsam Investment (Netherlands) N.V. to raise additional cash as original stockholders. The amount of these resolution are EUR19,600 and EUR49,000, respectively. After these subscribed the Company still holds 49% shares by Equity method.

B. The Company's Board of Directors passed the decision for the 12th issuance of collateral corporate bond for $3,000,000. The face amount per share is $1,000 and time period is 5 years. The coupon rate is fixed and does not exceed 2%.

C. The Company's Board of Directors passed the decision for appropriation of profit and loss on March 16, 2012 and the related information is illustrated in Note 4(20).

10. OTHERS

(1) Financial statement disclosure

Certain accounts in the 2010 financial statements were reclassified to conform to the 2011 financial statement presentation.

(2) Fair value information of financial instruments

	December 31, 2011		
		Fair Value	
	Book value	Quotations in an active market	Estimated using a valuation technique
Non-derivative financial instruments：			
Assets			
Cash and cash equivalents	$ 23,006,258	$ -	$ 23,006,258
Notes and accounts receivable	10,406,179	-	10,406,179
Financial assets at fair value through profit or loss			
Equity securities	10,003	10,003	-
Beneficiary certificates	2,220,851	2,220,851	-
Corporate bonds	62,959	-	62,959
Held-to-maturity financial assets-current	951,382	-	951,382
Restricted assets	520,132	-	520,132
Available-for-sale financial assets-non-current	602,904	602,904	-
Held-to-maturity financial assets-non-current	370,000	-	370,000
Financial assets carried at cost-non-current	1,515,391	-	-
Refundable deposits	118,412	-	118,412
Liabilities			
Short-term loans	3,910,312	-	3,910,312
Notes and accounts payable	15,078,491	-	15,078,491
Corporate bonds payable (including current portion)	2,955,661	-	2,955,661
Long-term loans (including current portion)	42,010,676	-	42,010,676
Guarantee deposits received	40,231	-	40,231
Derivative financial instruments：			
Assets			
Cross currency swap (CCS)	1,824	-	1,824
Liabilities			
Interest rate swap (IRS)	250,083	-	250,083
Embedded derivatives	5,163	-	5,163

	December 31,2010		
		Fair Value	
	Book value	Quotations in an active market	Estimated using a valuation technique
Non-derivative financial instruments：			
Assets			
Cash and cash equivalents	$ 19,716,091	$ -	$ 19,716,091
Notes and accounts receivable	11,780,623	-	11,780,623
Financial assets at fair value through profit or loss			
Equity securities	334	334	-
Beneficiary certificates	1,908,594	1,908,594	-
Corporate bonds	104,287	-	104,287
Other financial assets-current	158,383	-	158,383
Restricted assets	561,663	-	561,663
Available-for-sale financial assets-non-current	957,108	957,108	-
Held-to-maturity financial assets-non-current	3,135,915	-	3,135,915
Financial assets carried at cost-non-current	4,497,128	-	-
Refundable deposits	110,902	-	110,902
Liabilities			
Short-term loans	2,603,172	-	2,603,172
Notes and accounts payable	16,303,945	-	16,303,945
Corporate bonds payable (including current portion)	3,374,875	-	3,374,875
Long-term loans (including current portion)	24,240,182	-	24,240,182
Guarantee deposits received	32,191	-	32,191
Derivative financial instruments：			
Assets			
Interest rate swap (IRS)	158	-	158
Cross currency swap (CCS)	5,215	-	5,215
Liabilities			
Interest rate swap (IRS)	238,467	-	238,467
Cross currency swap (CCS)	72,338	-	72,338
Foreign exchange option (FX option)	271,141	-	271,141
Embedded derivatives	260,928	-	260,928

The following summarizes the methods and assumptions used in estimating the fair value of financial instruments:

A.The fair values of short-term financial instruments were determined using their carrying value because of the short maturities of these instruments. This method applies to cash and cash equivalents, notes and accounts receivable/payable, other financial assets, refundable deposits, restricted assets, short-term debts, short-term bills payable and guarantee deposits received.

B.For financial assets at fair value through profit or loss and available-for-sale financial assets with quoted market price available in an active market, the fair value is determined using the quoted market price. When there is no quoted market price for reference, a substitute valuation technique is used to measure the fair value which incorporates all factors that market participants would consider in making estimations and assumptions for setting a price and wherein such information is available to the Group.

C.Held-to-maturity financial assets are those with fixed or determinable payments and a fixed time-to-maturity which the Group has positive intent and ability to hold. Upon measurement, held-to-maturity financial assets are carried at amortized cost. Any profits or losses incurred due to changes in fair value should be recognized in the income statement when the financial asset is derecognized, impaired or amortized.

D.Financial assets carried at the cost, consists of unlisted stocks or those not actively traded in an active market. Their fair value could not be measured reliably; hence, such instruments are measured at cost in compliance with applicable accounting standards. For bond investments with no active market, the carrying value is used to estimate its fair value when there is no market price for reference.

E.Fair values of long-term loans are estimated based on the present values of future cash flows. For bank loans associated with floating interest rate, the carrying value represents its fair value.

F.Fair values of corporate bonds payable are determined as the quoted market prices when available. When the quoted market prices are not available, fair values are estimated based on financial information or other information.

G.The fair values of derivative financial instruments are determined based on the estimated amounts to be received or paid if the Group terminates the contract on the balance sheet date. Unrealized gains or losses arising from unsettled contracts are generally included. Ask price from counterparties are available for reference in setting fair values for the Group’s derivative financial instruments.

(3) Information on significant gain/loss and equity items on financial instruments

A.For the years ended December 31, 2011 and 2010, total interest income for financial assets and financial liabilities that are not at fair value through profit or loss amounted to $235,521 and 216,879, whereas the total interest expense amounted to $415,765 and $484,217, respectively.

B.For the years ended December 31, 2011 and 2010, the adjustment of shareholders’ equity resulting from available-for-sale financial assets was debit $387,812 and credit $264,796； whereas the total loss or gain deducted from the adjustment of shareholders’ equity resulting from available-for-sale financial assets was $35,957 and $0, respectively.

(4) Information on interest rate risk positions

As of December 31, 2011 and 2010, the financial assets with fair value risk due to the change of interest amounted to $0 and $158；Whereas the financial liabilities with fair value risk due to the change of interest amounted to $250,083 and $238,467, respectively. The financial assets with cash flow risk due to the change of interest amounted to $4,290,110 and $3,914,665；whereas the financial liabilities with cash flow risk due to the change of interest amounted to $42,927,184 and $28,107,525, respectively.

(5) Risk policy and hedging strategy

The financial instruments held by the Group, other than derivative instruments, are composed of cash and cash equivalents, stocks, funds, bank loan, and corporate bonds. Such financial instruments are held for maintaining adequate operating capital. The Group also held other financial assets and liabilities, such as accounts receivable and payable generated from operating activities.

The transactions associated with derivative instruments mainly include interest rate swap and oil swap. The primary objective is to avoid the interest rate risk and fuel price variation arising from operating and financing activities.

The primary risks of financial instruments are cash flow risk associated with interest rate fluctuations, exchange rate risk, credit risk, and liquidity risk. The risk management policies are set forth below:

Cash flow risk associated with interest rate fluctuations

The Group's major exposure to cash flow risk associated with interest rate variations come primarily from long-term financing with floating interest. The Group adopts a combination of fixed and floating interest rate loans to manage such interest rate risks. In addition, the Group also engages in interest rate swaps to minimize cost of borrowings.

As of December 31, 2011, the carrying values of the Group’s financial instruments exposed to interest rate are summarized in the order of maturity as follows:

A. Fixed interest rate

	Within 1 year	1-2 years	2-3 years	over 3 years	Total
Cash and cash equivalents	$ 17,675,619	$ -	$ -	$ -	$ 17,675,619
Bank loan	(200,000)	(200,000)	(200,000)	(2,400,000)	(3,000,000)

B. Floating interest rate

	Within 1 year	1-2 years	2-3 years	over 3 years	Total
Cash and cash equivalents	$ 4,290,110	$ -	$ -	$ -	$ 4,290,110
Bank loan	(7,857,463)	(6,191,085)	(9,290,526)	(19,588,110)	(42,927,184)

The interest of financial instruments associated with the floating interest rates is remeasured within 1 year period and the interest for financial instruments associated with the fixed interest rate is fixed to maturity. The financial instruments not included in the preceding table are not subject to interest payments and thus, do not have inherent interest rate risk.

Exchange rate risk

Although the Group is exposed to exchange rate risk, the Group has stable cash inflows denominated in foreign currencies for meeting cash outflows denominated in foreign currency due to the fact that the Group operates in international transportation industry. In order to minimize exchange rate risk, the Group also engages in activities, such as borrowing of US Dollar loans, etc.

The Group is engaged in the business involves a number of non-functional currency. Details of the foreign currency and exchange rate are as follows:

	December 31,2011		December 31,2010	
	Foreign currency	Exchange rate	Foreign currency	Exchange rate
Financial assets：				
Monetary items				
USD	$ 383,590	30.2765	$ 402,563	29.1830
EUR	37,013	39.2156	53,219	38.8251
KRW	6,045,981	0.0262	-	-
CNY	67,487	4.7913	-	-
THB	232,636	0.9533	-	-
ZAR	29,530	3.7076	-	-
VND	79,624,998	0.0014	-	-
IDR	152,971	0.5722	-	-
Non-monetary items				
USD	101,064	30.2765	243,300	29.1830
MYR	115,524	9.5532	85,251	9.4643
GPB	20,261	46.6455	-	-
Long-term equity investment accounted for under the equity method				
USD	234,740	30.2765	329,546	29.1830

	December 31,2011		December 31,2010	
	Foreign currency	Exchange rate	Foreign currency	Exchange rate
Financial liabilities：				
Monetary items				
USD	$ 759,064	30.2765	$ 731,964	29.1830
EUR	25,165	39.2156	16,715	38.8251
GBP	192,632	46.6455	135,819	45.0688
KRW	4,439,096	0.0262	-	-
CNY	43,649	4.7913	-	-
THB	343,006	0.9533	-	-
ZAR	21,092	3.7076	-	-
IDR	277,364	0.5722	-	-

Credit risk

The Group only deals with third parties with good credit standings. In compliance with the Group's policies, strict credit assessment is to be performed by the Group prior to providing credit to customers. The occurrence of bad debts is also minimized by the Group's practices in continuously monitoring and assessing collections on notes and accounts receivables and making adjustments to the credit terms granted for each customer based on the conclusion drawn from such assessment. Moreover, the Group is restricted from engaging in credit trading with other business units operating under other functional currencies unless permission from the highest instruction unit has been received.

