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長榮海運股份有限公司

EVERGREEN MARINE CORP. (TAIWAN) LTD.

2012 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,

2012 was a year in which shipping lines forged ahead through stormy sea. Amid depressed and jeopardized global political and economic situations from which industrial oversupply diffused, our company timely adjusted paces with numerous measures against losses in pursuit of profits. Gradually, we stayed afloat and steered out of the gloom after a bumpy ride last year. Respectfully we present you the following:

I. Our Performance in 2012

1. Market & Business Review

Cargo Demand

Since global economy remained slow in 2012, cargo volume growth was more sluggish. According to statistics of Alphaliner in March 2013, global container throughput only grew 4.5% last year, a nearly half-off ratio compared to 2011; FE-Europe westbound volume retreated 4.4% while Transpacific eastbound stayed nearly flat growth.

Capacity Supply

To cope with prolonged stagnation after capacities absorbed by highly adopted slow-steaming measures, many ship owners were forced to speed scrappings and defer new deliveries which somewhat moderated the surge of slot increase last year. Based on statistics of Alphaliner, annually global containership slot growth finalized at 6% last year, lower than 7.9% it was forecasted in early 2012.

Mega ships sized over 10,000 TEU each, though part of their deliveries was deferred last year, still occupied half of the total slot increase and kept pushing global fleet deployment into Cascade Effect, which not only took over nearly 50% of FE-Europe capacities but also started to emerge in other major or minor trade lanes.

Since many major or minor service strings already adopted super slow steaming measures and absorbed extra vessel tonnages, ship idling activities were not as strong as anticipated earlier but still reached nearly 810,000 TEU (or 5% of global capacity then) by end of 2012, which was higher than 2011 level comparatively.

1 Letter to Shareholders

Carriers' Performances

Learnt from the lessons in 2011, container shipping lines adjusted their own paces in 2012 by prioritizing "cost-down" & "profit-up" measures, such as disposing of aged ships, deferring new deliveries, applying slow-steaming, reshuffling service strings, and recovering rate levels, etc., trying to steer their rudders stably through rising waves of costs and falling waves of demands.

Per Alphaliner's statistics, a series of rate recovery programs had hiked 2012 as the most volatile year of rate fluctuations on China Containerized Freight Index (CCFI) record; despite rate levels mostly curbed by supply-demand mechanism, shipping lines' voluntary efforts had raised the major carriers' average operating margin up from -12% in Q1 to 4% in Q3 of 2012.

Our Strategy

When it comes to business strategy, Evergreen Marine Corp. emphasizes stability and flexibility equally. As we did not follow the mega ship rush over the past few years, elasticity of fleet deployment was preserved for chartered tonnages and strategic joint

ventures to maintain abundance of our capacity and service strings. From second half of 2012 on, green ships our group ordered when price was comparatively lower started phasing in and replacing aged or chartered ships in our fleet. Hereby we brief our operating strategies in the following:

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

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

(3) Blue Ocean Creativity- by value-added cargo exploitation 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. Fulfillment Ratio of Financial Target

Estimated operation revenue for 2012 was NT$ 15.93 billion, actual operation revenue was NT$ 16.22 billion. Therefore, the fulfill rate was 101.79%.

3. Annual Accounts & Profitability Analysis

The actual operating income for 2012 totaled NT$ 16.22 billion, compared with year 2011's NT$ 15.36 billion, increased NT$ 0.86 billion. The actual operating cost for 2012 was NT$ 15.08 billion, compared with year 2011's NT$ 14.63 billion, increased NT$ 0.45 billion.

4. Research & Development

Green Fleet

Eco-friendliness and emission reduction

remain our fundamental principles. Along with our group's 30 all-new L-type green ships being delivered since July 2012 (and totally 7 of them received last year), the "optimized ship hull" concept, which emphases on material, configuration, and equipment, etc., is embodied in our fleet designing and shipbuilding to achieve best efficient and eco-friendly purposes. Not long ago our group further concluded charter deals of five 8,800 TEU and ten 13,800 TEU mid-large sized green containerships to be delivered during 2013-2014, in order to coordinate with joint venture partners on FE-Europe trade lane.

Besides, we proactively share our green info by setting up an "Environmental Guardians" page on our company website for customers' references.

Maritime Certification

Evergreen Seafarer Training Center (ESTC) has provided courses for over 30,000 seafarers from our company and government-commissioned projects since its establishment in 1999. In addition to several certificates attained from the renowned classification society, Det Norske Veritas (DNV), our ESTC further received certification in January 2013 from the Japanese leading class society, ClassNK, confirming our courses meet requirements of

IMO STCW (Standards of Training, Certification and Watchkeeping) 2010 Amendments.

Furthermore, as the MLC (Maritime Labour Convention) treaty will be effective in August 2013, "M/V Uni-Active", one of our Taiwan-flagged containerships, has been certified as the first Taiwanese vessel meeting MLC requirements by China Corporation Register of Shipping (CR).

E-Commerce Enhancement

Evergreen's versatile e-commerce website, "ShipmentLink.com", is being constantly upgraded and innovated for customers' cargo arrangements more timely, conveniently, and eco-friendly, ever since its debut in 2008.

In order to synchronize e-commerce and m-commerce, we also released "ShipmentLink Mobile" application for handheld devices in

February 2012 to help our customers acquire info updates such as our sailing schedules and their cargo movements anytime, anywhere.

Awards & Recognition

By devotions to enhancing service quality, Evergreen keeps earning reliance and recognitions from customers, media and organizations worldwide:

- In April 2012, Evergreen Line received the "Liner Owner/Operator Award" at the Seatrade Asia Awards, as an honor of our excellence in service innovation, environmental protection and other criteria;
- In August 2012, Evergreen Marine Corp. (Taiwan) Ltd. received the "Authorized Economic Operator" (AEO) certification from the Taiwan Customs Administration, and became qualified supply-chain operator meeting security standards developed by the World Customs Organization (WCO).

II. Our Business Plans for 2013

1. Our Strategy

Looking ahead to 2013, with the signs of slow rise in global macro economy, regional trades and emerging markets will continue to shine respectively. We shall take advantage of our fleet renewal to enrich our service network and enhance efficiency, by the following approaches:

(1) Close Cost Control- by continuing eco-saving and focusing on maximized efficiency;

(2) Extensive Earning Enhancement- by elevating eligible revenues and developing profitable cargo sources;

(3) Diverse Deployment Design- by optimizing major service strings and reinforcing feeder networks;

(4) Multiplex Market Management- by solidifying current customer base and cultivating potential markets;

(5) Smart Slot Supply- by activating fleet deployment and strengthening complementary

joint ventures;

(6) Streamline Service Support- by ensuring safety and efficiency and pursuing service innovations.

2. Industry Outlook

Cargo Demand

Due to persistent macro-economic uncertainties, authoritative organizations maintain conservative forecasts: Eurozone economy may still see recession but in a milder way; North America amid some perplexities but in a brighter outlook; Asia and other emerging markets though more subject to fluctuations are still in leading position of global economy

and trade growth. Consequently, global volume should advance gradually.

Per Alphaliner's estimates in March 2013, global container volume may increase 5.1%, slightly higher than 4.5% of last year, in which FE-Europe westbound volume may grow 1% from last year's decline and Transpacific eastbound volume may increase 2%.

Capacity Supply

Per Alphaliner report in March 2013, in spite of decreased orders and deferred deliveries during recent two years, growth of global containership capacity will still be as high as nearly 7.3% this year. Expectably, ship owners and operators will keep lowering pressures of excessive slots by scrapping, redelivering, slow-steaming, and idling ships, etc..

Of course, global containership fleet will pass through another phase of renewal which could help lower operating unit cost and protect maritime environment; at the same time, the depressed chartering and shipbuilding markets shall offer more favorable options for shipping lines. However, in view of service strings, as capacities on FE-Europe trade are excessive, slots on Transpacific and Transatlantic trades had increased by 9.5% and 2.6% respectively last year, capacity pressures on East-West main strings will continuously be released to North-South and regional strings.

Carriers' Performances

In our opinion, though supply-demand in 2013 keeps imbalanced as last year under even more pressures, it also brings a transitional opportunity for shipping lines' fleet renewing and operational restructuring in a long-term perspective.

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

External Competitions

(1) As oversupply still chokes the market, and ship maximization deepens anxieties of slot

utilization and tonnage concentration, container shipping market in 2013 may keep shaky with shorter cycles.

(2) Nevertheless, cooperation and competition (or “coope-tition”) among shipping lines will be more intense with the widespread of capacity surge in service strings. To cope with rate fluctuations and carriers’ coopetitions together, individual shipping line needs more differentiated services and routing to stand out.

Regulatory Impact

(1) Due to awakening maritime environmental consciousness and ever-changing maritime security issues, amendments of many conventions approved by the International Maritime Organization (IMO) have been or will be effective by 2012 & 2013. To shipping lines, full compliance means spending additional costs on new or upgraded equipment to meet regulatory requirements.

(2) Besides, as political and economic situations remain unstable, many protective or punitive customs or security measures prevail around the world, which may restrain international trade development and disorder shipping lines’ deployment.

(3) Direct sailing and the “Economic Cooperation Framework Agreement” (ECFA) between the Taiwan Strait have benefited trades and shipping industries among the two sides after their implementation though, there are still rooms to further negotiate on loosening policies and regulations.

Macro Economy

(1) Global economy in 2013 is likely in sight of a bounceback. Although the International Monetary Fund (IMF) slightly cuts 2013 world economy growth down to 3.5% (of which US to 2.0%, Eurozone to -0.2%, China kept at 8.2%, and developing countries overall to 5.5%) in its recent outlook report, it is still cautiously optimistic about the slow recovery in coming two years, under the condition that all concerned governments must adopt practical actions promptly. Meanwhile, the "dual-track" motions of world economy (in which emerging markets grow rapidly while high-income countries stagnate) are expected to persist for another period of time.

(2) However, uprising protectionism may endanger the already fragile global trade growth. According to World Trade Organization (WTO) statistics, globally there are already 546 regional trade agreements (RTA) and 25 preferential trade agreements (PTA) up to January 2013 though, trade barriers set by G20 countries during the six months between November 2011 and May 2012, as reported by Organization for Economic Cooperation and Development (OECD) and United Nations Conference on Trade and Development (UNCTAD), had reached 124 actions or averagely 17.7 actions per month.

(3) Furthermore, additional expenditures resulted from acts of human or God (such as port lockout, strikes, piracy, natural

disasters, etc.) may keep burdening costs on shipping lines.

4.Our Future

Evergreen Line, on principles of long-term sustainability, is steadily carrying out fleet renewal and global services deployment. Currently our group is receiving L-type green ships serially which will team up with chartered mid-large sized new ships to be delivered in coming years, to meet our medium and long term plans for fleet renewal, efficiency enhancement, and green saving. As Evergreen Line returns to 4th largest container fleet operator in 2013, we shall make best use of available vantage and further energize deployment in emerging markets and favorable service strings, to cater for global trade recovery.

During past few years, macro-economic stagnancy hindered shipping industry's progress, while high-hovering costs, reckless expansions and competitions also accelerated the deterioration of shipping lines' business environment and financial fitness. Despite expectation not fully met even with painstaking endeavors made by company staff, we keep moving on with hope.

The dawn will come. We shall keep on striving for the return to prosperity in 2013, to meet our shareholders' expectation.

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.

2 General Condition of the Corporation

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.
- 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.
- 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.

2 General Condition of the Corporation

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 Responsibi-lity 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.

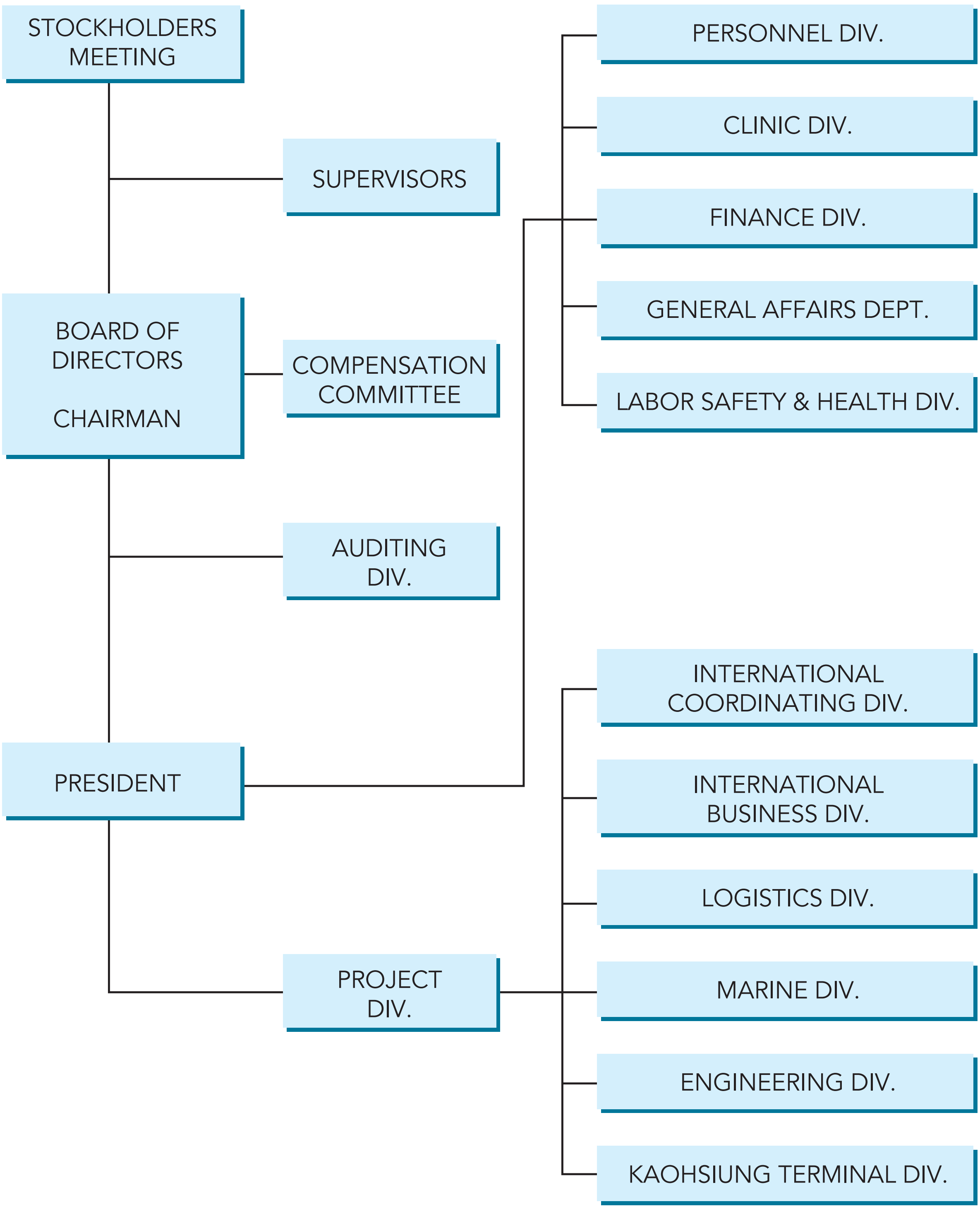
2012

- Launched “ShipmentLink Mobile”, an application of its e-commerce system to handheld devices.
- Launched the U.S. East Coast and South America (ANS) service with NYK Line (NYK), Hanjin Shipping (Hanjin) and Hyundai Merchant Marine (HMM).
- Evergreen Line and CKYH Entered into Individual Cooperation Agreements.
- Launched the Belawan - Malaysia (BMS) service.
- Received the Liner Owner/Operator Award at the Seatrade Asia Awards.
- Joined MOL to launch the Asia-U.S. East Coast Service 3 (AUE3).

2 General Condition of the Corporation

- Launched the West Africa (WAF) service with Hanjin and UASC.
- Evergreen Group Chairman Dr. Yung-Fa Chang honored in Japan with Order of the Rising Sun, Gold and Silver Star.
- Launched the South India – Persian Gulf Express (SGE) service.
- Launched the Straits-Yangon (Myanmar) (SYS) service.
- Launched West Coast of Central America (WCA) service with X-Press.

2. Organization



3. Director & Supervisor

Date: 2013/04/16

Title	Name	Elected Date
Chairman	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. Hsieh, Chih-Chien (Representative of Evergreen International S.A.)	2011.06.24
Director	Mr. Lin, Long-Hwa (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 who were re-elected by the Shareholder' Meeting in 2011.

B. The Board Meetings were convened six (6) times in 2012. 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.)	5	1	83.33%
Director	Mr. Chang, Yung-Fa (Representative of Chang Yung-Fa Charity Foundation)	0	6	0%
Director	Mr. Lin, Sun-San (Representative of Evergreen Airline Services Corp.)	5	1	83.33%
Director	Mr. Hsieh, Chih-Chien (Representative of Evergreen International S.A.)	6	0	100%
Director	Mr. Lin, Long-Hwa (Representative of Evergreen International S.A.)	6	0	100%
Director	Mr. Chang, Cheng-Yung (Representative of Evergreen International S.A.)	6	0	100%
Director	Mr. Tai, Jiin-Chyuan (Representative of Evergreen Airline Services Corp.)	5	1	83.33%

(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 2018 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.)	6	0	100%
Supervisor	Ms. Ku Lai, Mei-Hsueh (Representative of Ultra International Investments Ltd.)	6	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 Remuneration Committee was established in 2011 and consists of three (3) members.

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 two (2) times in 2012. The members' attendance status are as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate in person (%)
Convener	Mr. Hsu, Shui-Teh	2	0	100%
Member	Mr. Eugene Chien	2	0	100%
Member	Mr. Tai, Jiin-Chyuan	2	0	100%

(4) Internal Control System Execution Status

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

Date: Mar. 28, 2013

The Company states the following with regard to its internal control system during the period from 01 Jan. 2012 to 31 Dec. 2012, 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 26 Mar. 2013, 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.

As the freight income is mainly in USD and the percentage of USD income is high, the exchange rate fluctuation of USD against TWD will affect the income of the company. Therefore we pay attention to the exchange rate fluctuation all the time and do the following actions:

(a) Use professional financial information system and keep close contact with financial institution to get the most update exchange rate information and act proactively.

(b) Use the same currency of revenue to pay the expense if possible in order to do the natural hedge to prevent the exchange rate risk.

(c) Open foreign currency accounts to buy or sell the foreign currencies.

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.

3 Business Development Outline

I. Business Highlights

1. Our Services & Significant Adjustments

We are international container shipping company, and our group fleet capacity is ranked 4th largest by end of 2012. Our main business is container shipping liner services, and we also cover logistics services, such as terminal operations and inland transportations. Sea shipping companies carry over 90% of global trade cargos, so our customer base is ranging from sectors of manufacturing, trading, retailing, and logistics, etc. and our customers are located worldwide. Therefore, the rise and fall of global economy and trades are closely linked to our business development.

The operating environment of maritime shipping in 2012 was basically a continuous slack following the previous year so shipping lines cannot manage without cautions. Evergreen Marine Corp. always adopts stable and flexible strategies equally and keeps optimizing service deployment. Concerned adjustments of our service strings are summarized as below:

Transpacific strings

1. Asia-US East Coast Service 2 (AUE2): originally co-operated with China Shipping (CSCL) and United Arab Shipping Company (UASC) with weekly capacity allocated at 1039 TEU, we terminated this service upon joint venture agreement expiry at the end of April 2012.
2. Asia-US East Coast Service 3 (AUE3): to satisfy slot demand of US East Coast after AUE2's termination, we entered into joint venture agreement with Mitsui OSK Lines (MOL) to run AUE3 together from June 2012, a service via Suez Canal to US East Coast, allocating weekly capacity at 520 TEU by deployment ratio.
3. North China-US West Coast Service (PCE): originally swapping slots with Mitsui OSK Lines (MOL) for weekly 105 TEU, the exchange was discontinued after The New World Alliance (TNWA) suspended the service in April 2012.
4. Japan-US West Coast Service (JAS): originally swapping slots with Mitsui OSK Lines (MOL) for weekly 450 TEU, we modified the exchange to weekly 400 TEU from July 2012.
5. Transpacific Service 5 (TP5): originally swapping our TPS service slots with Maersk Line for weekly 250 TEU, we modified the exchange to weekly 200 TEU from May 2012.

Far East-Europe/Mediterranean strings

1. Strengthened cooperation with CKYH-Green Alliance (COSCO, K Line, Yang Ming, Hanjin): started from April 2012, we co-operated in seven Asia-Europe strings (CEM/CES/CES2/NE1/NE2/NE6) and three Asia-Mediterranean strings

(UAM/MD1/MD2) to provide more intensive services and more expanded direct calling port coverage.

2. China-Europe Shuttle Service 2 (CES2): originally co-operated with China Shipping (CSCL) and Zim Line in 2011 followed by a winter suspension program in November the same year. From middle of May 2012, we restarted the service to enhance competitiveness of loading ports “Qingdao and Xiamen”, and discharging port “Antwerp”.
3. China-Europe-Mediterranean Service (CEM): from July 2012 on, we phased in all-new L-type green ships and increased weekly capacity to meet demands of our export customers in China. On the other hand, the co-operator of the service was changed to Hanjin Shipping after our joint venture agreement with previous partner, China Shipping (CSCL), expired in middle of August 2012.
4. Intra-Europe Feeder Services (IES1/IES2/BAL1/BAL2/BAL3/NDS1/NDS2): to correspond with capacity recovery of Asia-Europe main strings, in May 2012 we also increased slots for regional feeder services to Spain and Portugal (IES1/IES2) and services to Russia and Finland (BAL1/BAL2/BAL3), followed by extra slots and discharging port added to services of Denmark and Norway (NDS1/NDS2) in June, to cope with market demands.
5. Mediterranean Feeder Services (LYS/LYS2/BSF/SAL): to keep strengthening feeder services to emerging markets in North Africa and Black Sea area, we reopened Libya service (LYS) in January 2012 and launched Libya Service 2 (LYS2) to call Tripoli in September; we changed cooperator of Black Sea Feeder Service (BSF) to X-Press and extended scope to Novorossiysk in South Russia; we swapped slots with EMES for Algeria service (SAL) in October 2012 to enhance competitiveness of the region.

Far East-Latin America / Africa strings

1. Far East-South America West Coast Service (WSA): from May 2012 on, we enlarged ship deployment in service cooperated with PIL and COSCO to increase our weekly allocation to 1650 TEU.
2. West Coast Central America Service (WCA): to further reinforce service network of Central America market, we cooperated with X-Press from mid-December 2012 by each deploying one 900 TEU sized vessel for the service, to connect our long-haul Asia-South America West Coast Service (WCA) at Manzanillo of Mexico and extend our integrated shipping service from Far East to Central America.

3. West Africa Service (WAF): we co-operated with Hanjin Shipping and United Arab Shipping Company (UASC) from late May 2012 to run the service transporting cargos between West Africa, Far East, and Europe, transshipped at Algeciras of Spain.
4. Asia-East Africa Service (AEF): a joint venture service we run with X-Press and Shipping Corporation of India (SCI). From late September 2012, we enlarged size of our three deployed ships thus increased weekly allocation by 25% in order to meet business demands.

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

1. Korea-South East Asia Service (KSS): a joint venture service we run with Wan Hai Lines. From March 2012 we enlarged ship size to enhance regional service among Korea, South China, and Southeast Asia.
2. Laem Chabang-Kaohsiung Express Service (LKX): originally run with Pendulum Express Lines, we changed it to independent service from April 2012 after expiry of joint venture agreement.
3. Taiwan-Philippines-Indonesia Service (TPI): we enlarged ship size from May 2012 to meet export demands to Indonesia.
4. Belawan-Malaysia Service (BMS): an independent service we opened in May 2012 to enhance connections between Belawan of Indonesia and Malaysia.
5. Taiwan Strait Blue Way Service (TBS): an independent service we opened in May 2012 to combine feeder connections between Taipei, Taichung, and Kaohsiung into one service, to lower land transportation costs.
6. North China-Korea-Hong Kong Service (HKH): originally named North China-Hong Kong Service (HBH) then recoded as HKH service after adding Pusan and Ningbo callings from March 2012. In August 2012, we enlarged ship size to accommodate more space demands from North China.
7. Taiwan-China-Indonesia Service (TCI): a joint venture service we co-operate with Wan Hai Lines. From June 2012, we enlarged ship size to meet export demands to Indonesia.
8. North East Asia-South East Asia Service (NSA): our current independent service we enlarged ship size from June 2012 to meet export demands to Kansai area of Japan.
9. Strait-Yangon Service (SYS): an independent service we opened in August 2012. We also used this service to swap slots with Advance Container Lines (AGL) for its Yangon Service (YGS) to enhance service quality and competitiveness with more frequencies.

10. China-1 Service (CN1): originally a service we co-operated with CNC Line till September 2012 upon the expiry of joint venture agreement, then changed to slot purchase of weekly 75 TEU covering Xiamen to Jakarta segment.

2. General Conditions of the Container Shipping Industry

Industry Status and Development

(1) Stagnant Cargo Growth

Global political and economic situations were stagnated in a stalemate in which EU debt problems kept dragging global markets and international trades, and geopolitical tensions and disputes also delayed opportunities for reconciliation and reformation. According to recent IMF report, global economy in 2012 only grew 3.2% from 3.9% of 2011. Average growth of advanced economies was only 1.3%, in which Eurozone even retreated 0.4% last year. Thus, cargo growths of East-West main service strings all went sluggish.

Per Alphaliner statistics in March 2013, globally container throughput only grew 4.5% last year, a nearly half-off ratio compared with 2011; FE-Europe westbound volume declined 4.4% and Transpacific eastbound volume also slightly dropped 0.4%.

(2) Severe Operating Environment

Oversupply was still the major handicap. Per Alphaliner statistics this February, though global net capacity increase in 2012 was moderated to 6% (still represented 1.27 million TEU) compared to 7.9% (or nearly 1.25 million TEU) in 2011, half of them came from mega ships (sized over 10,000 TEU each) which were mostly deployed on FE-Europe strings that caused Cascade Effect, oversupply, and rate instability to main service strings.

Although comparing with previous year, average marine fuel price dropped in 2012, it remained comparatively high since financial tsunami in 2008; besides, ship operating costs (including labor wages, maintenance, administration, insurance, regulation, etc.) keep hiking year by year, so cost burdens on shipping lines still keep up.

(3) Striving Shipping Lines

Despite sluggish cargo growth, oversupplied capacity, and high-hovering cost seemed unavoidable in 2012, shipping lines mostly turned from panic to calmness, from impatience to caution, compared to how they were in 2011. They targeted profitability as priority, by disposing of aged ships, deferring of new deliveries, applying slow-steaming, reshuffling service strings, and recovering rates, etc., to break through obstacles to moving forward.

Per Alphaliner statistics, the constant rate recovery programs raised by shipping lines had pushed 2012 to the most volatile year of rate fluctuations on China Containerized Freight Index (CCFI) record; despite rate levels mostly curbed by supply-demand mechanism, shipping lines' voluntary efforts had raised the major carriers' average operating margin up from -12% in Q1 to 4% in Q3 of 2012.

Relation of Industry Segments

Sea transportation delivers most international trade cargos in which container shipping takes increasing weight of ship tonnages and freight tonnages year by year and serves most consuming finished products. Therefore, container shipping industry segments, though narrowly concentrated, is very related to widespread livelihood. Basic segments are listed below:

(1) Upstream Segment

- Shipbuilding companies;
- Transporting machinery & equipment manufacturers;
- Vessel or transporting machinery & equipment leasing companies.

(2) Midstream Segment

- Marine fuel suppliers;
- Vessel or transporting machinery & equipment M&R providers;
- Terminal operators;
- Land/rail transport logistics providers;
- Joint venture or slot purchase/exchange partner liners.

(3) Downstream Segment

- Direct cargo owners (manufacturers, traders, retailers, etc.);
- Freight forwarders & logistics providers.

3. Our Technological Developments

Expenditures and Results of R&D during the Reporting Year

We have spent around NTD$80 million of related labor expenditures on below R&D accomplishments in 2012:

(1) Green Fleet

Eco-friendliness and emission reduction remain our fundamental principles. Along with our group's 30 all-new L-type green ships being delivered since July 2012 (and totally 7 of them received last year), the "optimized ship hull" concept, which emphases on material, configuration, and equipment, etc., is embodied in our fleet designing and shipbuilding to achieve best efficient and eco-friendly purposes. Not long ago our group further concluded charter deals of five 8,800 TEU and ten 13,800 TEU mid-large sized green containerships to be delivered during 2013-2014, in order to coordinate with joint venture partners on FE-Europe trade lane.