Other financial instruments held by the Group are subject to credit risk arising from the failure of counterparty to settle their contractual obligations as and when they fall due. Since the Group only deals with third parties with qualifying credit standings, no collateral is required by the Group which also represents that the maximum credit exposure amount equals to the relative carrying value. The maximum credit exposure amount for various financial assets held by the Group is analyzed as follows:

	December 31, 2011	
Financial instruments	Book value	Maximum credit exposure amount
Financial assets at fair value through profit or loss		
Trading financial assets	$ 2,232,678	$ 2,232,678
Financial assets designated as at fair value through profit or loss	62,959	62,959
Held-to-maturity financial assets		
Financial bonds	1,321,382	1,321,382
Available-for-sale financial assets		
Equity security	602,904	602,904
Financial assets carried at cost		
Equity security	1,515,391	1,515,391

Financial instruments	December 31, 2010 Book value	Maximum credit exposure amount
Financial assets at fair value through profit or loss		
Trading financial assets	$ 1,914,301	$ 1,914,301
Financial assets designated as at fair value through profit or loss	104,287	104,287
Held-to-maturity financial assets		
Financial bonds	1,315,915	1,315,915
Corporate bonds	1,820,000	1,820,000
Available-for-sale financial assets		
Equity security	957,108	957,108
Financial assets carried at cost		
Equity security	4,497,128	4,497,128

Credit risk refers to the risk of counterparty's failure to settle contractual obligations as and when they fall due. The credit risk presented in the preceding table is the positive net amount of all contracts with positive fair values at the balance sheet date. The credit risk amount presented is the loss that may be incurred by the Group in the case of counterparty's default. Since the counterparties of the Group are business enterprises or financial institutions with good credit rating, the potential credit risk event is remote. In addition, since the Group is not concentrated in transactions with one individual or counterparty, no concentration of credit risk is evident.

Liquity risk

The Group achieves the objectives of effective use of capital and stabilization of capital by adjusting capital through the use of cash and cash equivalents, financial instruments held for trading, bank loans and corporate bonds, etc. The operating capital of the Group is sufficient in meeting capital on demand; therefore, no significant liquidity risk is expected.

11. ADDITIONAL DISCLOSURES REQUIRED BY THE SECURITIES AND FUTURE

(1) Related information of significant transaction

A. Loans granted during the year period ended December 31, 2011 : None.

B. Endorsements and guarantees provided during the year ended December 31, 2011

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ gurantees provided for a single party	Maximum outstanding endorsement/ guarantee amount during the year ended December 31, 2011	Outstanding endorsement/ guarantee amount at December 31, 2011	Amount of endorsement/ guarantee secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the Company	Ceiling on total amount of endorsements/ guarantees provided (Note 3 and 4)
0	Evergreen Marine Corporation	Greencompass Marine S.A.	3	$ 130,701,004	$ 27,728,344 (USD 915,837)	$ 27,728,344 (USD 915,837)	$ -	42.43%	$ 163,376,255
0	Evergreen Marine Corporation	Peony Investment S.A.	2	130,701,004	451,178 (USD 14,800)	448,093 (USD 14,800)	-	0.69%	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Ltd.	3	130,701,004	52,403,055 (USD 1,730,816)	52,403,055 (USD 1,730,816)	-	80.19%	
0	Evergreen Marine Corporation	Taranto Container Terminal S.p.A.	6	32,675,251	620,633 (USD 20,792)	613,099 (USD 20,250)	-	0.94%	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	3	130,701,004	2,870,590 (USD 94,164)	2,850,956 (USD 94,164)	-	4.36%	
0	Evergreen Marine Corporation	Hemlock Equipment LLC.	3	130,701,004	1,762,338 (USD 57,810)	1,750,284 (USD 57,810)	-	2.68%	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	32,675,251	292,656 (USD 9,600)	290,654 (USD 9,600)	-	0.44%	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	32,675,251	1,493,765 (USD 49,000)	1,483,549 (USD 49,000)	-	2.27%	
0	Evergreen Marine Corporation	Evergreen Agency (South Africa) (PTY) Ltd.	3	130,701,004	117,854 (USD 4,000)	- (USD-)	-	0.00%	

Note 1: The number are assigned as follows:
"0" denotes issuer
The investee is numbered from "1" in sequence by different company.

Note 2: Nature of the counterparty's relationship with the Company or its subsidiaries
"1" denotes the endorsements/guarantees provided to the companies which have transactions with the Company or its subsidiaries.
"2" denotes the endorsements/guarantees provided to the subsidiaries of which the Company holds more than 50% of the common stock.
"3" denotes the endorsements/guarantees provided to the investees of which the Company together with its subsidiaries hold more than 50% of the common stock.
"4" denotes the endorsements/guarantees provided to the companies which directly or indirectly hold more than 50% of the Company's common stock.
"5" denotes the endorsements/guarantees provided pursuant to construction contracts.
"6" denotes the endorsements/guarantees provided to joint venture companies based on the Company's or its subsidiaries proportionate equity interest in the Company.

Note 3: The equation of the maximum limits and amounts should be explained. If there are contingent losses in the financial statemnents, the amount should be interpreted by the Company.

Note 4: According to the Company's credit policy, the total amount of endorsements or guarantees provided by the Company or its subsidiaries should not exceeded 250% of the net worth states in the latest financial statement.
The calculation is as follows:
The Company: 65,350,502 *250%=163,376,255

C. Marketable securities held as of December 31, 2011

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2011				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Evergreen Marine Corporation	Stock:							
	Peony Investment S.A.	Subsidiary of the Company	Long-term equity investment accounted for under the equity method	4,765	$ 44,769,469	100.00	$ 44,930,636	(Note)
	Taiwan Terminal Service Co., Ltd.	〃	〃	5,500	87,777	55.00	87,777	(Note)
	Everport Terminal Service Inc.	〃	〃	1	3,028	100.00	3,028	(Note)
	Charng Yang Development Co., Ltd.	Investee company accounted for under the equity method	〃	47,204	609,794	40.00	609,794	
	Evergreen International Storage and Transport Corp.	〃	〃	424,062	7,991,293	39.74	6,000,482	12/31 market price
	Evergreen Security Corporation	〃	〃	5,280	89,111	31.25	89,111	
	EVA Airways Corporation	〃	〃	629,483	7,315,432	19.32	12,086,078	12/31 market price
	Taipei Port Container Terminal Corporation	〃	〃	88,344	807,008	21.03	805,459	
	Power World Fund Inc.	None	Financial assets carried at cost - non-current	1,290	12,898	5.68	6,908	
	Fu-Ji Management Consultancy Co., Ltd.	〃	〃	99	-	4.93	4,735	
	Taiwan HSR Consortium	〃	〃	126,735	1,250,000	1.95	631,140	
	Ever Accord Construction Corp.	〃	〃	7,000	43,749	17.50	86,869	
	Linden Technologies, Inc.	〃	〃	50	15,372	2.53	-	Convertible Preferred Stocks (no fair value)
	Toplogis, Inc.	〃	〃	2,464	22,100	17.48	18,195	
	Central Reinsurance Corp.	〃	Available-for-sale financial assets - non-current	46,561	582,008	8.45	582,008	12/31 market price
	Fubon Financial Holding Co., Ltd.	〃	〃	652	20,896	0.01	20,896	12/31 market price

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2011				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Evergreen Marine Corporation	China Man-Made Fiber Corporation	None	Financial assets at fair value through profit or loss -current	22	$ 193	-	$ 193	12/31 market price
	Hua Nan Financial Holdings	〃	〃	600	9,810	0.01	9,810	12/31 market price
	Beneficiary certificates:							
	Fubon Chi-Hsiang Fund	None	Financial assets at fair value through profit or loss -current	37,185	563,121	-	563,121	
	PCA Well Pool Money Market Fund	〃	〃	4,609	60,408	-	60,408	
	Polaris De-Li Fund	〃	〃	26,155	411,411	-	411,411	
	FSITC Money Market Fund	〃	〃	4,318	743,039	-	743,039	
	Yuanta Wan Tai Bond Fund	〃	〃	8,944	130,642	-	130,642	
	Mega Diamond Bond Fund	〃	〃	25,879	312,230	-	312,230	
	Financial bonds:							
	Ta Chong Commercial Bank Credit Linked Note	None	Held-to-Maturity Securities - current	-	800,000	-	800,000	
	TLG Private Placement Subordinated Mandatory Convertible Bond at Maturity	〃	Financial assets at fair value through profit or loss -non-current	-	62,959	-	62,959	
	Bank of Taichung 1st Unsecured Subordinated Financial Debentures Issue in 2010	〃	Held-to-Maturity Securities -non current	-	220,000	-	220,000	
	Ta Chong Commercial Bank 1st Unsecured Subordinate Financial Debentures-B Issue in 2009	〃	〃	-	100,000	-	100,000	
	Sunny Bank 1st Subordinate Financial Debentures-B Issue in 2010	〃	〃	-	50,000	-	50,000	

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

D. Acquisition or disposal of the same security with the accumulated cost exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2011

Securities held by	Marketable securities	General ledger account	Counterparty	Relationship with the Company	Beginning balance		Addition		Disposal				Ending balance	
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount
Evergreen Marine Corporation	Beneficary Certificates:													
	Fubon Chi-Hsiang Fund	Financial Assets at fair value through profit or loss-current	Open market transaction	None	33,882	$510,005	102,760	$1,550,000	99,457	$ 1,500,187	$1,498,883	$ 1,304	37,185	$561,122
	Mega Diamond Bond Fund	〃	〃	〃	10,015	120,000	111,519	1,340,000	95,655	1,150,086	1,148,871	1,215	25,879	311,129
	FSITC Money Market Fund	〃	〃	〃	-	-	7,531	1,290,000	3,213	550,005	549,754	251	4,318	740,246
	Yuanta Wan Tai Bond Fund	〃	〃	〃	-	-	8,944	130,000	-	-	-	-	8,944	130,000
	Polaris De-Li Fund	〃	〃	〃	5,754	90,000	28,705	450,000	8,304	130,000	129,945	55	26,155	410,055
	Fuh-Hwa Money Market Fund	〃	〃	〃	12,987	180,021	32,443	450,000	45,430	630,231	630,021	210	-	-
	TLG Solomon Bond Fund	〃	〃	〃	42,137	510,011	56,126	680,000	98,263	1,191,190	1,190,011	1,179	-	-
	IBT 1699 Bond Fund	〃	〃	〃	18,548	240,000	-	-	18,548	240,098	240,000	98	-	-

E. Aquisition of real estate properties exceeding $100 million or 20% of the Company’s paid-in capital for the year ended December 31, 2011 : None

F. Disposal of real estate properties exceeding $100 million or 20% of the Company’s paid-in capital for the year ended December 31, 2011 :

Property disposed of by	Property	Date of disposal	Date of acquisition	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the Company	Reason for disposal	Basis or reference used in setting the price	Other commitments
Evergreen Marine Corporation	Central international trade centre (Include parking lot)	2011/5/31	2005/11/30	$ 135,264	$ 300,366	The fund had been remitted to the Master International Shipping Agency Co.'s Bank account	$ 165,102	Beijing ChengXuan Auctions Co.	None	Disposal	Price Comparsion	

G. Purchases from or sales to related parties exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2011

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transactions term compared to a third party transactions		Notes/accounts receivable (payable)		Remark
			Purchases/ Sales	Amount	% of total purchases/sales	Credit term	Unit price	Credit term	Balance	% of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Evergreen International Storage & Transport Corp. (EITC)	Investee accounted for under equity method	Purchases	$ 551,703	3%	30~60 Days	$ -	-	($ 10,728)	1%	-
	Evergreen International Corp.	Investee of the Company's major shareholder	Purchases	360,052	2%	30~60 Days	-	-	(22,761)	1%	-
	〃	〃	Sales	1,900,307	12%	30~60 Days	-	-	71,856	9%	-
	Taiwan Terminal Services Co., Ltd.	Subsidiary of the Company	Purchases	684,593	4%	30~60 Days	-	-	(38,695)	2%	(Note)
	Gaining Enterprise S.A.	Subsidiary of EITC accounted for under equity method	Purchases	1,552,673	10%	30~60 Days	-	-	-	-	-

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

H. Receivables from related parties exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2011

Creditor	Counterparty	Relationship with the Company	Balance	Turnover rate	Overdue receivables		Amount received subsequent to the balance sheet date	Allowance for bad debts
					Amount	Action Taken		
Evergreen Marine Corporation	Evergreen International Corp.	Investee of the Company's major shareholder	$ 143,272		$ -	-	$ 134,803	$ -

I. Derivative financial instruments undertaken for the year ended December 31, 2011：For related information, please see Note 10(2).