Besides, we proactively share our green info by setting up an “Environmental Guardians” page on our company website for customers’ references.

(2) Maritime Training

Evergreen Seafarer Training Center (ESTC) has provided courses for over 30,000 seafarers from our company and government-commissioned projects since its establishment in 1999. In addition to several certificates attained from the renowned classification society, Det Norske Veritas (DNV), our ESTC further received certification in January 2013 from the Japanese leading class society, ClassNK, confirming our courses meet requirements of IMO STCW (Standards of Training, Certification and Watchkeeping) 2010 Amendments.

Furthermore, as the MLC (Maritime Labour Convention) treaty will be effective in August 2013, “M/V Uni-Active”, one of our Taiwan-flagged containerships, has been certified as the first Taiwanese vessel meeting MLC requirements by China Corporation Register of Shipping (CR).

(3) E-Commerce

Evergreen’s versatile e-commerce website, “ShipmentLink.com”, is being constantly upgraded and innovated for customers’ cargo arrangements more timely, conveniently, and eco-friendly, ever since its debut in 2008.

In order to synchronize e-commerce and m-commerce, we also released “ShipmentLink Mobile” application for handheld devices in February 2012 to help our customers acquire info updates such as our sailing schedules and their cargo movements anytime, anywhere.

Our R&D accomplishments in 2012 are listed below:

R&D Accomplishments	Summary
“Shipmentlink Mobile” APP for hand-held devices	To provide customers with mobile interface of real-time inquiry functions of container movements, sailing schedules, ship schedules, etc..
Online system setup for schedule reliability KPI and auditing functions	To provide consolidated info of each vessel’s schedule reliability KPI for auditing department’s precautions.

R&D Accomplishments	Summary
Consolidations of Schedule Coordinating Center	To consolidate info previously spread among different platforms and provide more friendly interface and layout for better decision-makings.
1+8 weeks cargo prospect system	To enhance global export volume forecast info for equipment control department's reference in lowering container-to-slot ratio.
Consolidation of best routing and cost scheme	To generate most suitable and efficient routing matchup immediately upon customer's booking requirements.
Real-time terminal prospect info update	To update website info immediately right after marine operation staff maintains ship departure data, in order to enhance company's ship schedule accuracy.

Future R&D Plans

(1) We are budgeting below future R&D projects with NTD$100 million of related labor expenditures:

R&D Projects	Summary	ETC
Create quick whitelist of dangerous cargo for Evergreen America Corp.	To set up quick approval process for VIP customers to speed up dangerous cargo export from US.	2013/3/31
Establish owner-level reimbursement billing process at joint venture ports	To enhance accounting functions for increasing joint venture operations.	2013/4/1
Reinforce Customs filing system	To add reminding function into Customs filing system upon ship arrival to meet international security regulations.	2013/4/15
Develop estimating and risk managing system of port expenditures	To include all necessary and potential port expenditures in managing system to avoid risks of unexpected cost increase.	2013/6/1

R&D Projects	Summary	ETC
Set up preloading EDI process with joint venture carriers	To build exchange interface of container loading data for increasing joint venture operations to enhance efficiency.	2013/6/30
Develop advanced consolidating systems for Sailing Schedule Coordinating Center	To analyze expenditures of service strings and ports to lower costs.	2013/7/1
Dangerous cargo database update (once every two years)	To modify system data to comply with IMDG Code 36-12 amendments.	2013/12/31
Continue developing EDI CHANNAL for loading data at new ports and EDI INVOICE of main ports	To keep strengthening EDI data exchange functions for developments of new markets and service strings.	2013/12/31
Set up exchange scheme between booking and MSDS	To cope with increasing “Material Safety Data Sheet” (MSDS) check requirements from Customs	2013/12/31

(2) Factors to Success in Future R&D Projects

A. Support from Top Management;

B. Knowledge of Tendencies;

C. Deliberation for Planning;

D. Coordination in Execution.

4. Our Business Plans in the Short & Long Terms

Short-Term: Endeavoring Revenue Enhancement and Cost Reduction

(1) Gripping Rate Opportunities - including mastering of market situations, rate recoveries, and customer communications, etc..

(2) Pressing Cost Efficiencies - including improvements of computerized modulation, unit cost reduction, and equipment turnaround, etc..

(3) Mastering Fleet Adaptabilities - including enhancements of schedule accuracy, loading efficiency, and fleet flexibility, etc..

(4) Adjusting Service Deployment - including optimizations of service routing, feeder networks, and joint ventures, etc..

Long-Term: Steadying Business Progress and Fleet Upgrade

(1) Smoothing Fleet Upgrade - including reshufflings of green ships, chartered or aged ships, and slot efficiencies, etc..

(2) Strengthening Market Development - including extensions of service territories, frontier markets, and feeder networks, etc..

(3) Upholding Service Innovation - including fine-tunings of service process, user interface, and customization output, etc..

(4) Fulfilling Green Safety- including compliances of maritime regulations, staff training, and eco-saving, etc..

II. Trade Environment

1. Market Analysis

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

Unit: Thousand NTD

Service routes \ Year	Revenue for 2011	Revenue for 2012
America	41,136,771	53,844,321
Europe	25,710,482	34,145,179
Asia	21,596,805	24,952,246
Others	14,397,869	18,385,866

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

Taiwan-based Shipping lines \ Year/Item	January, 2012		January, 2013	
	Capacity (TEU)	Market Share (%)	Capacity (TEU)	Market Share (%)
Evergreen(Group)	612,230	3.8	728,797	4.3
Yang Ming Lines	340,533	2.1	358,132	2.1
Wan Hai Lines	169,232	1.1	154,986	0.9
TS Lines	73,774	0.5	75,946	0.5

Data Source: Evergreen Group & Alphaliner

(3) Market Outlook on Supply-Demand

Far East to North America Trade

Transpacific eastbound cargo volume stayed flat or slightly declined in 2012; at the same time, there were many unstable factors in North America market, including union negotiations and actions on both coasts of US, Hurricane Sandy damages on US East Coast, US fiscal cliff, etc., which significantly fluctuated loading utilization and rate stability that worsened shipping lines'operations further. Fortunately, with proactive and constant rate recovery programs, shipping lines gradually enhanced margin performances.

Looking ahead to 2013, various positive signs and factors are revealing the mild recovery of US economy, such as the compromise of fiscal cliff, the soft growth of GDP, and the improved unemployment rate, etc.. Alphaliner forecasts an at least 2% cargo growth can be expected on Transpacific eastbound strings; however, as new capacities keep streaming into this trade on the other hand, a nearly 10% slot upon January 2013 has been recorded compared with same month last year, thus shipping lines'competitions on this trade lane may become fiercer.

North America to Far East Trade

Hindered by economic depressions in Europe and US, manufacturing demands for raw materials declined in 2012, so the yearly Transpacific westbound cargo volume only grew 2% and rate level also slid down amid overcapacity.

For 2013, the industry generally forecasts cargo growth maintaining at 2-3% and rate level may still be curbed by supply-demand mechanism as the pressure of overcapacity keeps emerging.

Far East to Europe/Mediterranean Trades

Shipping lines successfully raised rate levels above breakeven point after campaigns in March and April 2012. Though overall capacity slightly decreased on FE-Europe/Med trades, the market was still oversupplied. Despite several voluntary rate programs followed up by shipping lines individually later, the market rate level after May still retreated due to disappointing utilization ratio. As peak season did not really occur last year, shipping lines tried to advance but tumbled again.

Economy in Europe is expected to keep sluggish in 2013, as IMF forecasts in its recent report that a 0.2% decline will still hit Eurozone economy in 2013; as new ship deliveries keep coming, the market will remain oversupplied and no rate stability will come without appropriate capacity rationalization.

Europe / Mediterranean to Far East Trades

According to Drewry's estimates, Europe/Med to FE eastbound cargo volume increased around 5% in 2012 though, the growth ratio declined due to economic slowdown appeared in Asian emerging markets, particularly China, affected by world stagnancy.

As Asia economy will get resilient in 2013, the outlook for this trade lane is also hopeful. Informed by customers, overall cargo demands from Asia will increase 5-10% from last year. So we will continue to discover new cargo sources to enhance slot utilization, and push the rates up timely for better revenues.

Europe to North America Trade

According to Drewry's estimates, overall capacity of Transatlantic westbound strings had hiked 8% in 2012 but the annual cargo growth was less than 4% due to flattened Q3 and destructive Q4 in US as East Coast ports still wandered about uncertainties of potential strikes upon early 2013. Nonetheless, recovering US economy still benefited European liquor companies and German automakers a lot.

Despite industry estimates the capacity will slightly increase in 2013, the demand side will also be warmed up by recovering US economy, with some major European customer even forecasts a 5.4% cargo growth. Therefore, we will target high utilization and continuous rate opportunities to improve revenues.

North America to Europe Trade

Since the depressed Eurozone economy mitigated the consuming demands in 2012, almost all kinds of ordinary merchandises export to Europe had experienced extensive decline except for US frozen meat and poultry products exported to Europe. Under siege of overcapacity on Transatlantic eastbound strings and depreciated Euro, the rate level was sliding.

Looking ahead to 2013, though IMF maintains recessionary outlook for Eurozone economy, the pace has eased. Though currently EU debt crisis is not yet over, the improvement is likely. So despite the industry still holds conservative views of cargo volume this year, situations shall get better in latter 2013. We will keep hold of any rate opportunities for better revenues.

On the other hand, EU and US will start negotiations of "Transatlantic Trade and Investment Partners" (TTIP) in order to build up a Free Trade Area (FTA) between the two entities by 2015, which will definitely become the largest FTA in the world and benefit Transatlantic round-trip segments by then.

Far East-Caribbean Trades

Limited by Panama Canal’s dimensions, cascaded slot increase to Caribbean trade was not popular among shipping lines in 2012; plus the significant import volume raised by Venezuelan state-owned corporations due to elections, rate levels of this trade have been lifted extensively. Nevertheless, rate increase in Colon Free Zone market was suppressed by the overcrowded participation from newly joining carriers.

In 2013, political uncertainties in Venezuela will be the biggest variable to Caribbean cargo volume and rate level. But we believe the general economy will keep growing with US recovery so the overall optimism remains.

Far East-Central / South America West Coast Trades

Benefited from capacity reduction in Q4 2011, supply-demand imbalance was more relieved during 2012 thus encouraged and sustained a higher rate level after several recovery programs. However, the sweetness of rates had not only induced incumbent shipping lines to resurrect slot expansion but also attracted new comers to share the pie, thus led to another round of vicious cycle of capacity hike and rate drop.

Looking ahead to 2013, economies in this region, especially Mexico, will still outpace other developed countries. However, the market competitions will get fierce as shipping lines will also speed up their involvement in the area.

Far East-South America East Coast Trades

Due to Argentinean control over foreign exchange of import cargos in 2012, FE-South America East Coast volume did not meet expectations until the government relaxed the restriction at the end of the year. Fortunately, shipping lines did not add too many slots to worsen the situation during the year while sustaining their businesses by Brazilian import cargos used for infrastructures and Olympic Games. They also succeeded in pushing rates up to reasonable level when peak season came during May to July.

Entering 2013, as Argentina has loosened foreign exchange control and Brazil has stronger growth, the overall cargo volume on this trade lane is expecting better growth. Currently our company is preparing for bigger fleet in serving more strings of FE-South America East Coast trade lane to provide complete logistics solution for our customers and generate more revenues.

Far East-Africa Trades

As foreign direct investment (FDI) keeps flowing into Sub-Saharan Africa area, with 5.6% growth compared with average FDI growth at minus 6.6% for overall emerging markets worldwide last year, it is an outstandingly promising market. Therefore Africa-related service strings remain the hot topics in the industry, particularly the West Africa strings of which annual average capacity growth in recent two years stay at around 20%. However, main importing country, Nigeria, had undergone political unrests last year that hindered cargo growth; East and South Africa countries lagged in economy growth due to unstable situations internally and externally, in addition to increase of service capacities. Though the competitions were fierce, we still strived to maintain our share.

Per IMF, GDP growth of Sub-Saharan Africa area may climb from 4.8% last year to 5.8% in 2013, so volume growth is also expectable. The Netherlands consulting company, Dynamar B.V., forecasts in its report that import containers from Far East to West Africa will reach 1.54 million TEU by 2013 with a 30% growth compared with 2011. Evergreen Line has enhanced services from Far East to East Africa with 25% slot increase in 2012 and opened service of Far East to West Africa in late April the same year. We will keep working on opening other Africa-related service strings to provide more complete service network for our customers.

Far East-Australia Trades

Capacities in this trade lane basically fluctuated by seasons in 2012 but contractions prevailed; benefited from stable growth of furniture and electronic products export from China, the overall volume increased 4-5% on FE-Australia strings and rates improved from previous year.

Per IMF forecasts, economic growths of Australia and New Zealand will both stay above 3% in 2013, so as long as shipping lines keep hold of slot flexibility, the volume and rates will both be more promising than those of 2012.

Far East-Middle East / Red Sea / Indian Subcontinent Trades

Since Q2 2012, many shipping lines consolidated service strings on this trade lane in order to phase in larger ships or even mega ships (sized over 10,000 TEU each). Based on Drewry's estimates, overall capacity grew 6-7% and average ship size surpassed 6000 TEU; but due to impact from Iran Sanctions, overall demand grew slower than 2011, at only 2-3%, which was the worst scenario of this trade lane in recent years.

Due to group fleet deployment, Evergreen Line changed its vessels on Middle East strings to smaller sizes and maintained joint venture with COSCO on Red Sea strings so our overall capacity reduced on Middle East/Red Sea segments last year; on the contrary, our India and Sri Lanka volume increased because we acquired additional space on FE-Europe/Med strings at Colombo for our Indian Subcontinent transshipments.

Economic outlook for Middle East area remains uncertain, as tensions of Arab Spring countries and Iran Sanctions persist; however, Middle East oil-producing countries and South Asia countries are expected to improve constantly. Ramadan this year will be advanced to middle of July, so Middle East strings are expected to enter peak season by Q2 and the industry may resume strategies adopted last year and stack up the overall capacities.