(2) Disclosure information of investee company

A. Disclosure of location and related information of investee companies:

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Evergreen Marine Corporation	Peony Investment S.A.	East 53rd Street, Marbella, MMG Building, 2nd Floor, Panama, Republic of Panama	Investment activities	USD 476,500	USD 476,500	4,765	100.00	$ 44,769,469	($ 3,832,744)	($ 3,998,886)	Subsidiary of the Company (Note)
	Taiwan Terminal Services Co., Ltd.	2F No.177 Szu Wei 4th Rd. Lingya District, Kaohsiung, Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	87,777	8,667	4,767	〃 (Note)
	Everport Terminal Services Inc.	1209 N Orange St Wilmington, DE, USA	Termial Services	USD 100	USD -	1	100.00	3,028	-	-	〃 (Note)
	Charng Yang Development Co., Ltd.	2F, No.369, Jingguo Rd., Taoyuan City, Taoyuan County, Taiwan	Development, rental, and sale of residential and commercial buildings	320,000	320,000	47,204	40.00	609,794	149,671	59,868	Investee accounted for under the equity method
	Evergreen International Storage and Transport Corporation	No.899, Jingguo Rd., Taoyuan City, Taoyuan County, Taiwan	Container transportation and gas stations	4,753,514	4,753,514	424,062	39.74	7,991,293	813,397	305,923	〃
	Evergreen Security Corporation	4&5F, No.111, Sungjiang Rd., Taipei, Taiwan	General security guards services	25,000	25,000	5,280	31.25	89,111	37,652	11,766	〃
	EVA Airways Corporation	11F, No.376, Section 1, Hsinnan Rd., Lu Chu Township, Taoyuan County, Taiwan	International passenger and cargo transportation	10,767,879	10,767,879	629,483	19.32	7,315,432	209,027	40,375	〃
	Taipei Port Container Terminal Corporation	No.25 Siajhuwei, Syuntang Village,Bali District, New Taipei City, Taiwan	Container distribution and cargo stevedoring	883,731	883,731	88,344	21.03	807,008	(90,963)	(19,133)	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Clove Holding Ltd.	Craigmuir Chambers, P. O. Box71, Road Town, Tortola, B.V.I.	Investment holding company	USD 52,549	USD 52,549	10	100.00	USD 64,025	USD 52,349	USD 52,349	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Building Amsinckstrasse 55 20097 Hamburg, Germany	Shipping agency	USD 8,316	USD 8,316	-	100.00	USD 8,909	USD 373	USD 373	〃 (Note)
	Evergreen Shipping Agency (Iteland) Ltd.	22 Fiztwilliam Place,Dublin 2, Ireland	Shipping agency	USD 95	USD 95	0.1	100.00	USD 205	USD 24	USD 24	〃 (Note)
	Evergreen Shipping Agency (Korea) Corporation.	12FL, Royal Building 5, Dangju-Dong, Chongro-Ku Seoul Korea	Shipping agency	USD 2,426	USD 2,426	121	100.00	USD 1,379	(USD 89)	(USD 89)	〃 (Note)
	Evergreen Shipping Agency (Netherlands) B.V.	PortCity Ⅱ - Havennummer 2235 Waalhaven ZZ 19 3089 JH Rotterdam, The Netherlands	Shipping agency	USD 3,977	USD 3,977	0.047	100.00	USD 4,966	USD 278	USD 278	〃 (Note)
	Evergreen Shipping Agency (Poland) SP. ZO. O	UL.SOLEC 22,00-410 Warszawa, Poland	Shipping agency	USD 662	USD 662	2	100.00	USD 551	USD 32	USD 32	〃 (Note)
	Greencompass Marine S. A.	East 53rd Street, Marbella, MMG Building, 2nd Floor, Panama, Republic of Panama	Marine transportation	USD 353,500	USD 353,500	3,535	100.00	USD 880,387	(USD 100,623)	(USD 100,623)	〃 (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Vigor Enterprise S.A.	East 53Rd Street, Marbella, MMG Building, 2nd Floor, Panama, Republic of Panama	Investment holding company	USD 500	USD 500	5	100.00	USD 512	(USD 15)	(USD 15)	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (India) Pvt. Ltd.	Mararhon Nextgon Innova"A"G01,Opp.Peninsula Corporate Park,Off G.K.Marg. Lower Parel (W), MUMBAI 400 013, INDIA	Shipping agency	USD 184	USD 184	100	99.99	USD 2,859	USD 1,015	USD 1,015	〃 (Note)
	Evergreen Argentina S.A.	Pje. Carabelas 344, CABA, Bs. As. Argentina	Leasing	USD 140	USD 140	150	95.00	USD 64	(USD 190)	(USD 180)	〃 (Note)
	Evergreen Shipping Agency France S.A.S.	Tour Franklin-La Defense 8, 92042 Paris La Defense Cedex-France.	Shipping agency	USD 907	USD 907	5	100.00	USD 1,484	USD 195	USD 195	〃 (Note)
	PT. Multi Bina Pura International	JL. Raya Cakung Cilincing,KM.4,Jakarta Utara 14260,Indonesia	Loading and discharging operations of container yards and inland transportation	USD 20,204	USD 20,204	68	95.03	USD 20,438	USD 3,540	USD 3,364	〃 (Note)
	PT. Multi Bina Transport	JL. Raya Cakung Cilincing,KM.4,Jakarta Utara 14260,Indonesia	Container repair, cleaning and inland transportation	USD 804	USD 804	2	17.39	USD 393	USD 918	USD 160	〃 (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Lot 139, Jalan, Cecair, Phase 2 Free Trade Zone Johor Port Authority, 81700 Pasir Gudang, Johor, Johore Bahru, Malaysia	Container manufacturing	USD 27,295	USD 27,295	42,120	84.44	USD 45,914	USD 5,719	USD 4,829	Indirect subsidiary of the Company (Note)
	Armand Investment (Netherlands) N.V.	Van Engelenweg 23 Curacao Netherlands Antilles	Investment holding company	USD 9,203	USD 9,203	4	70.00	USD 8,734	(USD 356)	(USD 249)	〃 (Note)
	Evergreen Shipping (Spain) S.L.	Calle Siete Aguas, 11 - Entlo. 46023 Valencia, Spain	Shipping agency	USD 3,870	USD 3,870	3	55.00	USD 5,001	USD 4,442	USD 2,443	〃 (Note)
	Evergreen Shipping Agency (Italy) S.p.A.	Scali Cerere, 9 Livorno Italy	Shipping agency	USD 2,352	USD 2,352	0.55	55.00	USD 1,811	(USD 563)	(USD 309)	〃 (Note)
	ShenZhen Greentrans Transportation Co., Ltd.	San Jiao Long Warehouse & Storage Zone, Fu kang Rd., Hengang town, Shenzhen, China	Loading, discharging, storage, repair, cleaning and transportation of containers	USD 3,134	USD 3,134	-	55.00	USD 3,191	(USD 122)	(USD 67)	〃 (Note)
	Evergreen Marine (UK) Ltd.	160 Euston Road, London NW 12 DX, U.K.	Marine transportation	USD 1,503	USD 1,503	765	51.00	USD 98,097	(USD 59,660)	(USD 30,427)	〃 (Note)
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Level 13,181 Miller Street, North Sydney NSW 2060 Australia	Shipping agency	USD 247	USD 247	0.675	67.50	USD 416	USD 418	USD 282	〃 (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Shipping Agency (Russia) Ltd.	Evergreen Office, 11 Millionnaya Streeet, ST. Petersburg, 191186 RUSSIA	Shipping agency	USD 848	USD 848	-	51.00	USD 976	USD 1,886	USD 962	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Singapore) PTE. Ltd.	200 Cantonment Road #12-02 Southpoint, Singapore 089763	Shipping agency	USD 2,157	USD 2,157	765	51.00	USD 4,720	USD 685	USD 349	〃 (Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Green Tower, 24-25th Floors 3656/81 Rama IV Road Klongton Klongtoey Bangkok 10110	Shipping agency	USD 1,474	USD 1,474	408	51.00	USD 2,165	USD 1,388	USD 708	〃 (Note)
	Evergreen Shipping Agency (Vietnam) Corp.	11F, Fideco Tower 81-85 Ham Nghi St., Dist.1, Ho Chi Minh City, Vietnam	Shipping agency	USD 454	USD 454	-	51.00	USD 1,429	USD 2,330	USD 1,188	〃 (Note)
	PT. Evergreen Shipping Agency Indonesia	GD. MEGA PLAZA 9th Floors Jl. H.R. Rasuna said kav. C-03 Jakarta 12920, Indonesia	Shipping agency	USD 973	USD 973	0.459	51.00	USD 2,168	USD 1,452	USD 740	〃 (Note)
	Evergreen Agency (South Africa) (PTY) Ltd.	9B Riley Road, Bedfordview, Johannesburg 2007, South Africa	Shipping agency	USD 581	USD 581	5,500	55.00	USD 3,119	USD 2,417	USD 1,329	〃 (Note)
	Kingstrans International Logistics (Tianjing) Co., Ltd.	No.295 JiYun East Road, Tianjin Port Container Logistics Center,Binhai New District,Tianjin	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 2,000	USD 2,000	-	20.00	USD 2,556	USD 841	USD 168	〃 (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Luanta Investment (NetherLands) N.V.	Waalhaven Z. z. 19, PortCity Ⅱ, 3089JH Rotterdam	Investment holding company	USD 33,161	USD 27,559	460	50.00	USD 83,307	(USD 10,449)	(USD 5,225)	Investee company of Peony accounted for under the equity method
	Balsam Investment (NetherLands) N.V.	21-A Van Engelenweg, Curacao, Netherlands, Antilles	Investment holding company	USD 122,696	USD 106,213	0.451	49.00	USD 47,366	(USD 164,908)	(USD 80,805)	〃
	Ningbo Victory Container Co., Ltd.	No. 201 Xiaoshan Road, Beilun District, Ningbo, China	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 1,199	USD 1,199	-	40.00	USD 2,257	USD 516	USD 206	〃
	Qingdao Evergreen Container Storage & Transportation Co., Ltd.	No.114 Huangho E. Rd., Huangdao District Qingdao, China	Inland container transportation, container storage, loading, discharging, leasing, repair, clearing, and related activities	USD 4,447	USD 4,447	-	40.00	USD 7,666	USD 3,117	USD 1,247	〃
	Green Peninsula Agencies SDN. BHD	NO.7, Jalan Jurutera U1/23, Section U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia	Investment holding company	USD 7,255	USD 7,255	1,500	30.00	USD 7,203	USD 4,413	USD 1,324	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Shipping Agency Co (U.A.E.) Ltd.	5F, Shipping Tower, Al-Mina Road, P.O. Box 34984, Dubai, U.A.E	Shipping agency	USD 2,082	USD -	-	49.00	USD 2,082	USD 1,976	USD -	The shares of new purchase in the end of this period, so investment gain or loss is not recognized.
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Amsteldijk 166, 1101LH, Amsterdam	Investment holding company	USD 13,636	USD 13,636	0.04	100.00	USD 12,448	(USD 344)	(USD 344)	Indirect subsidiary of the Company (Note)
Armand Estate B.V.	Taipei Port Container Terminal Corporation	No.25 Siajhuwei, Syuntang Village,Bali District,New Taipei City, Taiwan	Container distribution and cargo stevedoring	USD 12,678	USD 12,678	41	9.76	USD 12,344	(USD 3,095)	(USD 302)	Investee company of Armand Estate B.V. accounted for under the equity method
Clove Holding Ltd.	Ample Holding Ltd.	Craigmuir Chambers,P.O.BOX71, Road Town,Tortola, B.V.I.	Investment holding company	USD 9	USD 9	9	90.00	USD 35,882	USD 3,828	USD 3,445	Indirect subsidiary of the Company (Note)
	Island Equipment LLC.	655 Deep Valley Drive, Suite 300, Rolling Hils Estates, CA	Investment holding company	USD 144	USD 144	-	36.00	USD 2,050	USD 984	USD 354	〃 (Note)
Ample Holding Ltd.	Colon Container Terminal S.A.	COCO SOLO NORTH ADM BUILDING PANAMA	Inland container storage and loading	USD 22,860	USD 22,860	22,860	40.00	USD 72,514	USD 10,091	USD 4,036	Investee company of Ample Holding Ltd. accounted for under the equity method

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2011			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Island Equipment LLC.	Whitney Equipment LLC.	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	Equipment leasing company	USD 200	USD 200	-	100.00	USD 1,883	USD 617	USD 617	Indirect subsidiary of the Company (Note)
	Hemlock Equipment LLC.	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	Equipment leasing company	USD 200	USD 200	-	100.00	USD 4,271	USD 916	USD 916	〃 (Note)
Evergreen Marine (UK) Ltd.	Kingstrans International Logistics (Tianjing) Co., Ltd.	No.295 JiYun East Road, Tianjin Port Container Logistics Center,Binhai New District,Tianjin	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 2,000	USD 2,000	-	20.00	GBP 1,350	GBP 525	GBP 105	Indirect subsidiary of the Company (Note)
	Island Equipment LLC.	655 Deep Valley Drive, Suite 300, Rolling Hils Estates, CA	Investment holding company	USD 60	USD 60	-	15.00	GBP 493	GBP 614	GBP 92	〃 (Note)
PT. Multi Bina Pura International	PT. Multi Bina Transport	JL. Raya Cakung Cilincing KM.4,Jakarta Utara 14260,Indonesia	Container repair, cleaning and inland transportation	USD 3,301	USD 3,301	8	72.95	IDR 14,929,939	IDR 8,045,989	IDR 5,869,549	〃 (Note)

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

B.Loans granted for the year ended December 31, 2011

No.	Creditor	Borrower	General ledger account	Maximum outstanding balance for the year ended December 31, 2011	Balance at December 31, 2011	Utilized Credits	Interest rate (%)	Nature of loan (Note 1)	Amount of transaction with the borrower	Reason for short-term financing (Note 2)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)
												Item	Value		
1	Peony Investment S.A.	Kingtrans Intl. Logistics (Tianjin)Co.,Ltd	Receivables from related parties (Note4)	$ 45,728	$ 45,415	$ 45,415	1.699	2	$ -	Working capital requirement	$ -	-	$ -	$ 13,070,100	$ 26,140,201
		Luanta Investment (NetherLands) N.V.	〃	483,527	546,359	437,556	1.350 ~4.585	2	-	〃	-	-	-	13,070,100	26,140,201
2	Clove Holding Ltd.	Island Equipment LLC.	〃	143,009	-	-	-	2	-	〃	-	-	-	13,070,100	26,140,201
3	Evergreen Marine (UK) Ltd.	Island Equipment LLC.	〃	59,585	-	-	-	2	-	〃	-	-	-	13,070,100	26,140,201
		Kingtrans Intl. Logistics (Tianjin)Co.,Ltd	〃	45,728	45,415	45,415	1.699	2	-	〃	-	-	-	13,070,100	26,140,201

Note 1:Nature of loans extended

"1" denotes the loans extended to the companies which have transactions with the Company or its subsidiaries.

"2" denotes the loans extended to the companies which require short-term financing.

Note 2:The reason that the loan was granted and the usage of the loan should be stated, if the nature of the loan is "2".

Note 3: The explanation of the equation of the limits and amounts is required and set forth as follows:

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.

The calculation is as follows:

The Company:65,350,502*20%=13,070,100

2.According to the Company's credit policy, the total amount of loans granted by the Company or its subsidiaries should not exceed 40% of the net worth stated in the latest financial statements.

The calculation is as follows:

65,350,502 *40%=26,140,201

Note4：This transaction was written off when the consolidated financial statement was prepared.

C. Endorsements and guarantees provided as of December 31, 2011:

Number (Note 1)	Endorser	Party Being endorsed		Limit on endorsement provided for a single party	Maximum outstanding endorsement amount at December 31, 2011	Outstanding endorsement amount at December31, 2011	Amount of endorsements secured with collateral	Ratio of accumulated endorsement amount to net asset value of the Company	Ceiling on total amount of endorsements provided
		counterparty	Relationship with the Company						
1	Greencompass Marine S.A.	Taranto Container Terminal S.p.A.	1	$ 180,902	$ 84,020 (USD 2,775)	$ 84,020 (USD 2,775)	$ -	0.28%	$ 74,638,695

Note 1: The number are assigned as follows:
"0" denotes issuer
The investee is numbered from "1" in sequence by different company.

Note 2: Nature of the counterparty's relationship with the Company or its subsidiaries
"1" denotes the endorsements/guarantees provided to the companies which have transactions with the Company or its subsidiaries.
"2" denotes the endorsements/guarantees provided to the subsidiaries of which the Company holds more than 50% of the common stock.
"3" denotes the endorsements/guarantees provided to the investees of which the Company together with its subsidiaries hold more than 50% of the common stock.
"4" denotes the endorsements/guarantees provided to the companies which directly or indirectly hold more than 50% of the Company's common stock.
"5" denotes the endorsements/guarantees provided pursuant to construction contracts.
"6" denotes the endorsements/guarantees provided to joint venture companies based on the Company's or its subsidiaries proportionate equity interest in the Company.

Note 3: The equation of the maximum limits and amounts should be explained. If there are contingent losses in the financial statemnents, the amount should be interpreted by the Company.
According to the Company's credit policy, the total amount of endorsements or guarantees provided by the Company or its subsidiaries should not exceeded 250% of the net worth states in the latest financial statement.
The calculation is as follows:
The Company: $29,855,478 *250%=$74,638,695

D. Marketable securities held as of December 31, 2011

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2011							Remark
				Number of shares (in thousands)	Book value		Ownership (%)	Market value			
Peony Investment S.A.	Clove Holding Ltd.	Indirect subsidiary of the Company	Long-term equity investment accounted for under the equity method	10	USD	64,025	100.00	USD	64,025		(Note)
	Evergreen Shipping Agency (Deutschland) GmbH	〃	〃	-	USD	8,909	100.00	USD	8,909		(Note)
	Evergreen Shipping Agency (Ireland) Ltd.	〃	〃	0.1	USD	205	100.00	USD	205		(Note)
	Evergreen Shipping Agency (Korea) Corporation	〃	〃	121	USD	1,379	100.00	USD	1,379		(Note)
	Evergreen Shipping Agency (Netherlands) B.V.	〃	〃	0.047	USD	4,966	100.00	USD	4,966		(Note)
	Evergreen Shipping Agency (Poland) SP.ZO.O	〃	〃	2	USD	551	100.00	USD	551		(Note)
	Greencompass Marine S.A.	〃	〃	3,535	USD	880,387	100.00	USD	880,387		(Note)
	Vigor Enterprise S.A.	〃	〃	5	USD	512	100.00	USD	512		(Note)
	Evergreen Shipping Agency (India) Pvt Ltd.	〃	〃	100	USD	2,859	99.99	USD	2,859		(Note)
	Evergreen Argentina S.A.	〃	〃	150	USD	64	95.00	USD	64		(Note)
	Evergreen Shipping Agency France S.A.	〃	〃	5	USD	1,484	100.00	USD	1,484		(Note)
	PT Multi Bina Pura International	〃	〃	68	USD	20,438	95.03	USD	20,438		(Note)
	PT Multi Bina Transport	〃	〃	2	USD	393	17.39	USD	393		(Note)
	Evergreen Heavy Industrial Corp (Malaysia) Bhd.	〃	〃	42,120	USD	45,914	84.44	USD	45,914		(Note)
	Armand Investment (Netherlands) N.V.	〃	〃	4	USD	8,734	70.00	USD	8,734		(Note)
	Evergreen Shipping (Spain) S.L.	〃	〃	3	USD	5,001	55.00	USD	5,001		(Note)
	Evergreen Shipping Agency (Italy) S.p.A.	〃	〃	0.55	USD	1,811	55.00	USD	1,811		(Note)
	Shenzhen Greentrans Transportation Co., Ltd.	〃	〃	-	USD	3,191	55.00	USD	3,191		(Note)
	Evergreen Marine (UK) Ltd.	〃	〃	765	USD	98,097	51.00	USD	98,097		(Note)

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2011				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Peony Investment S.A.	Evergreen Shipping Agency (Australia) Pty Ltd.	Indirect subsidiary of the Company	Long-term equity investment accounted for under the equity method	0.675	USD 416	67.50	USD 416	(Note)
	Evergreen Shipping Agency (Russia) Ltd.	〃	〃	-	USD 976	51.00	USD 976	(Note)
	Evergreen Shipping Agency (Singapore) Pte Ltd	〃	〃	765	USD 4,720	51.00	USD 4,720	(Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	〃	〃	408	USD 2,165	51.00	USD 2,165	(Note)
	Evergreen Shipping Agency (Vietnam) Corp.	〃	〃	-	USD 1,429	51.00	USD 1,429	(Note)
	PT. Evergreen Shipping Agency Indonesia	〃	〃	0.459	USD 2,168	51.00	USD 2,168	(Note)
	Evergreen Agency (South Africa) (PTY) Ltd.	〃	〃	5,500	USD 3,119	55.00	USD 3,119	(Note)
	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	〃	〃	-	USD 2,556	20.00	USD 2,556	(Note)
	Luanta Investment (Netherlands) N.V.	Investee of Peony Investment S.A. accounted for under the equity method	〃	460	USD 83,307	50.00	USD 83,307	
	Balsam Investment (Netherlands) N.V.	〃	〃	0.451	USD 47,366	49.00	USD 47,366	
	Evergreen Shipping Agency Co. (U.A.E.) LLC	〃	〃	-	USD 2,082	49.00	USD 2,082	
	Ningbo Victory Container Co., Ltd.	〃	〃	-	USD 2,257	40.00	USD 2,257	
	Qingdao Evergreen Container Storage & Transportation Co., Ltd.	〃	〃	-	USD 7,666	40.00	USD 7,666	
	Green Peninsula Agencies SDN. BHD.	〃	〃	1,500	USD 7,203	30.00	USD 7,203	
	Dongbu Pusan Container Terminal Co. Ltd.	None	Financial assets carried at cost - non-current	300	USD 1,556	15.00	USD 1,556	
	Hutchison Inland Container Depots Ltd.	〃	〃	0.75	USD 1,492	7.50	USD 1,492	
	Colombo - South Asia Gateway Terminal	〃	〃	18,942	USD 2,412	5.00	USD 2,412	