Intra-Asia Trades

The world was still shaded by sentiment crisis of Europe and US economies in 2012, which brought about a chain-reacting impact on East Asia economies. Nevertheless, intra-Asia trades still flourished vigorously, as example of China-ASEAN trades which reached US$40 billion and grew 10.3% last year. So shipping lines all jumped into Intra-Asia strings and caused intensive competitions. According to Intra-Asia Discussion Agreement (IADA), which has 60% of Intra-Asia market share, its members carried 14.8 million TEU or a 4.7% growth last year.

For 2013 per outlook from World Bank, economic growth of Asia Pacific area will climb to 7.9% from 7.5% in 2012 , so the overall market volumes shall further expand. Meanwhile, rate fluctuations will be more severe with the intensified market competitions in this coming year.

Reefer Cargo & Out-of-gauge Cargo

With the increasing national incomes and flourishing infrastructural projects among emerging countries, cargo demands for reefer and out-of-gauge containers surged in 2012. According to statistics from IADA, its members carried around 790,000 TEU reefer containers last year, a 9.8% growth from 2011. For Evergreen Line, there was a 10% growth on reefer cargo and a 25% growth on out-of-gauge cargo last year.

In recent years, share of containerized reefer transportation in cold chain logistics keeps growing constantly, but the speed reefer container fleet grows obviously lags behind that of containership slots and cold chain cargos. Experts forecast that global cold chain cargo via sea transportation will increase to 115 million tons by 2015, in which reefer container shipping shall reach two-thirds of them by then. Evergreen group had chartered additional reefer and out-of-gauge containers for nearly 6000 units last year. We will further purchase 2000 reefer containers this year to accommodate our growing business.

(4) Competitiveness

Operation Integrity

When it comes to business strategy, Evergreen Marine Corp. emphasizes stability and flexibility equally. As we did not follow the mega ship rush over the past few years, elasticity of fleet deployment was preserved for chartered tonnages and strategic joint ventures to maintain abundance of our capacity and service strings.

3 Business Development Outline

Renowned Quality

By devotions to enhancing service quality, Evergreen keeps earning reliance and recognitions from customers, media and organizations worldwide:

(1) In April 2012, Evergreen Line received the "Liner Owner/Operator Award" at the Seatrade Asia Awards, as an honor of our excellence in service innovation, environmental protection and other criteria;

(2) In August 2012, Evergreen Marine Corp. (Taiwan) Ltd. received the "Authorized Economic Operator" (AEO) certification from the Taiwan Customs Administration, and became qualified supply-chain operator meeting security standards developed by the World Customs Organization (WCO).

E-Commerce

(1) Evergreen's versatile e-commerce website, "ShipmentLink.com", is being constantly upgraded and innovated for customers' cargo arrangements more timely, conveniently, and eco-friendly, ever since its debut in 2008.

(2) In order to synchronize e-commerce and m-commerce, we also released "ShipmentLink Mobile" application for handheld devices in February 2012 to help our customers acquire info updates such as our sailing schedules and their cargo movements anytime, anywhere.

(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) Started from July 2012, the 30 all-new L-type green ships our group ordered are being delivered in turn (and totally 7 of them received last year); not long ago our group further concluded charter deals of five 8,800 TEU and ten 13,800 TEU mid-large sized green containerships to be delivered during 2013-2014, in order to reinforce Evergreen's green fleets.

(3) Besides, we proactively share our green info by setting up an"Environmental Guardians" page on our company website for customers' references.

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

Advantages

(1) Even though authoritative organizations maintain conservative forecasts, global economy in 2013 seems likely in sight of a bounceback; though Europe maintains stagnant, recoveries will be faster in North America which are supportive to sustainability on main service strings.

(2) The "dual-track" motions of world economy (in which emerging markets grow rapidly while high-income countries stagnate) are expected to persist for another period of time. The comparatively energetic North-South and intraregional service strings will continue to be niches for shipping lines to further develop.

(3) Increasing new capacities will push shipping lines into upgrading and renewing their fleets, and deployment of mid-large sized green ships can help lower unit cost and promote eco-saving; surplus or eliminated ships shall curb chartering market, which will be favorable for shipping lines' short-lease demands.

Disadvantages

(1) As oversupply remains the bottleneck, container shipping market in 2013 may keep shaky with shorter cycles.

(2) As political and economic situations remain unstable, many protective or punitive customs or security measures prevail around the world, which may restrain international trade development and disorder shipping lines' deployment.

(3) Furthermore, additional expenditures resulted from acts of human or God (such as port lockout, strikes, piracy, natural disasters, etc.) may keep burdening costs on shipping lines.

Managing Strategies

(1) To cope with rate fluctuations and carriers' "coop-etitions" together, individual shipping line needs more differentiated services and routing to stand out.

(2) Currently our group is receiving L-type green ships serially which will team up with chartered mid-large sized new ships to be delivered in coming years, to meet our medium and long term plans for fleet renewal, efficiency enhancement, and green saving.

(3) As Evergreen Line returns to 4th largest container fleet operator in 2013, we shall make best use of available vantage and further energize deployment in emerging markets and favorable service strings, to cater for global trade recovery.

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 25% 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 2012

In 2012, no major environmental pollution incident occurred in group fleet vessels, therefore, there was no relevant loss and penalty fine happened. During year 2012, the Group simply spent on the routine maintenance of equipments, and additional costs for using low pollutant fuel and retrofitting the grey water tank. 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 153,216.

(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 6,740,274.40.

(3) The additional cost for vessels using low-sulfur fuel when berthing EU port to comply with EU's regulation amounted to USD 5,564,403.20.

(4) For vessels that have the capacity to store gray water, the treated or untreated gray

water is not permitted to discharge into New York Waters within 1 nautical mile of shoreline, or within Long Island Sound or New York Harbor effective from December 19, 2013. The additional cost for Fleet vessels retrofitting the grey water tank to comply with the above regulation amounted to USD 443,100.

(5) 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 1,964,697.

6. Company's environmental protection policies and measures

The company always establishes environmental protection policies based on caring for ocean, continuously upgrades shipboard equipment to reduce air pollution emission and manages its own 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) All ships in Turkish waters must use Low Sulphur (Max 0.1 %) Marine Gas Oil (MGO) & Marine Diesel Oil (MDO) as from Jan. 1, 2012.

(14) 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 sulphur content of 1.0 % or use alternative compliance technology such as exhaust gas cleaning system.

(15) Commission AMP system and use shore power for all S-Type vessels berthing in port of USLAX.

(16) 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) 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 sulphur content in marine fuels shall not exceed 3.5% as from Jan 1, 2012. This aims to reduce the sulphur oxides emitted by ships.

(2) Amendment of 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. Marine gas oil (DMA) at or below 1.5% sulfur from July 1, 2009.

b. Marine gas oil (DMA) at or below 1.0% sulfur from August 1, 2012.

c. Marine gas oil (DMA) or marine diesel oil (DMB) at or below 0.1% sulfur from January 1, 2014.

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.

(3) For vessels that have the capacity to store gray water, the treated or untreated gray water is not permitted to discharge into New York Waters within 3 nautical miles of shoreline, or within Long Island Sound or New York Harbor effective from December 19, 2013.

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.

As a leading shipping company, Evergreen Line has developed the most advanced shipbuilding design and technology to protect the environment. For example, Evergreen Line's latest vessels, the L-series containerships, are designed to minimise their impact on the environment and its port operations have introduced many measures aimed at reducing carbon emissions. Starting from March, 2010, the Evergreen Line environmental website has been launched to present our dedication and efforts aimed to safeguard the earth and the ocean.

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 Till : 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 Till : 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.
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.
Slot Charter 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.
Vessel Sharing Agreement	WAN HAI LINES LTD.	From : 2002.09.01 Till : Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC and WHL jointly. (Japan-Taiwan/Hong Kong Service)	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	1. OOCL (ASIA PACIFIC) LTD. 2. YANGMING (UK) LTD.	From : 2006.04.30 Till : 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. Terminated on 2012.03.24
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	CNC LINE(CMA CGM GROUP)	From : 2012.09.18 Till : 2013.03.17 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC SLOT EXCHANGES WITH CNC. (Taiwan-Indonesia China-Indonesia Service)	Slot guaranteed.

3 Business Development Outline

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
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.
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	MCC TRANSPORT SINGAPORE 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	MCC TRANSPORT SINGAPORE PTE LTD	From : 2010.10.31 Till : 2011.01.30 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with MCC. (Vietnam/Malaysia/Singapore)	Slot guaranteed.
Slot Charter Agreement	MCC TRANSPORT SINGAPORE PTE LTD	From : 2010.10.31 Till : 2011.01.30 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot charter out to MCC. (Vietnam/Malaysia/Singapore)	Slot guaranteed.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Vessel Sharing Agreement	MCC TRANSPORT SINGAPORE PTE LTD.	From : 2011.10.13 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.
Vessel Sharing Agreement	MCC TRANSPORT SINGAPORE PTE LTD.	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.
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 CNC jointly. (China-Hong Kong-Manila-Indonesia Service)	Slot Guaranteed. Terminated on 2012.09.21
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. Terminated on 2012.09.21
Vessel Sharing Agreement	1. OOCL(ASIA PACIFIC LTD. 2. SIMATECH SHIPPING PTE LTD. 3. COSCO CONTAINER LINES COMPANY LIMITED.	From : 2012.04.13 Till : 2012.10.12 Can be extended. It is subject to 60 days pre-notice prior to termination.	Operated by EMC, OOCL, SSF and COSCON jointly. (ASEAN-Persian Gulf-ISC Service)	Slot guaranteed.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Vessel Sharing Agreement	1. SIMATECH SHIPPING PTE LTD. 2. K LINE 3. STX PAN OCEAN	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. 2012.05.21 New partner
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 3. X-PRESS	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. 2012.04.28 New partner
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. Terminated on 2012.05.07

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Vessel Sharing Agreement	WAN HAI LINES LTD.	From : 2012.03.08 Till : 2012.09.07 Can be extended. It is subject to 60 days pre-notice prior to termination.	Operated by EMC and WHL. (Korea - South East Asia)	Slot guaranteed.
Slot Exchange Agreement	MITSUI O.S.K. LINE	From : 2012.04.04 Till : 2013.04.03 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot exchanges with MOSK. (Japan-Thailiand)	Slot guaranteed.
Slot Exchange Agreement	NYK	From : 2012.04.23 Till : 2013.04.22 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot exchanges with NYK. (Thailand - Vietnan - Japan)	Slot guaranteed.
Slot Exchange Agreement	HYUNDAI MERCHANT MARINE CO., LTD.	From : 2012.05.08 Till : 2013.05.07 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC slot exchanges with HMM. (Asia - Midde East)	Slot guaranteed.
Slot Exchange Agreement	ACL	From : 2012.08.06 Till : 2013.02.05 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC slot exchanges with ACL. (Singapore/Malaysia / My-ammar Indonesia Service)	Slot guaranteed.

3 Business Development Outline

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.

(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 : 2004.04.22 Till : 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.	Operated by EMC, HSD, HL, HMM & APL jointly. (Asia/Australia service)	Slot guaranteed. Terminated on 2011.09.30

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. Terminated on 2012.05.01
Vessel Sharing & Slot Exchange 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.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Vessel Sharing Agreement	CKYH	From : 2009.09.21 Till : 2011.09.20 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.
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.
Vessel Sharing Agreement	MITSUI O.S.K. LINES LTD.	From : 2012.06.01 Till : 2013.05.31 Subsequently extended. It is subject to a 3-month pre-notice prior to termination, not to be given earlier than 9 months after commencement.	Operated by ELJSA & MOL. (Far East/USEC)	Slot guaranteed.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
Vessel Sharing Agreement	1. COSCO CONTAINER LINE 2. WAN HAI LINES 3. PACIFIC INTERNA-TIONAL 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	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.
Slot Exchange Agreement	MAERSK	From : 2011.05.08 Till : 2012.05.07 Subsequently extended, it is subject to a 3 months day pre-notice.prior to termination, not to be given earlier than 9 months after commencement.	ELJSA slot exchange with Maersk. (Far East/USWC)	Slot guaranteed.
Vessel Sharing Agreement	1. HANJIN SHIPPING 2. HYUNDAI MERCHANT MARINE 3. NIPPON YUSEN KAISHA	From : 2012.05.22 Till : 2013.04.21 Subsequently extended, it is subject to a 6 months day pre-notice.	Operated by ELJSA, HJS, HMM & NYK jointly. (North/South America)	Slot guaranteed.