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2011						Remark
				Number of shares (in thousands)	Book value		Ownership (%)	Market value		
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indirect subsidiary of the Peony	Long-term equity investment accounted for under the equity method	8	IDR	14,929,939	72.95	IDR	14,929,939	(Note)
Clove Holding Ltd.	Ample Holding LTD.	〃	〃	9	USD	35,882	90.00	USD	35,882	(Note)
	Island Equipment LLC.	〃	〃	-	USD	2,050	36.00	USD	2,050	(Note)
Ample Holding Ltd.	Colon Container Terminal S.A.	Investee of the Ample accounted for under the equity method	〃	22,860	USD	72,514	40.00	USD	72,514	
Island Equipment LLC	Whitney Equipment LLC.	Investee of the Island accounted for under the equity method	〃	-	USD	1,883	100.00	USD	1,883	(Note)
	Hemlock Equipment LLC.	〃	〃	-	USD	4,271	100.00	USD	4,271	(Note)
Evergreen Marine (UK) Ltd.	Island Equipment LLC.	Investee of the EMU accounted for under the equity method	〃	-	GBP	493	15.00	GBP	493	(Note)
	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Indirect subsidiary of the Peony	〃	-	GBP	1,350	20.00	GBP	1,350	(Note)
	Evergreen Shipping Agency (UK) Limited	Investee of the EMU accounted for under cost method	Financial assets carried at cost - non-current	-	GBP	0.001	100.00	GBP	0.001	
	Lloyd triestino UK Limited	〃	〃	-	GBP	0.3	100.00	GBP	0.3	
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Indirect subsidiary of the Peony	Long-term equity investment accounted for under the equity method	0.04	USD	12,448	100.00	USD	12,448	(Note)

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2011				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Armand Estate B.V.	Taipei Port Container Terminal Corporation	Investee of the Armand Estate B.V. accounted for under the equity method	〃	41	USD 12,344	9.76	USD 12,344	
Greencompass Marine S.A.	Financial bonds	None	Held-to-maturity financial assets-non-current	-	USD 5,000	-	USD 5,000	
Evergreen Shipping Agency (Singapore) Pte Ltd.	RTW AIR SERVICES (S) PL	Investee of the EGS accounted for under cost method	Financial assets carried at cost - non-current	30	SGD 44	2.00	SGD 44	
Evergreen Shipping Agency (Thailand) Co., Ltd.	Green Siam Air Service Co.	Investee of the EGT accounted for under cost method	〃	4	THB 1,160	2.00	THB 1,160	
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Austria) GmbH	Investee of the EGD accounted for under cost method	〃	-	EUR 18	100.00	EUR 18	
	Zoll Pool Hafen Hamburg AG	〃	〃	10	EUR 10	3.36	EUR 10	
	Evergreen Shipping Agency (Switzerland) S.A.	〃	〃	0.1	EUR 69	100.00	EUR 69	

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

E.Acquisition or disposal of the same security with the accumulated cost exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2011 : None.
F.Acquisition of real estate properties exceeding $100 million or 20% of the Company's paid-in capital or the year ended December 31, 2011 : None.
G.Disposal of real estate properties exceeding $100 million or 20% of the Company's paid-in capital or the year ended December 31, 2011 : None.
H.Purchases from or sales to related parties exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2011

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transactions term compared to a third party transactions		Notes/accounts receivable (payable)		Remark
			Purchases/ Sales	Amount	% of total purchases/sales	Credit term	Unit price	Credit term	Balance	% of total notes/accounts receivable (payable)	
Taiwan Terminal Services Co., Ltd.	Evergreen Marine Corp.	The parent	Sales	$ 684,593	97%	30~60 Days	$ –	–	$ 38,695	51%	(Note)
Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	Related party	Sales	USD 13,148	1%	15~30 Days	–	–	-	-	
		〃	Purchases	USD 30,519	1%	15~30 Days	–	–	-	-	
	Evergreen International S.A.	Related party	Purchases	USD 31,968	2%	15~30 Days	–	–	-	-	
	Italia Marittima S.p.A	〃	Purchases	USD 18,461	1%	15~30 Days	–	–	-	-	
	Evergreen Marine (Singapore) Pte. Ltd .	Related party	Purchases	USD 16,437	1%	15~30 Days	–	–	-	-	
	Evergreen Shipping Agency (Deutschland) GmbH	Related party	Purchases	USD 4,216	0%	15~30 Days	–	–	-	-	(Note)
	Evergreen Shipping Agency(Netherlands) B.V.	Related party	Purchases	USD 3,798	0%	15~30 Days	–	–	-	-	(Note)
	Evergreen Shipping Agency France S.A.S.	Related party	Purchases	USD 5,680	0%	15~30 Days	–	–	-	-	(Note)
	Evergreen International Corp.	Related party	Purchases	USD 4,079	0%	15~30 Days	–	–	-	-	
Evergreen Marine (UK) Ltd.	Evergreen International Corp.	Related party	Purchases	GBP 2,829	0%	30~60 Days	–	–	GBP 158	1%	
Evergreen Shipping Agency (Deutschland) GmbH	Greencompass Marine S.A.	Related party	Sales	EUR 2,702	26%	None	–	–	EUR 244	3%	(Note)
	Italia Marittima S.p.A	Related party	Sales	EUR 2,947	28%	"	–	–	EUR 266	4%	

Purchaser/seller	Counterparty	Relationship with the Company	Transaction					Differences in transactions term compared to a third party transactions		Notes/accounts receivable (payable)		Remark
			Purchases/ Sales	Amount		% of total purchases/sales	Credit term	Unit price	Credit term	Balance	% of total notes/accounts receivable (payable)	
Evergreen Shipping Agency (Netherlands) B.V.	Greencompass Marine S.A.	Related party	Sales	EUR	2,654	25%	None	$ －	－	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd .	Related party	Sales	EUR	2,749	25%	"	－	－	-	-	
Evergreen Shipping Agency France S.A.S.	Greencompass Marine S.A.	〃	Sales	EUR	3,999	63%	"	－	－	-	-	(Note)
Island Equipment LLC	Seaside Transporation Service LLC	〃	Sales	USD	4,496	27%	5 Days	－	－	USD 9	100%	
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Evergreen Marine Corp.	The parent	Sales	MYR	174,227	64%	45 Days	－	－	-	-	(Note)
	Greencompass Marine S.A.	Related party	Sales	MYR	72,026	26%	45 Days	－	－	MYR 20,126	100%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd .	Related party	Sales	MYR	27,820	10%	45 Days	－	－	-	-	

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

I. Receivables from related parties exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2011

Creditor	Counterparty	Relationship with the Company	Balance	Turnover rate	Overdue receivables		Amount received subsequent to the balance sheet date	Allowance for bad debts
					Amount	Action Taken		
Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Related party	USD 14,603		USD -	-	USD 14,603	USD -
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Greencompass Marine S.A.	〃 (Note)	MYR 20,126		MYR -	-	MYR 20,126	MYR -
Greencompass Marine S.A.	Evergreen Marine Corp.	The Parent (Note)	USD 4,489		USD -	-	USD 4,489	USD -

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

J. Derivative financial instruments transactions:

Evergreen Marine (UK) Ltd. -investee of the Company- is engaged in interest rate swaps and cross currency swaps in order to hedge the risks resulting from the fluctuation of interest rates and exchange rates. As of December 31, 2011, the outstanding derivative instruments are as follows:

	December 31, 2011	
Derivative financial instruments	Notional Principal (Contractual Amount)	Fair Value
Interest rate swaps (IRS)	USD 39,700	(USD 8,260)
Cross currency swaps (CCS)	USD 321	USD 60

(3) Disclosure of information on indirect investments in Mainland China

Investee in Mainland China	Main activities	Paid-in Capital	Investment method (Note 1)	Accumulated amount of remittance to Mainland China as of January 1, 2011	Amount remitted to Mainland China	Amount remitted back to Taiwan	Accumulated amount of remittance to Mainland China as of December 31, 2011	Ownership held by the Company (direct/ indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2011 (Note 2)	Book value of investment in Mainland China as of December 31, 2011	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2011
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, and discharging	CNY 24,119	(2)	$ 30,806 (USD 1,018)	$ -	$ -	$ 30,806 (USD 1,018)	40.00	$ 6,062 (USD 206)	$ 68,332 (USD 2,257)	$ -
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, container storage, loading, and discharging	CNY 92,500	(2)	$ 134,637 (USD 4,447)	-	-	$ 134,637 (USD 4,447)	40.00	$ 36,651 (USD 1,247)	$ 232,092 (USD 7,666)	-
Shenzhen Greentrans Transportation Co., Ltd.	Inland container loading, discharging, restore, repair, clearing, and related activities	CNY 44,960	(2)	$ 94,894 (USD 3,134)	-	-	$ 94,894 (USD 3,134)	55.00	($ 1,971) (-USD 67)	96,614 (USD 3,191)	-
Shenzhen Hutchison Inland Container Depots Co., Ltd.	Inland container yards	HKD 92,000	(2)	$ 24,560 (HKD 6,304)	-	-	$ 24,560 (HKD 6,304)	6.85	$ - -	$ 24,560 (HKD 6,304)	-

Investee in Mailand China	Main activities	Paid-in Capital	Investment method (Note1)	Accumulated amount of remittance to Mainland China as of January 1, 2011	Amount remitted		Accumulated amount of remittance to Mainland China as of December 31, 2011	Ownership held by the Company (direct/ indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2011 (Note 2)	Book value of investment in Mainland China as of December 31, 2011	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2011
					to Mainland China	back to Taiwan					
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	CNY 77,929	(2)	$ 121,106 (USD 4,000)	$ -	$ -	$ 121,106 (USD 4,000)	40.00	$ 9,886 (USD 336)	$ 154,777 (USD 5,112)	$ -

Balance of investments in Mainland China as of December 31, 2011	Investment Amount Approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 3)	Quota of Investments in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs (MOEA)
$406,003 (USD 12,599) (HKD 6,304)	$1,092,749 (USD 36,092)	$ 39,210,301

(Net worth of the Company:$65,350,502)

1.Note 1:Investment in Mainland China can be conducted by the following ways:

(1) Remitting the funds to Mainland China via a third country

(2) Via a new investee to be set up in a third country

(3) Via an existing investee set up in a third country

(4) Investing directly in Mainland China

(5) Others

Note 2:Investment income (loss) for the year

(1) Denotes that the investee is still in the start-up stage.

(2) Denotes the basis on which the investment income (loss) is recognized.

(a) Based on the investee's financial statements audited by an international accounting firm other than the Company's auditor

(b) Based on the investee's financial statements audited by the Company's auditor

(c) Others

Note 3:The amount in the table should be stated in New Taiwan Dollars.

2.Investment company and the mainland is directly or indirectly through a third country of significant transactions occurred ：None.