AGREEMENT	THE 'PARTY'	DURATION	CONTENT	REMARK
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 & Medi-terranean)	Slot guaranteed. Terminated on 2012.04.19
Slot Exchange Agreement	YANG MING (UK) LTD.	From : 2012.04.05 Till : 2013.04.05 Subsequently extended, it is subject to a 45 days pre-notice.	ELJSA slot exchange with YANG MING. (Far East/Mediterranean)	Slot guaranteed.
Vessel Sharing & Slot Exchange Agreement	HANJIN SHIP-PING CO., LTD.	From : 2012.03.01 Till : 2013.03.01 Subsequently extended, it is subject to a 6 months pre-notice.	Operated by ELJSA, HJS jointly, and ELJSA slot exchange with Hanjin. (Far East/Europe & Medi-terranean)	Slot guaranteed.
Slot Exchange Agreement	COSCO CON-TAINER LINES	From : 2012.04.01 Till : 2013.04.01 Subsequently extended, it is subject to a 6 months pre-notice.	ELJSA slot exchange with COSCON. (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 2008 To 2012				
		2012	2011	2010	2009	2008
Current assets		17,223,561	13,194,442	9,968,985	11,639,249	12,253,721
Fixed assets		17,566,708	15,007,157	11,360,775	10,838,750	12,630,631
Other assets		173,250	191,923	206,384	264,520	130,720
Current liabilities	Before distribution	7,074,119	7,152,186	10,636,628	6,927,545	11,114,598
	After distribution	-	-	13,794,172	-	11,114,598
Long-term liabilities		27,232,594	21,209,534	10,457,355	16,940,692	16,245,973
Capital stock		34,749,407	34,734,581	31,248,395	30,625,992	30,609,390
Capital reserve		7,489,891	7,480,392	7,202,990	6,675,194	6,355,383
Retained earnings	Before distribution	22,672,661	22,544,132	31,951,458	16,786,007	26,641,360
	After distribution	-	-	28,793,914	-	26,641,360
Total Assets		96,353,975	92,461,193	89,656,404	80,526,561	94,223,170
Total liabilities	Before distribution	37,257,008	31,295,367	23,832,884	26,074,964	30,976,994
	After distribution	-	-	26,990,428	-	30,976,994
Total shareholder's equity	Before distribution	59,096,967	61,165,826	65,823,520	54,451,597	63,246,176
	After distribution	-	-	62,665,976	-	63,246,176

(2) Brief Income Statements

Unit: Thousand NTD

Year / Account Code	Financial Date From 2008 To 2012				
	2012	2011	2010	2009	2008
Sales revenues	16,220,232	15,361,235	17,026,011	15,062,947	22,437,412
Gross profit	1,143,262	730,144	1,773,310	1,987,591	1,557,350
Operating income	(332,834)	(775,318)	84,967	472,541	(361,147)
Non-operating incomes and gains	1,147,943	1,630,140	16,395,786	3,301,851	4,522,069
Non-operating expenses and losses	774,643	4,001,530	615,871	14,506,852	3,473,165
Income before income tax	40,466	(3,146,708)	15,864,882	(10,732,460)	687,757
Net income	128,531	(3,092,361)	15,165,451	(9,855,353)	639,266
Earnings per share	0.04	(0.89)	4.49	(3.22)	0.21

2. The Financial Analysis For Recent Five Years

(1) Financial Analysis

Item	2012	2011	2010	2009	2008
Capital structure analysis (%)					
Debt ratio	38.66	33.85	26.58	32.38	32.88
Long-term fund to fixed assets	491.43	548.91	671.44	658.68	629.44
Liquidity analysis (%)					
Current ratio	243.47	184.48	93.72	168.01	109.95
Quick ratio	234.66	177.42	89.36	159.83	105.30
Times interest earned (times)	1.10	(8.22)	49.85	(39.32)	4.01
Operating performance analysis					
Receivable turnover (times)	18.34	18.27	21.75	23.52	34.74
Average collection days	19	19	17	16	11
Fixed assets turnover (times)	0.99	1.17	1.53	1.28	1.92
Total assets turnover (times)	0.17	0.17	0.20	0.17	0.24
Profitability analysis (%)					
Return ratio on total assets	0.50	(3.08)	18.14	(11.05)	0.88
Return ratio on stockholder's equity	0.21	(4.87)	25.22	(16.75)	0.96
Operating income to capital stock	(0.95)	(2.23)	0.27	1.54	6.78
Income before tax to capital stock	0.11	(9.06)	50.77	(35.04)	38.43
Profit after tax to net sales	0.79	(20.13)	89.07	(65.43)	2.85
Earnings per share (NT$)	0.04	(0.89)	4.49	(3.22)	0.21
Cash flow (%)					
Cash flow ratio	56.89	27.67	45.28	(13.86)	(11.00)
Cash flow adequacy ratio	20.92	35.54	49.82	97.96	94.98
Cash flow reinvestment ratio	3.89	(1.19)	5.24	(1.09)	(6.39)
Leverage					
Operating leverage	(8.13)	(2.79)	37.47	7.84	(8.20)
Financial leverage	0.44	0.69	(0.35)	2.29	0.61

(2) Financial Analysis (Consolidated)

Item	2012	2011	2010	2009	2008
Capital structure analysis (%)					
Debt ratio	59.80	52.47	45.8	50.08	49.24
Long-term fund to fixed assets	168.42	162.78	196.74	180.28	183.76
Liquidity analysis (%)					
Current ratio	185.62	161.50	149.66	160.18	165.73
Quick ratio	165.54	142.21	135.23	144.29	154.48
Times interest earned (times)	0.66	(7.22)	39.73	(31.21)	4.15
Operating performance analysis					
Receivable turnover (times)	13.20	12.09	12.32	10.35	12.03
Average collection days	27	30	30	35	30
Fixed assets turnover (times)	2.06	1.84	2.19	1.54	2.27
Total assets turnover (times)	0.96	0.81	0.90	0.66	0.95
Profitability analysis (%)					
Return ratio on total assets	(0.03)	(2.49)	14.91	(9.62)	1.01
Return ratio on stockholder’s equity	(0.65)	(5.42)	27.94	(19.57)	1.42
Operating income to capital stock	(3.66)	(14.73)	40.70	(40.08)	9.24
Income before tax to capital stock	(0.45)	(9.84)	60.02	(42.04)	4.81
Profit after tax to net sales	(0.30)	(3.40)	16.25	(14.90)	0.79
Earnings per share (NT$)	(0.12)	(1.06)	5.26	(3.99)	0.33
Cash flow (%)					
Cash flow ratio	26.26	(2.18)	76.82	(72.57)	16.28
Cash flow adequacy ratio	46.69	56.88	80.83	93.05	135.51
Cash flow reinvestment ratio	4.57	(2.44)	15.95	(10.03)	(0.46)
Leverage					
Operating leverage	(5.50)	(0.48)	1.61	0.33	3.94
Financial leverage	0.74	0.92	1.04	0.97	1.20

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, 2012 and 2011, 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, 2012 and 2011, 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 other auditors. Long-term equity investments in these investee companies amounted to 23,223,055 and 25,329,398 thousand New Taiwan dollars, constituting 24.10% and 27.39% of the total assets as of December 31, 2012 and 2011, respectively, and the related investment loss was 1,355,367 and 1,089,769 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, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the 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, 2012 and 2011, 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, 2012 and 2011, on which we have issued an unqualified opinion with explanatory paragraph thereon.

PricewaterhouseCoopers, Taiwan
March 26, 2013
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
DECEMBER 31,
(Expressed in thousands of New Taiwan dollars)

ASSETS	Notes	2012	2011
Current Assets			
Cash and cash equivalents	4(1)	$ 12,669,230	$ 5,670,482
Financial assets at fair value through profit or loss - current	4(2)	1,407,989	2,230,854
Held-to-maturity financial assets - current	4(4)	-	800,000
Notes receivable, net		6,666	1,328
Accounts receivable, net	4(6)	807,394	686,843
Accounts receivable, net - related parties	4(6) and 5	134,339	139,751
Other receivables		144,823	438,831
Other receivables - related parties	5	80,845	77,729
Inventory		465,730	342,769
Prepaid expenses		148,762	154,581
Prepayments		8,837	7,689
Deferred income tax assets - current	4(19)	269,483	254,120
Restricted assets	6	125,888	121,790
Other current assets	4(7) and 5	953,575	2,267,675
Total current assets		17,223,561	13,194,442
Funds and Investments			
Financial assets at fair value through profit or loss - non-current	4(2)	76,648	62,959
Available-for-sale financial assets - non-current	4(3)	640,209	602,904
Held-to-maturity financial assets - non-current	4(4)	370,000	370,000
Financial assets carried at cost - non-current	4(5)	1,341,391	1,344,119
Long-term equity investments accounted for under the equity method	4(8) and 6	58,949,038	61,672,912
Other long-term investments		312	312
Total funds and investments		61,377,598	64,053,206
Property, Plant and Equipment, Net	4(9), 5, 6 and 7		
Land		1,972,540	1,972,540
Buildings		1,360,388	1,360,388
Loading and unloading equipment		4,273,562	4,261,946
Computer and communication equipment		127,618	120,766
Transportation equipment		11,349,824	12,076,977
Ships		6,371,111	3,596,904
Office equipment		194,449	203,662
Cost and revaluation increments		25,649,492	23,593,183
Less: Accumulated depreciation		(14,089,081)	(13,504,192)
Construction in progress and prepayments for equipment		6,006,297	4,918,166
Total property, plant and equipment, net		17,566,708	15,007,157
Intangible Assets			
Deferred pension costs	4(14)	12,858	14,465
Other Assets			
Refundable deposits		39,896	46,037
Deferred expenses		133,354	145,886
Total other assets		173,250	191,923
TOTAL ASSETS		$ 96,353,975	$ 92,461,193

(Continued)

EVERGREEN MARINE CORP. (TAIWAN) LTD.
BALANCE SHEETS
DECEMBER 31,
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	2012	2011
Current Liabilities			
Financial liabilities at fair value through profit or loss - current	4(10)	$ -	$ 5,163
Accounts payable		1,043,339	1,524,667
Accounts payable - related parties	5	79,108	50,977
Income tax payable	4(19)	-	29,698
Accrued expenses		742,687	719,424
Other payables - related parties	5	831	-
Other payables		27,350	21,096
Receipts in advance		2,708	999
Long-term liabilities - current portion	4(11)	4,374,618	4,459,233
Other current liabilities	5	803,478	340,929
Total current liabilities		7,074,119	7,152,186
Long-term Liabilities			
Bonds payable	4(12)	3,548,791	-
Long-term loans	4(13)	23,683,803	21,209,534
Total long-term liabilities		27,232,594	21,209,534
Other Liabilities			
Accrued pension liabilities	4(14)	1,304,752	1,331,985
Guarantee deposits received		48	48
Deferred income tax liabilities - non-current	4(19)	1,229,628	1,273,685
Deferred credit		415,867	327,929
Total other liabilities		2,950,295	2,933,647
TOTAL LIABILITIES		37,257,008	31,295,367
Stockholders' Equity			
Capital	4(15)		
Common stock		34,749,407	34,734,581
Capital Surplus	4(16)		
Paid-in capital in excess of par value of common stock		5,817,899	5,805,861
Capital reserve from donated assets		446	372
Capital reserve from long-term investments		1,606,562	1,606,562
Capital reserve from stock warrants		58,271	60,884
Capital reserve - other		6,713	6,713
Retained Earnings	4(17)		
Legal reserve		9,102,785	9,102,785
Special reserve		3,593,280	4,579,324
Undistributed earnings		9,976,596	8,862,023
Other Adjustments to Stockholders' Equity			
Cumulative translation adjustments		(4,877,940)	(2,656,053)
Unrecognized pension cost		(1,284,299)	(1,229,959)
Unrealized gain or loss on financial instruments		347,247	292,733
Total stockholders' equity		59,096,967	61,165,826
Commitments and Contingent Liabilities	7		
Subsequent Events	9		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 96,353,975	$ 92,461,193

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 26, 2013.

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

Items	Notes	2012		2011	
Operating income	4(18) and 5	$ 16,220,232		$ 15,361,235	
Operating costs	4(21) and 5	(15,076,970)		(14,631,091)	
Gross profit		1,143,262		730,144	
Operating Expenses					
General and administrative expenses	4(21) and 5	(1,476,096)		(1,505,462)	
Operating loss		(332,834)		(775,318)	
Non-operating Income and Gains					
Interest income		92,661		37,721	
Dividend income		700		59,605	
Gain on disposal of property, plant and equipment	5	589,585		959,039	
Gain on disposal of investments		45,055		61,589	
Foreign exchange gain		174,974		27,049	
Rental income	5	100,475		99,340	
Gain on valuation of financial assets	4(2)	16,340		-	
Gain on valuation of financial liabilities	4(10)	-		236,346	
Other non-operating income	4(5)	128,153		149,451	
Total Non-operating Income and Gains		1,147,943		1,630,140	
Non-operating Expenses and Losses					
Interest expense		(419,780)		(341,288)	
Investment loss accounted for under the equity method	4(8)	(256,934)		(3,595,320)	
Loss on disposal of property, plant and equipment		(1,661)		(7,919)	
Financing charges		(35,634)		(17,207)	
Impairment loss	4(5)	(1,844)		-	
Loss on valuation of financial assets	4(2)	-		(33,383)	
Loss on valuation of financial liabilities	4(10)	(54,733)		-	
Other non-operating losses		(4,057)		(6,413)	
Total Non-operating Expenses and Losses		(774,643)		(4,001,530)	
Income (loss) from continuing operations before income tax		40,466		(3,146,708)	
Income tax benefit	4(19)	88,065		54,347	
Net income (loss)		$ 128,531		($ 3,092,361)	
		Before Tax	After Tax	Before Tax	After Tax
Basic earnings (loss) per share	4(20)				
Net income (loss)		$ 0.01	$ 0.04	($ 0.91)	($ 0.89)
Diluted earnings (loss) per share	4(20)				
Net income (loss)		$ 0.01	$ 0.04	($ 0.91)	($ 0.89)

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 26, 2013.

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

			Retained Earnings			Other Adjustments to Stockholders' Equity			
	Common Stock	Capital Surplus	Legal reserve	Special reserve	Undistributed earnings	Cumulative translation adjustments	Unrecognized pension cost	Unrealized gain or loss on financial instruments	Total
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
Appropriations 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 to stockholders' equity accounted for under the equity method	-	(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
Unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	(351,856)	(351,856)
Unrecognized pension cost	-	-	-	-	-	-	(309,394)	-	(309,394)
Net loss for 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
2012									
Balance at January 1, 2012	$ 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
Appropriation of 2011 earnings									
Special reserve	-	-	-	(986,044)	986,044	-	-	-	-
Donated assets	-	74	-	-	(2)	-	-	-	72
Conversion of convertible bonds into common stock	14,826	12,038	-	-	-	-	-	-	26,864
Stock warrants of convertible bonds	-	(2,613)	-	-	-	-	-	-	(2,613)
Adjustments to stockholders' equity accounted for under the equity method	-	-	-	-	-	(488,052)	(104,160)	15,686	(576,526)
Translation adjustments arising from investees' financial statements denominated in foreign currencies	-	-	-	-	-	(1,733,835)	-	-	(1,733,835)
Unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	38,828	38,828
Unrecognized pension cost	-	-	-	-	-	-	49,820	-	49,820
Net income for 2012	-	-	-	-	128,531	-	-	-	128,531
Balance at December 31, 2012	$ 34,749,407	$ 7,489,891	$ 9,102,785	$ 3,593,280	$ 9,976,596	($ 4,877,940)	($ 1,284,299)	$ 347,247	$ 59,096,967

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 26, 2013.

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

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 128,531	($ 3,092,361)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation	1,596,929	1,559,320
Amortization	11,518	13,555
Reclassification of depreciation of loading and unloading equipment to operating costs and others	185,966	248,744
Reclassification of amortization of deferred charges to others	29,899	43,029
Net gain on disposal of property, plant and equipment	(590,962)	(951,120)
Excess of equity-accounted investment loss over cash dividends	416,593	4,500,822
Realized loss (income) from capital reduction of financial assets carried at cost - non-current	1,844	(61,631)
Amortization of bond discounts	114,134	190,021
Gain on disposal of available-for-sale financial assets	(20,889)	(42,500)
Changes in assets and liabilities		
Financial assets and liabilities at fair value through profit or loss	807,258	(535,113)
Notes and accounts receivable	(120,477)	27,168
Other receivables	290,892	(2,634)
Other financial assets	-	158,383
Inventories	(122,961)	(38,884)
Prepaid expenses and prepayments	4,671	(1,590)
Restricted assets	(4,097)	153,961
Agent accounts	356,293	(239,952)
Agency reciprocal accounts	1,477,581	(275,787)
Other current assets	(57,626)	(1,153)
Refundable deposits	6,141	(3,621)
Notes and accounts payable	(453,196)	120,131
Income tax payable	(29,698)	29,698
Accrued expenses	23,263	365,353
Other payables	6,284	(118,864)
Receipts in advance	1,709	(1,569)
Other current liabilities	401	(9,528)
Accrued pension liabilities	24,194	56,133
Deferred income tax assets / liabilities	(59,420)	(111,224)
Net cash provided by operating activities	4,024,775	1,978,787

(Continued)

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

	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial assets and liabilities at fair value through profit or loss	$ -	($ 343,479)
Proceeds from disposal of available-for-sale financial assets - non current	22,412	44,849
Proceeds from disposal of held-to-maturity financial assets	800,000	-
Proceeds from capital reduction of financial assets carried at cost - non-current	884	62,107
Acquisition of long-term equity investments accounted for under the equity method	(3,080)	(2,873)
Acquisition of property, plant and equipment	(4,401,702)	(6,446,569)
Proceeds from disposal of property, plant and equipment	738,958	1,956,321
Increase in deferred expenses	(35,217)	(35,064)
Net cash used in investing activities	(2,877,745)	(4,764,708)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	-	(2,603,172)
Increase in corporate bonds payable	500,000	-
Increase in long-term loans	5,351,646	10,735,397
Payment of cash dividends	-	(3,157,544)
Proceeds from disposal of donated treasury stock	72	-
Net cash provided by financing activities	5,851,718	4,974,681
Increase in cash and cash equivalents	6,998,748	2,188,760
Cash and cash equivalents at beginning of year	5,670,482	3,481,722
Cash and cash equivalents at end of year	$ 12,669,230	$ 5,670,482
SUPPLEMENTAL INFORMATION OF CASH FLOW		
Interest paid	$ 377,615	$ 207,353
Less: Interest capitalized	(94,286)	(45,572)
Interest paid, excluding interest capitalized	$ 283,329	$ 161,781
Income tax paid	$ 11,096	$ 2,510
FINANCING ACTIVITIES NOT AFFECTING CASH FLOWS		
Long-term liabilities - current portion	$ 4,374,618	$ 4,459,233
Conversion of convertible bonds into common stock	$ 25,500	$ 658,600

EVERGREEN MARINE CORP. (TAIWAN) LTD.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(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 1,289 employees as of December 31, 2012.

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 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

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 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 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 values of listed stocks, 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 cost had no impairment loss been recognized.

(8) 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.

(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) Inventories

Ship fuel is physically measured by the crew of each ship and reported back to the Head Office through telegraph for recording purposes at the 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 expenses

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 while the other deferred expenses are amortized by 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.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.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.

C. 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 is 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, is recognized as an adjustment to current income tax expense (benefit).

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 EITF 96-052 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 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 EITF 97-127 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". An impairment loss is incurred if there is objective evidence of impairment. This change in accounting principle had no effect on net loss and loss 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 the net loss and loss per share for the year ended December 31, 2011.

4. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2012	December 31, 2011
Cash	$ 7,938	$ 5,639
Checking accounts	352,068	1,017,505
Demand deposits	941,428	760,072
Foreign currency deposits	506,257	204,937
Time deposits (New Taiwan Dollars)	9,395,000	3,065,000
Time deposits (Foreign currencies)	668,090	314,517
Cash equivalents	798,937	299,664
(Less) Add: Unrealized foreign exchange (loss) gain	(488)	3,148
	$ 12,669,230	$ 5,670,482

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

	December 31, 2012	December 31, 2011
Current items:		
Trading financial assets		
Listed (TSE and OTC) stocks	$ 290	$ 10,292
Beneficiary certificates	1,398,138	2,343,997
Embedded Derivatives	3,923	-
	1,402,351	2,354,289
Adjustments	5,638	(123,435)
	$ 1,407,989	$ 2,230,854
Non-current items:		
Financial assets designated as at fair value through profit or loss		
Corporate bonds	$ 100,000	$ 100,000
Adjustments	(23,352)	(37,041)
	$ 76,648	$ 62,959

A. As of December 31, 2012 and 2011, the Company recognized net gain of $16,340 and net loss of $33,383, respectively.

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

(3) Available-for-sale financial assets

	December 31, 2012	December 31, 2011
Non-current items:		
Listed (TSE and OTC) stocks		
Central Reinsurance Corp.	$ 490,801	$ 490,801
Fubon Financial Holding Co., Ltd.	-	1,523
	490,801	492,324
Adjustments	149,408	110,580
	$ 640,209	$ 602,904

(4) Held-to-maturity financial assets

	December 31, 2012	December 31, 2011
Current items:		
Financial bonds	$ -	$ 800,000
Non-current items:		
Financial bonds	$ 370,000	$ 370,000

(5) Financial assets carried at cost

	December 31, 2012	December 31, 2011
Non-current items:		
Unlisted stocks	$ 1,343,235	$ 1,344,119
Accumulated impairment	(1,844)	–
	$ 1,341,391	$ 1,344,119

A.In July 2012, Power World Fund Inc., an investee accounted for under the cost method, reduced its capital. The conversion rate on the capital reduction was 6.8565%, 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 Power World Fund Inc. amounted to $884 and the carrying amount of Company's investment was reduced by $884.

B.In June 2011, Fu-Ji Management Consultancy Co., Ltd. (formerly 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 to $62,107 and the carrying amount of the Company's investment in Fu-Ji Management Consultancy Co., Ltd. was reduced by $476. Accordingly, a gain of $61,631 was generated, which was recorded under "non-operating income – others".

C.The Company has evaluated the above financial assets and recognized impairment loss of $1,844 for the year ended December 31, 2012.

D.The Company's investments in unlisted securities were measured at cost since its fair value cannot be measured reliably.

(6) Accounts receivable

	December 31, 2012	December 31, 2011
Non-related parties	$ 809,077	$ 686,108
(Less) Add : Unrealized foreign exchange (loss) gain	(1,683)	735
	807,394	686,843
Related parties	134,339	139,751
	$ 941,733	$ 826,594

(7) Other current assets

	December 31, 2012	December 31, 2011
Agency accounts	$ 230,512	$ 446,048
Agency reciprocal accounts	614,941	1,771,130
Temporary debits	108,122	50,497
	$ 953,575	$ 2,267,675

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

These pertain to temporary accounts between the Company and Evergreen International S.A., Gaining Enterprise S.A., Greencompass Marine S.A., Italia Marittima S.p.A., Evergreen Marine (UK) Ltd., Evergreen Marine (Hong Kong) Ltd. and Evergreen Marine (Singapore) Pte. Ltd.. These accounts occur as these ship owners incur foreign port expenses and related rental expenses.

(8) 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:

Investee company	December 31, 2012 Percentage of ownership	Carrying amount December 31, 2012	Carrying amount December 31, 2011
Peony Investment S.A.	100.00%	$ 42,401,968	$ 44,769,469
Everport Terminal Services Inc.	100.00%	12,370	3,028
Evergreen Marine (Latin America), S.A.	17.50%	3,089	-
Taiwan Terminal Service Co., Ltd.	55.00%	68,318	87,777
Charng Yang Development Co., Ltd.	40.00%	645,914	609,794
Evergreen International Storage	39.74%	7,866,147	7,991,293
Evergreen Security Corporation	31.25%	100,851	89,111
EVA Airways Corporation	19.32%	7,060,503	7,315,432
Taipei Port Container Terminal Corporation	21.03%	789,878	807,008
		$ 58,949,038	$ 61,672,912

B.Investment income (loss) accounted for under the equity method for the years ended December 31, 2012 and 2011 are set forth below:

	For the years ended December 31,	
Investee company	2012	2011
Peony Investment S.A.	($ 633,989)	($ 3,998,886)
Everport Terminal Services Inc.	9,635	-
Evergreen Marine (Latin America), S.A.	40	-
Taiwan Terminal Service Co., Ltd.	6,286	4,767
Charng Yang Development Co. Ltd.	63,059	59,868
Evergreen International Storage and Transport Corporation	206,072	305,923
Evergreen Security Corporation	11,740	11,766
EVA Airways Corporation	97,353	40,375
Taipei Port Container Terminal Corporation	(17,130)	(19,133)
	($ 256,934)	($ 3,595,320)

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(12)).

D.The great potential for development in the market of Latin America in the future and for the requirement of business expansion in this market, the board of directors meeting on November 9, 2012 resolved to invest in a new company— Evergreen Marine (Latin America), S. A.. Evergreen Marine (Latin America), S. A. was incorporated with 600 thousand shares (par value of USD 1 per share). The investment in which the company has the ability to exercise significant influence on the investee's operational decisions is accounted for under the equity method.

(9) Property, plant and equipment

Asset	December 31, 2012 Initial cost	Accumulated depreciation	Net book value
Land	$ 1,972,540	$ -	$ 1,972,540
Building	1,360,388	(538,145)	822,243
Loading and unloading equipment	4,273,562	(3,966,340)	307,222
Computer and communication equipment	127,618	(102,638)	24,980
Transportation equipment	11,349,824	(7,391,602)	3,958,222
Ships	6,371,111	(1,919,273)	4,451,838
Office equipment	194,449	(171,083)	23,366
	25,649,492	(14,089,081)	11,560,411
Prepayment for equipment	6,006,297	-	6,006,297
	$ 31,655,789	($ 14,089,081)	$ 17,566,708

Asset	December 31, 2011 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
Prepayment for equipment	4,918,166	-	4,918,166
	$ 28,511,349	($ 13,504,192)	$ 15,007,157

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, 2012 and 2011, the insurance coverage amounted to USD160,440 and USD109,620, 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 USD8,000,000 as of December 31, 2012 and 2011.

B. The Company's loading and unloading equipment were covered by the general insurance for construction machinery with insurance coverage amounting to $930,463 and $1,135,682 as of December 31, 2012 and 2011, respectively. The fire and car insurance coverage for the office equipment and building was $731,142 and $742,135 as of December 31, 2012 and 2011, respectively. Container facilities were insured with full coverage amounting to USD235,743 and USD255,161 as of December 31, 2012 and 2011, respectively.

C. Interest capitalized to the property, plant and equipment amounted to $94,286 and $45,572 for the years ended December 31, 2012 and 2011, respectively.

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

	December 31, 2012	December 31, 2011
Current item:		
Trading financial liabilities		
Embedded derivatives	$ -	$ 5,163

A. As of December 31, 2012 and 2011, the Company recognized net loss of $54,733 and net gain of $236,346, respectively.

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

(11) Long-term liabilities - current portion

	December 31, 2012	December 31, 2011
Corporate bonds payable	$ -	$ 2,955,661
Long-term bank loans	4,374,618	1,503,572
	$ 4,374,618	$ 4,459,233

(12) Corporate bonds payable

	December 31, 2012	December 31, 2011
Domestic unsecured convertible bonds	$ 568,600	$ 594,100
Domestic secured exchangeable bonds	-	2,500,000
Domestic secured corporate bonds	3,000,000	-
Less: discount on corporate bonds	(19,809)	(138,439)
	3,548,791	2,955,661
Less: current portion	-	(2,955,661)
	$ 3,548,791	$ -

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 repaid. Additionally, the portion the Guarantors insure includes principal plus accrued interest and debt ancillary to the main liability.

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

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

e) Object exchanged

Common stock of Evergreen International Storage and Transport Corporation (EITC) which belongs to the Company (Related information is stated in Note 4 (8)).

f) Redemption at the Company’s option

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

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

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

g) Terms of exchange

(a) Exchange period

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

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

(b) Exchange price

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

h) Entitlement to cash dividends or stock dividends

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

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

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

b) Coupon rate: 0% per annum

c) Principal repayment and interest payment

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

d) Collaterals

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

e) Redemption at the Company's option

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

(b) During the period from one month after the Third Bonds are issued to 40 days before the maturity of the Third Bonds, if the total amount of the Third Bonds outstanding after the conversion by the bondholders is less than $250 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 of the Exchangeable Bonds was set at $17.20 (in dollars).

h) Entitlement to cash dividends or stock dividends

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

i) As of December 31, 2012, the Third Bond holders to request convertible bonds of the Company common stock, total convertible bonds face value was $1,931,400. Convertible for the Third Bonds to increase conversion transaction capital surplus - paid-in capital in excess of par value of common stock $1,016,996, and reduce the capital reserves from stock warrants $197,933.

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

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

b) Coupon rate: 1.28% fixed per annum

c) Principal repayment and interest payment

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

d) Collaterals

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

D.The conversion rights and debt component of the Third Bonds are recognized separately in accordance with 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 from stock warrants” amounted to $256,205. The net value of the rights of repurchase and resold embedded in bonds payable was separated from bonds payable, and was recognized in “financial liabilities at fair value through profit or loss” in accordance with R.O.C. SFAS No. 34.

(13) Long-term loans

	December 31, 2012	December 31, 2011
Secured bank loans	$ 5,952,892	$ 2,400,000
Unsecured bank loans	22,231,284	20,277,412
(Less) Add : unrealized foreign exchange (gain) loss	(113,228)	41,890
Less: deferred charges - hosting fee credit	(12,527)	(6,196)
	28,058,421	22,713,106
Less: current portion	(4,374,618)	(1,503,572)
	$ 23,683,803	$ 21,209,534

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

(14) 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 Standards 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, 2012	December 31, 2011
Discount rate	1.75%	2.00%
Increase in future salary level	2.00%	2.00%
Expected rate of return on plan assets	1.75%	2.00%

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

	December 31, 2012	December 31, 2011
Benefit obligations:		
Vested benefit obligation (VBO)	($ 341,044)	($ 243,725)
Non-vested benefit obligation	(1,353,424)	(1,459,512)
Accumulated benefit obligation (ABO)	(1,694,468)	(1,703,237)
Effects of future salary increments	(138,929)	(209,470)
Projected benefit obligation (PBO)	(1,833,397)	(1,912,707)
Fair value of plan assets	389,716	371,252
Funded status	(1,443,681)	(1,541,455)
Unrecognized net transaction obligation	-	-
Unamortized prior service cost	12,858	14,465
Unrecognized loss on plan assets	998,404	1,118,765
Additional accrued pension liability	(872,333)	(923,760)
Accrued pension liability	($ 1,304,752)	($ 1,331,985)

c)The pension costs is comprised of the following:

	2012	2011
Service cost	$ 16,579	$ 20,797
Interest cost	37,523	37,168
Expected return on plan assets	(8,370)	(9,949)
Deferred amortization		
Unrecognized net transition obligation	-	-
Prior service cost	1,607	1,607
Unrecognized loss on plan assets	66,250	56,999
Net pension costs	$ 113,589	$ 106,622

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, 2012 and 2011 were $126,916 and $132,760, respectively.