(4) Business and significant transactions between the company and its subsidiary

December 31, 2011

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
0	Evergreen Marine Corporation	Taiwan Terminal Service Co., Ltd.	1	Accounts payable	$ 38,695	Note3	0.03
		〃	1	Operating revenue	2,946	"	-
		〃	1	Operating cost	684,593	"	0.63
		Greencompass Marine S.A.	1	Accounts receivable	7,698	"	0.01
		〃	1	Other receivables	61	"	-
		〃	1	Accounts payable	135,838	"	0.10
		〃	1	Agency reciprocal accounts-Debit	855,420	"	0.62
		〃	1	Operating revenue	87,171	"	0.08
		〃	1	Operating cost	41,749	"	0.04
		Evergreen Marine (UK) Limited	1	Accounts receivable	2,895	"	-
		〃	1	Other receivables	2,477	"	-
		〃	1	Agency reciprocal accounts-Debit	43,492	"	0.03
		〃	1	Operating revenue	33,821	"	0.03
		PT.Multi Bina Pura International	1	Other receivables	-	"	-
		Evergreen Shipping Agency (India) Pvt. Ltd.	1	Operating cost	1,601	"	-
		〃	1	Other receivables	1	"	-
		〃	1	Agency accounts - debit	76,227	"	0.06
		Evergreen Shipping Agency (Thailand) CO., Ltd.	1	Operating cost	20,732	"	0.02
		〃	1	Agency accounts - debit	9,660	"	0.01
		PT. Evergreen Shipping Agency Indonesia	1	Agency accounts - debit	21,245	"	0.02
		〃	1	Operating cost	28,170	"	0.03

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Singapore) Pte. Ltd.	1	Agency accounts - debit	$ 951	Note3	-
		〃	1	Operating cost	11,744	"	0.01
		Evergreen Shipping Agency (Korea) Corporation	1	Operating cost	1,655	"	-
		〃	1	Agency accounts - debit	768	"	-
		Evergreen Shipping Agency (Deutschland) GmbH	1	Agency accounts - debit	2,421	"	-
		〃	1	Operating cost	9,097	"	0.01
		Evergreen Shipping Agency (Ireland) Ltd.	1	Agency accounts - debit	459	"	-
		〃	1	Operating cost	645	"	-
		Evergreen Shipping Agency (Netherlands) B.V.	1	Other receivables	1	"	-
		〃	1	Agency accounts - credit	83,252	"	0.06
		〃	1	Operating cost	8,529	"	0.01
		Evergreen Shipping Agency (Poland) SP.ZO.O	1	Agency accounts - debit	69	"	-
		〃	1	Account payable	1	"	-
		〃	1	Operating cost	933	"	-
		Evergreen Shipping Agency France S.A.	1	Account payable	-	"	-
		〃	1	Agency accounts - credit	38	"	-
		〃	1	Operating cost	602	"	-
		Evergreen Shipping (Spain) S.L.	1	Operating cost	1,603	"	-
		〃	1	Agency accounts - credit	10	"	-
		Evergreen Shipping Agency (Italy) S.p.A.	1	Agency accounts - debit	12,822	"	0.01
		〃	1	Operating cost	5,312	"	-
		Evergreen Shipping Agency (Russia) Limited	1	Other receivables	2	"	-
		〃	1	Agency accounts - credit	1,133	"	-
		Evergreen Shipping Agency (Vietnam) Corp.	1	Operating cost	10,111	"	0.01

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Vietnam) Corp.	1	Agency accounts - credit	$ 3,722	Note3	-
		Evergreen Shipping Agency (Australia) Pty. Ltd.	1	Agency accounts - credit	65	"	-
		〃	1	Operating cost	2	"	-
		Evergreen Shipping Agency (Sounth Africa) (PTY) Ltd.	1	Agency accounts - debit	1,379	"	-
		Everport Terminal Services Inc.	1	Short-term advances	2,991	"	-
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Accounts receivable	41,600	"	0.03
		〃	3	Agency reciprocal accounts-debit	17,662	"	0.01
		〃	3	Accounts payable	23,434	"	0.02
		Evergreen Heavy Industrial Co., (Malaysia) Berhad	3	Accounts payable	192,268	"	0.14
		Evergreen Shipping Agency (India) Pvt. Ltd.	3	Agency accounts - debit	15,609	"	0.01
		〃	3	Agency accounts - credit	99	"	-
		〃	3	Operating cost	22,472	"	0.02
		Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Agency accounts - debit	9,263	"	0.01
		〃	3	Agency accounts - credit	24,731	"	0.02
		〃	3	Operating cost	42,826	"	0.04
		PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	3,147	"	-
		〃	3	Operating cost	26,118	"	0.02
		Evergreen Shipping Agency (Singapore) Pte. Ltd.	3	Agency accounts - debit	3,760	"	-
		〃	3	Operating cost	22,899	"	0.02
		Evergreen Shipping Agency (Korea) Corporation	3	Agency accounts - debit	31,894	"	0.02
		〃	3	Agency accounts - credit	8,796	"	0.01
		〃	3	Operating cost	36,923	"	0.03

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Deutschland) GmbH	3	Agency accounts - debit	$ 9,142	Note3	0.01
		〃	3	Accounts payable	9,564	"	0.01
		〃	3	Operating cost	123,928	"	0.11
		Evergreen Shipping Agency (Ireland) Ltd.	3	Operating cost	7,499	"	0.01
		〃	3	Agency accounts - debit	343	"	-
		〃	3	Accounts payable	6	"	-
		Evergreen Shipping Agency (Netherlands) B.V.	3	Accounts receivable	6,304	"	-
		〃	3	Agency accounts - credit	12,201	"	0.01
		〃	3	Operating cost	111,624	"	0.10
		Evergreen Shipping Agency (Poland) SP.ZO.O	3	Agency accounts - debit	1,184	"	-
		〃	3	Operating cost	5,586	"	0.01
		〃	3	Accounts payable	-	"	-
		Evergreen Shipping Agency France S.A.	3	Agency accounts - debit	6,630	"	-
		〃	3	Operating cost	166,965	"	0.15
		Evergreen Shipping (Spain) S.L.	3	Agency accounts - debit	7,628	"	0.01
		〃	3	Operating cost	44,757	"	0.04
		Evergreen Shipping Agency (Italy) S.p.A.	3	Agency accounts - debit	37,895	"	0.03
		〃	3	Agency accounts - credit	13,056	"	0.01
		〃	3	Operating cost	41,580	"	0.04
		Evergreen Shipping Agency (Vietnam) Corp.	3	Agency accounts - credit	6,191	"	-
		〃	3	Operating cost	26,089	"	0.02
		Evergreen Shipping Agency (Australia) Pty. Ltd.	3	Accounts payable	19	"	-
		〃	3	Agency accounts - debit	3,984	"	-
		〃	3	Agency accounts - credit	598	"	-
		〃	3	Operating cost	5,071	"	-

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Sounth Africa) (PTY) Ltd.	3	Agency accounts - debit	$ 4,518	Note3	-
		〃	3	Agency accounts - credit	114	"	-
		〃	3	Operating cost	619	"	-
2	Evergreen Marine (UK) Limited	Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Agency accounts - debit	10,498	"	0.01
		〃	3	Agency accounts - credit	20,080	"	0.01
		〃	3	Operating cost	31,377	"	0.03
		Evergreen Shipping Agency (India) Pvt. Ltd.	3	Operating cost	25,539	"	0.02
		〃	3	Agency accounts - debit	7,665	"	0.01
		PT. Evergreen Shipping Agency Indonesia	3	Agency accounts - debit	684	"	-
		〃	3	Operating cost	33,298	"	0.03
		Evergreen Shipping Agency (Singapore) Pte. Ltd.	3	Accounts receivable	2,157	"	-
		〃	3	Agency accounts - credit	1,855	"	-
		〃	3	Operating cost	12,293	"	0.01
		Evergreen Shipping Agency (Korea) Corporation	3	Agency accounts - debit	505	"	-
		〃	3	Operating cost	11,617	"	0.01
		Evergreen Shipping Agency (Deutschland) GmbH	3	Agency accounts - debit	819	"	-
		〃	3	Accounts payable	5,593	"	-
		〃	3	Agency accounts - credit	1,245	"	-
		〃	3	Operating cost	66,124	"	0.06
		Evergreen Shipping Agency (Ireland) Ltd.	3	Other receivables	134	"	-
		〃	3	Agency accounts - debit	1,297	"	-
		〃	3	Operating cost	5,162	"	-
		Evergreen Shipping Agency (Netherlands) B.V.	3	Accounts receivable	1,966	"	-
		〃	3	Agency accounts - credit	6,592	"	-
		〃	3	Operating cost	94,808	"	0.09

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
2	Evergreen Marine (UK) Limited	Evergreen Shipping Agency (Poland) SP.ZO.O	3	Accounts receivable	$ 82	Note3	-
		〃	3	Agency accounts - credit	20	"	-
		〃	3	Operating cost	3,787	"	-
		Evergreen Shipping Agency France S.A.	3	Agency accounts - debit	1,135	"	-
		〃	3	Operating cost	21,291	"	0.02
		Evergreen Shipping Agency (Russia) Limited	3	Operating cost	2,505	"	-
		〃	3	Accounts payable	2,601	"	-
		Evergreen Shipping (Spain) S.L.	3	Agency accounts - debit	11	"	-
		〃	3	Operating cost	19,787	"	0.02
		Evergreen Shipping Agency (Italy) S.p.A.	3	Agency accounts - debit	10,725	"	0.01
		〃	3	Agency accounts - credit	953	"	-
		〃	3	Operating cost	14,396	"	0.01
		Evergreen Shipping Agency (Vietnam) Corp.	3	Agency accounts - credit	1,121	"	-
			3	Agency accounts - debit	4,929	"	-
		〃	3	Operating cost	30,706	"	0.03
		Evergreen Shipping Agency (Australia) Pty. Ltd.	3	Operating cost	593	"	-
		〃	3	Agency accounts - credit	86	"	-
		〃	3	Agency accounts - debit	421	"	-
		Evergreen Shipping Agency (Sounth Africa) (PTY) Ltd.	3	Agency accounts - debit	346	"	-
		〃	3	Operating cost	1,040	"	-
		Kingtrans Intl. Logistics (Tianjin) Co., Ltd	3	Other receivables	45,415	"	0.03
3	Peony Investment S.A.	PT.Evergreen Shipping Agency Indonesia	3	Other receivables	24,936	"	0.02
		Evergreen Argentina S.A.	3	Other receivables	8	"	-
		〃	3	Other Payables	425	"	-
		Kingtrans Intl. Logistics (Tianjin) Co., Ltd	3	Other receivables	45,505	"	0.03

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
4	PT.Multi Bina Pura International	PT.Multi Bina Transport	3	Accounts receivable	$ 410	Note3	-
		〃	3	Accounts payable	454	"	-
		〃	3	Other payable	280	"	-
		〃	3	Operating revenue	6,227	"	0.01
		〃	3	Operating cost	4,387	"	-
		PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	1,267	"	-
5	Island Equipment LLC.	Everport Terminal Services Inc.	3	Other receivables	4,389	"	-
6	Evergreen Shipping Agency (Russia)	Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts receivable	6,239	"	-
		〃	3	Accounts payable	13,137	"	0.01
		〃	3	Operating revenue	57,620	"	0.05
7	Evergreen Heavy Industrial Co., (Malaysia) Berhad	Evergreen Marine Corp.	2	Operating revenue	1,652,183	"	1.53
		Greencompass Marine S.A.	3	Operating revenue	692,044	"	0.64
8	PT.Multi Bina Transport	PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	4,667	"	-

Note 1: Transaction between the Company and the subsidiary are shown as follows:
(1) the "0" represents the Company.
(2) the subsidiary are numbered from "1" in sequence.

Note 2: The relationship are shown as follows:
(1) the Company to the subsidiary.
(2) the subsidiary to the Company
(3) the subsidiary to the subsidiary.

Note 3: There is no difference of trade type compared with ordinary transaction.