(15) Capital stock

A. As of December 31, 2012, the Company's authorized capital was $36,000,000, and the paid-in capital was $34,749,407, divided into 3,474,941 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, 2012 and 2011 are set forth below:

	For the years ended December 31,			
	2012		2011	
	No. of Shares (in 000's)	Amount	No. of Shares (in 000's)	Amount
Third unsecured convertible bonds	1,483	$ 14,826	32,864	$ 328,642

(16) 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(12).

(17) 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.

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

C. Legal reserve

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

D. 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.

E. Appropriations of the 2011 and 2010 earnings as resolved by the stockholders on June 15, 2012 and June 24, 2011, respectively, are set forth below:

	2011		2010	
	Total Amount	Dividend per share (in dollars)	Total Amount	Dividend per share (in dollars)
Legal reserve	$ -		$ 1,516,545	
Special reserve	(986,044)		3,621,980	
Cash dividends	-	$ -	3,157,544	$ 1.0
Stock dividends	-	-	3,157,544	1.0

F. On March 26, 2013, the Board of Directors resolves not to distribute the 2012 earnings except for the following in order to facilitate future operating plans:

	2012
Legal reserve	$ 12,853
Special reserve	2,221,713

As of March 26, 2013, the above mentioned 2012 earnings appropriation had not been approved by the stockholders.

G. On June 15, 2012, the earnings available for appropriation had been resolved not to appropriated by the stockholders in order to facilitate future operating plans.

H. 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.

(18) Operating revenue

	For the years ended December 31, 2012	For the years ended December 31, 2011
Marine freight income	$ 15,269,280	$ 14,558,973
Ship rental income	206,045	204,844
Commission income and Agency service income	268,909	244,236
Others	475,998	353,182
	$ 16,220,232	$ 15,361,235

(19) Income tax

A.Income tax benefit and income tax (refundable) payable are reconciled as follows:

	For the years ended December 31, 2012	For the years ended December 31, 2011
Income tax benefit	($ 88,065)	($ 54,347)
Add (Less):		
Prepaid and withholding taxes	(11,097)	(3,985)
Adjustments for changes in tax estimates	33,684	(23,194)
Net change in deferred income tax assets/ liabilities	59,420	111,224
Income tax (refundable) payable	($ 6,058)	$ 29,698

B.Deferred income tax assets and liabilities

	December 31, 2012	December 31, 2011
Total deferred income tax assets-current	$ 285,566	$ 254,120
Total deferred income tax assets-non-current	86,354	69,952
Total deferred income tax liabilities-current	(16,083)	-
Total deferred income tax liabilities-non-current	(1,315,982)	(1,343,637)
Valuation allowance for deferred income tax assets	-	-
	($ 960,145)	($ 1,019,565)

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

	December 31, 2012		December 31, 2011	
	Amount	Tax effect	Amount	Tax effect
Current items:				
Bad debts expense	$ 2,377	$ 404	$ 1,937	$ 329
Unrealized foreign exchange (gain) loss	(94,608)	(16,083)	28,843	4,903
Loss on valuation of financial assets	131,424	22,342	131,434	22,342
Deferred profit from disposal of loading and unloading equipment	18,656	3,171	383	65
Loss carryforwards	853,459	145,088	1,186,162	201,648
Investment tax credits	-	114,561	-	24,833
		$ 269,483		$ 254,120
Non-current items:				
Pension expense	$ 435,043	$ 73,957	$ 408,225	$ 69,398
Equity-accounted investment income	(7,741,073)	(1,315,982)	(7,903,745)	(1,343,637)
Deferred profit from disposal of loading and unloading equipment	72,923	12,397	3,258	554
		($ 1,229,628)		($ 1,273,685)

D.The Company is eligible for investment tax credits under the Statute for Upgrading Industry. Details as of December 31, 2012 are as follows:

Qualifying item	Total tax credits	Unused tax credits	Final year tax credits are due
Machinery and equipment	$ 18,398	$ 18,398	2013
Personnel training	163	163	2013
Significant public works	36,000	36,000	2015
Significant public works	60,000	60,000	2016
	$ 114,561	$ 114,561	

E.As of December 31, 2012, losses available to be carried forward were as follows:

Year in which loss was 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	$ 145,088	2019

F.As of December 31, 2012, the Company's income tax returns through 2009 has been assessed and approved by the Tax Authority.

G.Unappropriated retained earnings

	December 31, 2012	December 31, 2011
Earnings generated in and before 1997	$ 6,527,940	$ 5,570,596
Earnings generated in and after 1998	3,448,656	3,291,427
	$ 9,976,596	$ 8,862,023

H.As of December 31, 2012 and 2011, the balance of the imputation tax credit account was $1,059,125 and $1,013,143, respectively. The creditable tax rate is estimated to be 30.71% for 2012 and was 30.78% for 2011.

(20) Earnings (loss) per share

	For the year ended December 31, 2012				
	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	$ 40,466	$ 128,531	3,474,576	$ 0.01	$ 0.04
Dilutive effect of common stock equivalents:					
Convertible bonds	NOTE	NOTE	NOTE		
Dilutive EPS					
Net income attributable to common stockholders plus dilutive effect of common stock equivalents	$ 40,466	$ 128,531	3,474,576	$ 0.01	$ 0.04

Note：In accordance with R.O.C. SFAS No. 24, "Earnings Per Share", the potential common stock should not be considered in calculation of diluted earnings per share, due to net loss from continuing operation, which leads to anti-dilutive effect.

	For the year ended December 31, 2011				
	Amount		Weighted-average outstanding common shares (in thousands)	Loss per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Basic LPS					
Net loss	($ 3,146,708)	($ 3,092,361)	3,469,771	($ 0.91)	($ 0.89)
Dilutive effect of common stock equivalents:					
Convertible bonds	NOTE	NOTE	NOTE		
Diluted LPS					
Net loss 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：In accordance with R.O.C. SFAS No. 24, "Earnings Per Share", the potential common stock should not be considered in calculation of diluted loss per share, due to net loss from continuing operation, which leads to anti-dilutive effect.

(21) Personnel, depreciation and amortization expenses

Personnel, depreciation and amortization expenses are summarized as follows:

	For the year ended December 31, 2012		
	Operating cost	Operating expense	Total
Personnel expenses			
Salaries	$ 329,808	$ 791,119	$ 1,120,927
Labor and health insurance	19,633	61,545	81,178
Pension	42,484	84,431	126,915
Others	20,300	27,940	48,240
Depreciation	1,555,865	41,064	1,596,929
Amortization	185,966	11,518	197,484

	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	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

5. RELATED PARTY TRANSACTIONS

(1) Names of the related parties and their relationship 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 in 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 Marine (Latin America), S.A.	Investee accounted for under the equity method (Established in October 2012)
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
Seaside Transportation Service LLC. (STS)	Investee of the Company’s major stockholder
Chang Yung-Fa Charity Foundation	Its chairman is a member of the Company's board of directors
Chang Yung-Fa Foundation	Its chairman is a member of the Company's board of directors
Shenzhen Greentrans Transportation Co., Ltd. (SGTC)	Indirect subsidiary of the Company (Completely liquidated in May 2012)
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

Related Party	Relationship with 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 Marine (UK) Limited (EMU)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Deutschland) GmbH (EGD)	Indirect subsidiary of the Company
Evergreen Shipping Agency (U.K.) Limited (EGU)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Switzerland) S.A. (EGDL)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Austria) GmbH (EGDV)	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
Evergreen Shipping Agency (Italy) S.p.A. (EIT)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Vietnam) Corp. (EGV)	Indirect subsidiary of the Company
Island Equipment LLC. (Island)	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 Indonesia (EMI)	Indirect subsidiary of 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 (India) Pvt. Ltd. (EGI)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Russia) Ltd. (ERU)	Indirect subsidiary of the Company
Evergreen Agency (South Africa) (PTY) Ltd.(ESA)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Korea) Corporation (EGK)	Indirect subsidiary of the Company
Ample Holding Ltd. (Ample)	Indirect subsidiary of the Company (Completely liquidated in December 2012)

Related Party	Relationship with the Company
Armand Estate B.V. (Armand B.V.)	Indirect subsidiary of the Company
Whitney Equipment LLC. (Whitney)	Indirect subsidiary of the Company
Hemlock Equipment LLC. (Hemlock)	Indirect subsidiary of the Company
Luanta Investment (Netherlands) N.V. (Luanta)	Investee of Peony
Balsam Investment (Netherlands) N.V. (Balsam)	Investee of Peony
Ningbo Victory Container Co., Ltd. (NVC)	Investee of Peony
Qingdao Evergreen Container Storage and Transportation Co., Ltd. (QECT)	Investee of Peony
Colon Container Terminal S.A. (CCT)	Investee of Peony
Green Peninsula Agencies SDN. BHD. (GPA)	Investee of Peony
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)
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

(2) Significant transactions and balances with related parties

A. Operating revenues

	For the years ended December 31,			
	2012		2011	
	Amount	% of Total Operating Revenues	Amount	% of Total Operating Revenues
EIC	$ 1,718,039	11	$ 1,900,307	12
EITC	91,676	1	91,125	1
GMS	126,057	1	87,171	1
EIS	62,081	-	59,764	1
EMS	58,916	-	54,812	-
EMU	41,444	-	33,821	-
GESA	32,888	-	31,026	-
EGH	24,544	-	23,644	-
ITS	15,128	-	40,625	-
Others	2,966	-	2,946	-
	$ 2,173,739	13	$ 2,325,241	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,					
	2012			2011		
	Amount		% of Total Operating Costs and Expenses	Amount		% of Total Operating Costs and Expenses
TTSC	$	724,580	4	$	684,593	4
EITC		354,889	2		551,703	3
EIC		348,239	2		360,052	2
TPCT		73,237	1		77,080	1
ESRC		47,948	1		45,174	1
GESA		1,539,802	9		1,552,673	10
EGH		46,036	1		33,555	-
EMI		27,233	-		28,170	-
EGT		22,227	-		20,732	-
EGV		19,751	-		10,111	-
EGS		12,003	-		11,744	-
EMS		3,796	-		32,821	-
GMS		36	-		41,749	1
Others		39,126	-		39,239	-
	$	3,258,903	20	$	3,489,396	22

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	2012		2011	
ESRC	Office equipment	$	3,563	$	-
EIC	Office equipment		-		3,351
EITC	Vessel		-		1,465,571
EHIC(M)	Transportation equipment - containers		-		1,690,051
		$	3,563	$	3,158,973

b) Disposal of property, plant and equipment

		For the years ended December 31,			
		2012		2011	
	Item	Price	Gain on disposal	Price	Gain on disposal
EITC	Loading and unloading equipment	$ 2,508	$ 2,447	$ 9,666	$ 9,644
"	Office equipment	5	3	32	32
"	Computer and communication equipment	-	-	163	21
EIC	Office equipment	134	6	-	-
EVA	Office equipment	-	-	1,626	-
EMI	Ships equipment	128,819	91,147	-	-
		$ 131,466	$ 93,603	$ 11,487	$ 9,697

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,			
		2012		2011	
	Leasehold Property	Amount	% of Total Rental Income	Amount	% of Total Rental Income
EIC	Office building	$ 93,331	94	$ 95,040	96
"	Vehicles	681	-	1,056	1
EVA	Office building	2,961	3	1,595	2
ESRC	Parking lots	24	-	96	-
Chang Yung-Fa Charity Foundation	Office building	241	-	218	-
		$ 97,238	97	$ 98,005	99

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

		For the years ended December 31,			
		2012		2011	
	Leasehold Property	Amount	% of Total Rental Expenses	Amount	% of Total Rental Expenses
EIC	Office buildings	$ 45,325	99	$ 43,456	99
EVA	Office buildings	79	-	53	1
		$ 45,404	99	$ 43,509	100

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

	For the years ended December 31,					
	2012			2011		
		Amount	% of Total Charter and Slotting Expenses		Amount	% of Total Charter and Slotting Expenses
EITC	$	192,368	8	$	369,925	14
GESA		1,539,802	65		1,552,673	61
EMS		3,796	-		32,821	1
ITS		48	-		3,499	-
GMS		36	-		41,749	2
	$	1,736,050	73	$	2,000,667	78

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, 2012			December 31, 2011		
		Amount	% of Account Balance		Amount	% of Account Balance
Accounts receivable						
EIC	$	84,612	9	$	71,856	9
EITC		20,915	2		22,889	3
ITS		1,301	-		19,939	2
Others		27,511	3		25,067	3
	$	134,339	14	$	139,751	17

	December 31, 2012			December 31, 2011		
		Amount	% of Account Balance		Amount	% of Account Balance
Other receivables						
EIC	$	66,828	30	$	71,416	14
Others		14,017	6		6,313	1
	$	80,845	36	$	77,729	15

	December 31, 2012		December 31, 2011	
	Amount	% of Account Balance	Amount	% of Account Balance
Accounts Payable				
TTSC	$ 50,001	5	$ 38,695	2
EITC	15,051	1	9,018	1
Others	14,056	1	3,264	-
	$ 79,108	7	$ 50,977	3

(3) Endorsements and guarantees with related parties

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

	December 31, 2012		December 31, 2011	
PEONY	USD	14,800	USD	14,800
EMU	USD	1,584,763	USD	1,730,816
GMS	USD	948,837	USD	915,837
Whitney	USD	108,164	USD	94,164
Balsam	USD	78,400	USD	49,000
Hemlock	USD	57,810	USD	57,810
TCT	USD	20,250	USD	20,250
CCT	USD	9,600	USD	9,600

(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, 2012 and 2011, the receivables were $84,612 and $71,856, respectively. The contract took effect since 2002 unless terminated.