December 31, 2010

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
0	Evergreen Marine Corporation	Taiwan Terminal Service Co., Ltd.	1	Accounts payable	$ 50,949	Note3	0.03
		〃	1	Operating revenue	2,905	〃	-
		〃	1	Operating cost	672,076	〃	0.60
		Greencompass Marine S.A.	1	Accounts receivable	6,736	〃	0.02
		〃	1	Accounts payable	25,280	〃	0.02
		〃	1	Other receivables	4	〃	0.01
		〃	1	Agency reciprocal accounts-debit	623,468	〃	0.17
		〃	1	Operating revenue	414,213	〃	0.46
		〃	1	Operating cost	242,542	〃	0.22
		Evergreen Marine (UK) Limited	1	Accounts receivable	2,618	〃	-
		〃	1	Accounts payable	3,655	〃	-
		〃	1	Other receivables	612	〃	-
		〃	1	Agency reciprocal accounts-credit	2,750	〃	0.11
		〃	1	Operating revenue	35,458	〃	0.03
		PT.Multi Bina Pura International	1	Other receivables	2	〃	-
		Evergreen Shipping Agency (India) Pvt. Ltd.	1	Operating cost	6,423	〃	0.01
		〃	1	Agency accounts - debit	1,933	〃	0.03
		Evergreen Shipping Agency (Thailand) CO., Ltd.	1	Operating cost	17,884	〃	0.01
		〃	1	Agency accounts - debit	10,877	〃	0.02
		PT. Evergreen Shipping Agency Indonesia	1	Other receivables	1	〃	-
		〃	1	Agency accounts - debit	15,352	〃	0.02
		〃	1	Operating cost	35,203	〃	0.03

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Singapore) Pte. Ltd.	1	Agency accounts - credit	$ 98	Note3	-
		〃	1	Operating cost	11,204	"	0.01
		Evergreen Shipping Agency (Korea) Corporation	1	Operating cost	2,716	"	-
		〃	1	Agency accounts - credit	295	"	-
		Evergreen Shipping Agency (Deutschland) GmbH	1	Agency accounts - credit	1,722	"	-
		〃	1	Operating cost	11,490	"	0.01
		Evergreen Shipping Agency (Ireland) Ltd.	1	Agency accounts - credit	256	"	-
		〃	1	Operating cost	283	"	-
		Evergreen Shipping Agency (Netherlands) B.V.	1	Other receivables	1	"	-
		〃	1	Agency accounts - credit	75,829	"	-
		〃	1	Operating cost	5,303	"	-
		Evergreen Shipping Agency (Poland) SP.ZO.O	1	Agency accounts - debit	755	"	-
		〃	1	Operating cost	1,827	"	-
		Evergreen Shipping Agency France S.A.	1	Agency accounts - credit	7	"	-
		〃	1	Operating cost	2,299	"	-
		Evergreen Shipping (Spain) S.L.	1	Operating cost	1,468	"	-
		〃	1	Agency accounts - debit	279	"	-
		Evergreen Shipping Agency (Italy) S.p.A.	1	Agency accounts - debit	4,381	"	-
		〃	1	Operating cost	8,227	"	0.01
		Evergreen Shipping Agency (Russia) Limited	1	Other receivables	2	"	-
		Evergreen Shipping Agency (Vietnam) Corp.	1	Operating cost	8,102	"	0.01
		〃	1	Agency accounts - credit	22,565	"	-
		Evergreen Shipping Agency (Australia) Pty. Ltd.	1	Agency accounts - credit	115	"	-

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Sounth Africa) (PTY) Ltd.	1	Agency accounts - debit	$ 469	Note3	-
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Agency reciprocal accounts-debit	6,902	"	0.01
		〃	3	Accounts payable	584	"	-
		Evergreen Heavy Industrial Co., (Malaysia) Berhad	3	Operating cost	1,429,119	"	1.43
		〃	3	Accounts payable	267,046	"	0.01
		Evergreen Shipping Agency (India) Pvt. Ltd.	3	Accounts receivable	14,129	"	0.01
		〃	3	Agency accounts - debit	1	"	-
		〃	3	Operating cost	17,949	"	0.02
		Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Accounts receivable	12,133	"	0.03
		〃	3	Agency accounts - credit	11,319	"	0.01
		〃	3	Operating cost	43,938	"	0.04
		PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	20,799	"	0.02
		〃	3	Agency accounts - debit	18,277	"	-
		〃	3	Operating cost	30,904	"	0.03
		Evergreen Shipping Agency (Singapore) Pte. Ltd.	3	Accounts receivable	18,776	"	0.01
		〃	3	Agency accounts - debit	11,846	"	-
		〃	3	Agency accounts - credit	2,301	"	-
		〃	3	Operating cost	18,481	"	0.02
		Evergreen Shipping Agency (Korea) Corporation	3	Accounts receivable	57,954	"	0.05
		〃	3	Agency accounts - debit	37,784	"	-
		〃	3	Operating cost	31,233	"	0.03
		Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts receivable	127,193	"	0.10
		〃	3	Accounts payable	10,756	"	-

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Deutschland) GmbH	3	Agency accounts - debit	$ 3,505	Note3	-
		〃	3	Operating cost	57,151	"	0.04
		Evergreen Shipping Agency (Ireland) Ltd.	3	Accounts receivable	8,813	"	0.02
		〃	3	Agency accounts - debit	2,064	"	-
		〃	3	Agency accounts - credit	10	"	-
		〃	3	Operating cost	3,830	"	-
		Evergreen Shipping Agency (Netherlands) B.V.	3	Accounts receivable	51,113	"	0.02
		〃	3	Agency accounts - debit	6,314	"	-
		〃	3	Operating cost	60,175	"	0.04
		Evergreen Shipping Agency (Poland) SP.ZO.O	3	Accounts receivable	9,479	"	0.02
		〃	3	Accounts payable	164	"	-
		〃	3	Agency accounts - debit	38,792	"	-
		〃	3	Operating cost	3,895	"	-
		Evergreen Shipping Agency France S.A.	3	Operating cost	70,493	"	0.04
		〃	3	Agency accounts - debit	2,900	"	-
		Evergreen Shipping (Spain) S.L.	3	Operating cost	55,462	"	0.05
		〃	3	Accounts receivable	120,141	"	0.10
		〃	3	Agency accounts - debit	94,540	"	-
		〃	3	Agency accounts - credit	8,778	"	-
		Evergreen Shipping Agency (Italy) S.p.A.	3	Agency accounts - debit	7,348	"	0.01
		〃	3	Agency accounts - credit	9,839	"	-
		〃	3	Operating cost	61,290	"	0.06
		Evergreen Shipping Agency (Russia) Limited	3	Accounts receivable	8,445	"	0.01
		Evergreen Shipping Agency (Vietnam) Corp.	3	Accounts receivable	13,030	"	0.01
		〃	3	Operating cost	20,515	"	0.02

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Vietnam) Corp.	3	Agency accounts - debit	$ 7	Note3	-
		Evergreen Shipping Agency (Australia) Pty. Ltd.	3	Accounts receivable	7,982	"	-
		〃	3	Agency accounts - debit	3,156	"	-
		〃	3	Agency accounts - credit	420	"	-
		〃	3	Operating cost	5,230	"	-
		Evergreen Shipping Agency (Sounth Africa) (PTY) Ltd.	3	Accounts receivable	280	"	-
		〃	3	Agency accounts - debit	82	"	-
		〃	3	Operating cost	399	"	-
2	Evergreen Marine (UK) Limited	Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Agency accounts - debit	3,064	"	0.01
		〃	3	Agency accounts - credit	18,360	"	0.02
		〃	3	Operating cost	45,068	"	0.04
		Evergreen Shipping Agency (India) Pvt. Ltd.	3	Operating cost	23,569	"	0.02
		〃	3	Agency accounts - debit	1,458	"	-
		PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	10,505	"	-
		〃	3	Agency accounts - debit	3,957	"	-
		〃	3	Operating cost	42,772	"	-
		Island Equipment LLC.	3	Other receivables	58,254	"	0.05
		Evergreen Shipping Agency (Singapore) Pte. Ltd.	3	Accounts receivable	3,146	"	-
		〃	3	Agency accounts - debit	841	"	-
		〃	3	Operating cost	13,853	"	0.01
		Evergreen Shipping Agency (Korea) Corporation	3	Operating cost	16,933	"	0.01
		〃	3	Agency accounts - debit	35,809	"	-
		〃	3	Agency accounts - credit	3,519	"	-

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
2	Evergreen Marine (UK) Limited	Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts payable	$ 4,951	Note3	0.01
		〃	3	Agency accounts - credit	14,858	"	0.02
		〃	3	Operating cost	97,690	"	0.10
		Evergreen Shipping Agency (Ireland) Ltd.	3	Accounts receivable	161	"	-
		〃	3	Agency accounts - debit	1,147	"	-
		〃	3	Operating cost	7,880	"	0.01
		Evergreen Shipping Agency (Netherlands) B.V.	3	Operating cost	102,413	"	0.10
		〃	3	Accounts receivable	7,142	"	0.01
		〃	3	Agency accounts - debit	28,422	"	-
		〃	3	Agency accounts - credit	16,527	"	-
		Evergreen Shipping Agency (Poland) SP.ZO.O	3	Operating cost	6,068	"	0.01
		〃	3	Accounts receivable	1,288	"	-
		〃	3	Agency accounts - debit	5,160	"	-
		〃	3	Agency accounts - credit	1,500	"	-
		Evergreen Shipping Agency France S.A.	3	Agency accounts - debit	11	"	-
		〃	3	Agency accounts - credit	4,783	"	-
		〃	3	Operating cost	63,998	"	0.07
		Evergreen Shipping (Spain) S.L.	3	Operating cost	30,775	"	0.03
		〃	3	Agency accounts - debit	13,742	"	-
		〃	3	Agency accounts - credit	26	"	-
		Evergreen Shipping Agency (Italy) S.p.A.	3	Agency accounts - debit	5,173	"	-
		〃	3	Agency accounts - credit	8,079	"	-
		〃	3	Operating cost	19,345	"	0.02
		Evergreen Shipping Agency (Russia) Limited	3	Accounts payable	1,449	"	-
		〃	3	Agency accounts - credit	823	"	-

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
2	Evergreen Marine (UK) Limited	Evergreen Shipping Agency (Vietnam) Corp.	3	Operating cost	$ 38,878	Note3	0.03
		〃	3	Agency accounts - credit	1,417	"	-
		Evergreen Shipping Agency (Australia) Pty. Ltd.	3	Operating cost	439	"	-
		〃	3	Agency accounts - credit	18	"	-
		Evergreen Shipping Agency (Sounth Africa) (PTY) Ltd.	3	Agency accounts - debit	400	"	-
		〃	3	Operating cost	630	"	-
3	PT.Multi Bina Pura International	PT.Multi Bina Transport	3	Accounts receivable	412	"	-
		〃	3	Accounts payable	396	"	-
		〃	3	Other payable	239	"	-
		〃	3	Operating revenue	6,273	"	0.01
		〃	3	Operating cost	4,698	"	-
		PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	980	"	-
4	Clove Holding Ltd.	Island Equipment LLC.	3	Other receivables	139,810	"	0.11
5	Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Russia) Limited	3	Accounts payable	3,384	"	0.01
		〃	3	Accounts receivable	4,569	"	-
		〃	3	Operating cost	53,978	"	0.05
6	PT.Multi Bina Transport	PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	4,105	"	-

Note 1: Transaction between the Company and the subsidiary are shown as follows:
(1) the "0" represents the Company.
(2) the subsidiary are numbered from "1" in sequence.

Note 2: The relationship are shown as follows:
(1) the Company to the subsidiary.
(2) the subsidiary to the Company
(3) the subsidiary to the subsidiary.

Note 3: There is no difference of trade type compared with ordinary transaction.

11. SEGMENT INFORMATION

(1) General information

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

B.The Company has grouped some operating segments according to similar economic characters and conform to collecting conditions as ‘reportable operating segment’ and has categorized other operating segments which do not meet the quantitative thresholds required as ‘all other segments’. The revenue and labor sourcing of every reportable operating segment is as follows:

(a) Transportation department：

Main revenues are derived from marine income and agency income.

(b) Investing and holding department：

Main revenues are derived from investments in transportation.

(c) Other department

Main revenues are derived from manufacturing container.

(2) Measurement of segment information

The Company assesses the performance of the operating segments based on the profits and losses of segments.

(3) Information on segment profit (loss), assets and liabilities

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

	2011			
	Transportation Department	Investing and holding Department	Other Department	Total
Segments revenue	$ 107,373,921	$ 492,990	$ 289,147	$ 108,156,058
Interst income	199,963	38,897	661	239,521
Interst expense	(397,702)	(14,911)	(3,152)	(415,765)
Depreciation and amortization	(5,325,095)	(178,529)	(37,602)	(5,541,226)
Investment income (loss) under the equity method	398,799	(2,337,334)	-	(1,938,535)
Other items	(105,253,473)	1,540,585	(206,320)	(103,919,208)
Segments profit (loss)	($ 3,003,587)	($ 458,302)	$ 42,734	($ 3,419,155)
Recognizable assets	$ 105,181,314	$ 6,841,902	$ 2,069,723	$ 114,092,939
Long-term equity investments accounted for under the equity method	16,812,639	7,107,106	-	23,919,745
Segments assets	$ 121,993,953	$ 13,949,008	$ 2,069,723	$ 138,012,684
Segments liabilities	$ 69,773,205	$ 2,023,832	$ 614,112	$ 72,411,149

	2010			
	Transportation Department	Investing and holding Department	Others Department	Total
Segments revenue	$ 108,532,369	$ 558,852	$ 261,955	$ 109,353,176
Interst income	204,362	14,565	1,700	220,627
Interst expense	(378,396)	(105,807)	(14)	(484,217)
Depreciation and amortization	(5,395,371)	(225,473)	(38,793)	(5,659,637)
Investment income or loss under the equity method	2,816,179	1,521,247	-	4,337,426
Other items	(88,756,386)	(159,953)	(95,459)	(89,011,798)
Segments profit (loss)	$ 17,022,757	$ 1,603,431	$ 129,389	$ 18,755,577
Recognizable assets	$ 93,258,375	$ 6,913,791	$ 2,030,010	$ 102,202,176
Long-term equity investments accounted for under the equity method	17,812,865	9,550,442	-	27,363,307
Segments assets	$ 111,071,240	$ 16,464,233	$ 2,030,010	$ 129,565,483
Segments liabilities	$ 54,087,569	$ 4,597,765	$ 658,584	$ 59,343,918

(4) Reconciliation for segment profit (loss), assets and liabilities

A.Sales between segments are carried out at arm’s length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the income statement.

B. The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that in the balance sheet.

C. The amounts provided to the chief operating decision-maker with respect to total liabilities are measured in a manner consistent with that in the balance sheet.

(5) Trade information

	December 31, 2011		December 31, 2010	
Service routes	Amount	% of Account Balance	Amount	% of Account Balance
North America	$ 41,136,771	40	$ 39,778,709	38
Europe	25,710,482	25	31,404,244	30
Asia	21,596,805	21	20,936,163	20
Other	14,397,869	14	12,561,697	12
	$ 102,841,927	100	$ 104,680,813	100

(6) Region information

Region	2011 Operating Income	2011 Non-current Asset	2010 Operating Income	2010 Non-current Asset
Taiwan	$ 15,258,095	15,041,255	$ 16,586,236	11,575,364
North America	59,697,203	25,011,064	54,788,870	22,354,146
Europe	31,482,983	23,590,140	36,523,465	18,252,470
Asia	1,286,382	1,499,875	1,041,555	885,761
Other	431,395	16,378	413,050	21,991
	$ 108,156,058	$ 65,158,712	$ 109,353,176	$ 53,089,732

(7) Information on major customers

The Group provides services to customers all over the world. No single customer of the Company accounts for more than 10% of the Company's operating revenues.

13. DISCLOSURES RELATING TO THE ADOPTION OF IFRSs

Pursuant to the regulations of the Financial Supervisory Commission, Executive Yuan, R.O.C., effective January 1, 2013, a public company whose stock is listed on the Taiwan Stock Exchange Corporation or traded in the GreTai Securities Market should prepare financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins ("IFRSs") that are ratified by the Financial Supervisory Commission.

The Company discloses the following information in advance prior to the adoption of IFRSs under the requirements of Jin-Guan-Zheng-Shen-Zi Order No. 0990004943 of the Financial Supervisory Commission, dated February 2, 2010:

Major contents and status of execution of the Company's plan for IFRSs adoption:

(1) The Company has formed an IFRSs group headed by the Company's chief financial officer, which is responsible for setting up a plan relative to the Company's transition to IFRSs. The major contents and status of execution of this plan are outlined below：

Working Items for IFRSs Adoption	Status of Execution
a. Formation of an IFRSs group	Done
b. Setting up a plan relative to the Company's transition to IFRSs	Done
c. Identification of the differences between current accounting policies and IFRSs	Done
d. Identification of consolidated entities under the IFRSs framework	Done
e. Evaluation of the impact of each exemption and option on the Company under IFRS 1 – First-time Adoption of International Financial Reporting Standards	Done
f. Evaluation of needed information system adjustments	Done
g. Evaluation of needed internal control adjustments	Done

h. Establish IFRSs accounting policies	Done
i. Selection of exemptions and options available under IFRS 1 – First-time Adoption of International Financial Reporting Standards	Done
j. Preparation of statement of financial position on the date of transition to IFRSs	In process
k. Preparation of IFRSs comparative financial information for 2012	In process
l. Completion of relevant internal control (including financial reporting process and relevant information system) adjustments	In process

(2) Material differences that may arise between current accounting policies used in the preparation of financial statements and IFRSs and "Rules Governing the Preparation of Financial Statements by Securities Issuers" that will be used in the preparation of financial statements in the future:

The Company uses the IFRSs already ratified currently by the Financial Supervisory Commission and the "Rules Governing the Preparation of Financial Statements by Securities Issuers" that will be applied in 2013 as the basis for evaluation of material differences in accounting policies as mentioned above. However, the Company's current evaluation results may be different from the actual differences that may arise when new issuances of or amendments to IFRSs are subsequently ratified by the Financial Supervisory Commission or relevant interpretations or amendments to the "Rules Governing the Preparation of Financial Statements by Securities Issuers" come in the future.

Material differences identified by the Company that may arise between current accounting policies and the accounting policy follows "Rules Governing the Preparation of Financial Statements by Securities Issuers" that will be used in the preparation of financial statements in the future are set forth below:

A.Financial assets: equity instruments

In accordance with the amended "Rules Governing the Preparation of Financial Statements by Securities Issuers", dated July 7, 2011, unlisted stocks and emerging stocks held by the Company should be measured at cost and recognized in "Financial assets carried at cost". However, in accordance with IAS 39, "Financial Instruments: Recognition and Measurement", investments in equity instruments without an active market but with reliable fair value measurement (i.e. the variability of the estimation interval of reasonable fair values of such equity instruments is insignificant, or the probability for these estimates can be made reliably) should be measured at fair value.

B.Business combinations

(a) Although no rules concerning the recognition of costs related to the acquisition in a business combination are specified in current accounting standards in R.O.C., in practice, certain acquisition-related costs are usually viewed as part of the acquisition cost of the acquiring corporation. However, in accordance with IFRS 3, "Business Combinations", all acquisition-related costs must be expensed by the acquiring corporation when such costs are incurred and services are received.

(b)The measurement date for the equity stock issued in a business combination is the announcement date of the combination agreement in accordance with current accounting standards in R.O.C. and is the acquisition date in accordance with IFRS 3, “Business Combinations”.

(c) In accordance with current accounting standards in R.O.C., the minority interest on the consolidated financial statements should be measured based on the book value of the acquired corporation. In accordance with IFRS 3, “Business Combinations”, the non-controlling interest in the acquired corporation should be measured at fair value (or at the non-controlling interest’s proportionate share of the acquired corporation’s identifiable net assets).

C.Investment property

In accordance with current accounting standards in R.O.C., the Company’s property that is leased to others is presented in ‘Property, plant and equipment’ account. In accordance with IAS 41, “Investment Property”, property that meets the definition of investment property is classified and accounted for as ‘Investment property’.

D.Pensions

(a) The discount rate used to calculate pensions shall be determined with reference to the factors specified in R.O.C. SFAS 18, paragraph 23. However, IAS 19, “Employee Benefits”, requires an entity to determine the rate used to discount employee benefits with reference to market yields on high quality corporate bonds that match the currency at the end day of the reporting period and duration of its pension plan; when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds (at the end day of the reporting period) instead.

(b) In accordance with current accounting standards in R.O.C., the unrecognized transitional net benefit obligation should be amortized on a straight-line basis over the average remaining service period of employees still in service and expected to receive benefits. However, The Company is the first time to adopt IFRS and is inapplicable in accordance with IAS 19, “Employee Benefits”.

(c) In accordance with current accounting standards in R.O.C., the excess of the accumulated benefit obligation over the fair value of the pension plan (fund) assets at the balance sheet date is the minimum amount of pension liability that is required to be recognized on the balance sheet (“minimum pension liability”). However, IAS 19, “Employee Benefits”, has no regulation regarding the minimum pension liability.

(d) In accordance with current accounting standards in R.O.C., actuarial pension gain or loss of the Company is recognized in net pension cost of current period using the ‘corridor’ method. However, IAS 19, “Employee Benefits”, requires that actuarial pension gain or loss should be recognized immediately in other comprehensive income.

E.Employee benefits

The current accounting standards in R.O.C. do not specify the rules on the cost recognition for accumulated unused compensated absences. The Company recognizes such costs as expenses upon actual payment. However, IAS 19, "Employee Benefits", requires that the costs of accumulated unused compensated absences should be accrued as expenses at the end of the reporting period.

F.Income taxes

(a) In accordance with current accounting standards in R.O.C., a deferred tax asset or liability should, according to the classification of its related asset or liability, be classified as current or noncurrent. However, a deferred tax asset or liability that is not related to an asset or liability for financial reporting, should be classified as current or noncurrent according to the expected time period to realize or settle a deferred tax asset or liability. However, under IAS 1, "Presentation of Financial Statements", an entity should not classify a deferred tax asset or liability as current.

(b) In accordance with current accounting standards in R.O.C., when evidence shows that part or whole of the deferred tax asset with 50% probability or above will not be realized, an entity should reduce the amount of deferred tax asset by adjusting the valuation allowance account. In accordance with IAS 12, "Income Taxes", a deferred tax asset should be recognized if, and only if, it is considered highly probable that it will be realized.

Some of the above differences may not have a material effect on the Company in transition to IFRSs due to the exemption rules in IFRS 1, "First-time Adoption of International Financial Reporting Standards", adopted by the Company.

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