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, 2012 and 2011, the debit balances of the account are as follows:

	December 31, 2012	December 31, 2011
GMS	$ 14,688	$ 15,396
EMS	13,396	10,436
EMU	10,880	7,793
GESA	6,852	7,345
EIS	5,503	3,468
EGH	3,286	4,308
	$ 54,605	$ 48,746

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, 2012 and 2011, the balances of the accounts are as follows:

a) Debit balances of agency accounts

	December 31, 2012	December 31, 2011
EMI	$ 29,276	$ 21,245
EGI	16,333	76,227
EGT	12,623	9,660
EIT	1,580	12,822
Others	5,146	6,047
	$ 64,958	$ 126,001

b) Credit balances of agency accounts

	December 31, 2012	December 31, 2011
EIC	$ 87,266	$ 16,486
EGN	10,523	83,252
Others	22,123	5,112
	$ 119,912	$ 104,850

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. incurred 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, 2012 and 2011 are as follows:

a) Debit balances of agency reciprocal accounts

	December 31, 2012	December 31, 2011
EIS	$ 459,741	$ 864,693
ITS	132,983	95,531
GESA	22,217	20,853
GMS	-	719,628
EMU	-	43,956
EMS	-	26,469
	$ 614,941	$ 1,771,130

b) Credit balances of agency reciprocal accounts

	December 31, 2012	December 31, 2011
EMS	$ 175,783	$ -
GMS	156,845	-
EMU	53,822	-
EGH	32,395	97,454
	$ 418,845	$ 97,454

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, 2012 and 2011 are as follows:

	For the years ended December 31,	
	2012	2011
EITC	$ 84,849	$ 85,711
GMS	88,497	78,576
EIS	57,052	54,520
EMU	34,821	28,313
EMS	33,744	29,423
GESA	24,810	23,088
EGH	21,520	21,243
ITS	8,465	9,073
	$ 353,758	$ 329,947

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

	For the years ended December 31,	
	2012	2011
Salaries and bonuses	$ 33,906	$ 32,868
Administrative fees	2,882	2,606
	$ 36,788	$ 35,474

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.

6. PLEDGED ASSETS

The Company's assets pledged as collaterals as of December 31, 2012 and 2011 are as follows:

	Book value		
Pledged assets	December 31, 2012	December 31, 2011	Purpose
Restricted assets			
-Pledged time deposits	$ 125,888	$ 121,790	Performance guarantee
Property, plant and equipment			
-Land	1,800,093	1,800,093	Long-term loan
-Buildings	788,120	813,889	〃
-Ships	4,451,838	-	〃
Long-term equity investments accounted for under the equity method - EITC	-	1,631,851	Exchange corporate bonds payable as subject
	$ 7,165,939	$ 4,367,623	

7. COMMITMENTS AND CONTINGENT LIABILITIES

A.As of December 31, 2012, the Company had delegated Deutsche Bank to issue Letter of Credit amounting to USD5,000.

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

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, 2012. As of December 31, 2012, 7,996,386 units were redeemed and 356,500 units were outstanding, representing 3,565,074 shares of the Company's common stock.

D.As of December 31, 2012, the long-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 $41,995,249 and the unutilized credits was $13,924,302.

E.As of December 31, 2012, 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	42,565
1-2 years		639
2-3 years		639
3-4 years		640
4-5 years		568
	USD	45,051

F.As of December 31, 2012, the amount of guarantee notes issued by the Company for loans borrowed was $28,457,441.

G.For operational needs, the Company signed the shipbuilding contracts for thirteen container vessels with Samsung Heavy Industries Co. on July 2, 2010, and September 28, 2010. The total contract price is USD1,339,000. However, in order to meet the fleet configuration needs within the group, the Company signed a tripartite agreement and transferred nine container vessels to indirect subsidiary, Greencompass Marine S.A. and Evergreen Marine (UK) Limited on October 29, 2010 and June 3, 2011. As of December 31, 2012, the Company has signed remains shipbuilding contracts totaling USD412, 000 of which USD154, 500 unpaid.

H.To meet operational needs, the Company signed the shipbuilding contracts for three container vessels with Taiwan Shipbuilding Corporation on May 20, 2011. As of December 31, 2012, the total price of shipbuilding contracts amounted to USD309, 000, of which USD267, 800 remains unpaid.

8. SIGNIFICANT CATASTROPHE

None.

9. SUBSEQUENT EVENTS

The Company's Board of Directors proposed the appropriation of earnings on March 26, 2013 and the related information is described in Note 4(17).

10. OTHERS

(1) Financial statement presentation

Certain accounts in the 2011 financial statements were reclassified to conform with the 2012 financial statement presentation.

(2) Fair value information of financial instruments

	December 31, 2012		
		Fair value	
	Book value	Quotations in an active market	Estimated using a valuation technique
Non-derivative financial instruments:			
Assets			
Cash and cash equivalents	$12,669,230	$ -	$12,669,230
Notes and accounts receivable	1,174,067	-	1,174,067
Financial assets at fair value through profit or loss			
Equity securities	243	243	-
Beneficiary certificates	1,403,823	1,403,823	-
Corporate bonds	76,648	-	76,648
Restricted assets	125,888	-	125,888
Available-for-sale financial assets-non-current	640,209	640,209	-
Held-to-maturity financial assets-non-current	370,000	-	370,000
Financial assets carried at cost-non-current	1,341,391	-	-
Refundable deposits	39,896	-	39,896
Liabilities			
Notes and accounts payable	1,893,315	-	1,893,315
Corporate bonds payable	3,548,791	-	3,548,791
Long-term loans (including current portion)	28,058,421	-	28,058,421
Guarantee deposits received	48	-	48
Derivative financial instruments:			
Assets			
Embedded derivatives	3,923	-	3,923

	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	1,344,482	-	1,344,482
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	2,316,164	-	2,316,164
Corporate bonds payable (including current portion)	2,955,661	-	2,955,661
Long-term loans (including current portion)	22,713,106	-	22,713,106
Guarantee deposits received	48	-	48
Derivative financial instruments:			
Liabilities			
Embedded derivatives	5,163	-	5,163

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, restricted assets, refundable deposits (guarantee deposits received), 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) <u>Information on significant gain/loss on financial instruments and equity items</u>

A.For the years ended December 31, 2012 and 2011, total interest income from financial assets and liabilities that are not at fair value through profit or loss amounted to $88,662 and $33,721, respectively; whereas the total interest expense amounted to $419,780 and $341,288, respectively.

B.For the years ended December 31, 2012 and 2011, the adjustment of shareholders' equity resulting from available-for-sale financial assets was dedit $38,828 and credit $387,812; respectively; whereas the total loss or gain deducted from the adjustment of shareholders' equity resulting from available-for-sale financial assets were $19,373 and $35,957, respectively.

(4) <u>Information on interest rate risk positions</u>

As of December 31, 2012 and 2011, the financial assets with cash flow risk due to the change of interest rate amounted to $1,447,218 and $964,377, respectively; whereas the financial liabilities with cash flow risk due to the change of interest rate amounted to $23,270,948 and $19,719,302, respectively.

(5) <u>Risk policy and hedging strategy</u>

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, 2012, 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	$ 10,862,041	$ -	$ -	$ -	$ 10,862,041
Restricted assets	125,888	-	-	-	125,888
Bank loan	(200,000)	(200,000)	(2,200,000)	(2,200,000)	(4,800,000)
Corporate bonds payable	-	-	-	(3,000,000)	(3,000,000)

b) Floating interest rate

	Within 1 year	1-2 years	2-3 years	over 3 years	Total
Cash and cash equivalents	$ 1,447,218	$ -	$ -	$ -	$ 1,447,218
Bank loan	(4,174,618)	(5,855,102)	(4,168,007)	(9,073,221)	(23,270,948)

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 which involves a number of non-functional currencies. Details of the foreign currency and exchange rate are as follows:

	December 31, 2012		December 31, 2011	
	Foreign currency amount	Exchange rate	Foreign currency amount	Exchange rate
Financial assets :				
Monetary				
USD	$ 77,199	29.0480	$ 58,670	30.2765
Non-monetary				
USD	16,033	29.0480	11,321	30.2765
Long-term equity investments accounted for under the equity method				
USD	1,465,226	29.0480	1,484,110	30.2765
Financial liabilities :				
Monetary				
USD	229,595	29.0480	141,710	30.2765

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 receivable 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 below:

Financial instruments	December 31, 2012 Book value		December 31, 2012 Maximum credit exposure amount	
Financial assets at fair value through profit or loss				
Trading financial assets	$	1,404,066	$	1,404,066
Financial assets designated as at fair value through profit or loss		76,648		76,648
Held-to-maturity financial assets				
Financial bonds		370,000		370,000
Available-for-sale financial assets				
Equity security		640,209		640,209
Financial assets carried at cost				
Equity security		1,341,391		1,341,391

Financial instruments	December 31, 2011 Book value		December 31, 2011 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				
Corporate 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

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 FUTURES

(1)Related information of significant transactions

A. Loans granted during the year ended December 31, 2012 : None.

B. Endorsements and guarantees provided the year ended December 31, 2012

Unit：Thousands of New Taiwan Dollars

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount during the year ended December 31, 2012	Outstanding endorsement/ guarantee amount at December 31, 2012	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 (Notes 3 and 4)
0	Evergreen Marine Corporation	Greencompass Marine S.A.	3	$ 119,130,434	$ 28,413,877 USD 948,837	$ 27,561,822 USD 948,837	$ -	46.27%	$ 148,913,043
0	Evergreen Marine Corporation	Peony Investment S.A.	2	119,130,434	444,792 USD 14,800	429,910 USD 14,800	-	0.72%	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Ltd.	3	119,130,434	52,281,888 USD 1,769,973	46,034,200 USD 1,584,763	-	77.28%	
0	Evergreen Marine Corporation	Taranto Container Terminal S.p.A.	6	29,782,609	608,583 USD 20,250	588,222 USD 20,250	-	0.99%	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	3	119,130,434	3,141,948 USD 108,164	3,141,948 USD 108,164	-	5.27%	
0	Evergreen Marine Corporation	Hemlock Equipment LLC.	3	119,130,434	1,737,393 USD 57,810	1,679,265 USD 57,810	-	2.82%	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	29,782,609	288,514 USD 9,600	278,861 USD 9,600	-	0.47%	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	29,782,609	2,356,194 USD 78,400	2,277,363 USD 78,400	-	3.82%	

Note 1: The number is 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 method of calculating upper limit and the amount of the upper limit should be noted. If there is any contingent loss is recognized in the financial statements, such loss amount is also required to be noted.

Note 4: In accordance with 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 stated in the latest financial statements.

The calculation is as follows:

The Company: 59,565,217*250% = 148,913,043

C. Marketable securities held as of December 31, 2012

Unit：Thousands of New Taiwan Dollars/Thousnads

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2012				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	$ 42,401,968	100.00	$ 42,546,435	
	Taiwan Terminal Services Co., Ltd.	〃	〃	5,500	68,318	55.00	68,318	
	Everport Terminal Services Inc.	〃	〃	1	12,370	100.00	12,370	
	Charng Yang Development Co., Ltd.	Investee company accounted for under the equity method	〃	49,898	645,914	40.00	645,914	
	Evergreen International Storage and Transport Corp.	〃	〃	424,062	7,866,147	39.74	8,544,856	
	Evergreen Security Corporation	〃	〃	6,336	100,851	31.25	100,851	
	EVA Airways Corporation	〃	〃	629,483	7,060,503	19.32	10,701,215	
	Taipei Port Container Terminal Corporation	〃	〃	88,344	789,878	21.03	788,329	
	Evergreen Marine (Latin America), S.A.	〃	〃	105	3,089	17.50	3,089	
	Power World Fund Inc.	None	Financial assets carried at cost - non-current	1,017	10,170	5.68	5,969	
	Fu-Ji Management Consultancy Co., Ltd.	〃	〃	99	-	4.93	5,666	
	Taiwan HSR Consortium	〃	〃	126,735	1,250,000	1.95	633,675	
	Ever Accord Construction Corp.	〃	〃	7,700	43,749	17.50	96,711	
	Linden Technologies, Inc.	〃	〃	50	15,372	2.53	-	Convertible Preferred Stocks (no fair value)
	Toplogis, Inc.	〃	〃	2,464	22,100	17.48	17,457	
	Central Reinsurance Corp.	〃	Available-for-sale financial assets - non-current	46,561	640,209	8.45	640,209	
	China Man-Made Fiber Corporation	〃	Financial assets at fair value through profit or loss-current	22	243	-	243	

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2012				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Evergreen Marine Corporation	Beneficiary certificates:							
	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss-current	40,849	$ 496,520		$ 496,520	
	FSITC Taiwan Money Market Fund	〃	〃	12,158	180,474		180,474	
	Eastspring Investments Well Pool Money Market Fund	〃	〃	16,104	212,654		212,654	
	Yuanta Wan Tai Money Market Fund	〃	〃	26,075	383,688		383,688	
	Yuanta De-Bao Money Market Fund	〃	〃	11,178	130,487		130,487	
	Financial bonds:							
	TLG Private Placement Subordinated Mandatory Convertible Bond at Maturity	〃	Financial assets at fair value through profit or loss -non-current	-	76,648		76,648	
	Bank of Taichung Unsecured Subordinated Financial Debentures	〃	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, 2012

Unit：Thousands of New Taiwan Dollars/Thousnads of shares

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 Money Market Fund	Financial assets at fair value through profit or loss	Open market transaction	None	37,185	$ 561,122	-	$ -	37,185	$ 565,318	$ 561,122	$ 4,196	-	$ -
	Mega Diamond Money Market Fund	〃	〃	〃	25,879	311,129	61,899	750,000	46,929	570,000	567,219	2,781	40,849	493,910
	FSITC Money Market Fund	〃	〃	〃	4,318	740,246	3,185	550,000	7,503	1,298,144	1,290,246	7,898	-	-
	FSITC Taiwan Money Market Fund	〃	〃	〃	-	-	22,263	330,000	10,105	150,000	149,787	213	12,158	180,213
	Eastspring Investments Well Pool Money Market Fund	〃	〃	〃	4,609	60,021	53,182	700,000	41,687	550,000	548,178	1,822	16,104	211,843
	Yuanta Wan Tai Money Market Fund	〃	〃	〃	8,944	130,000	44,315	650,000	27,184	400,000	398,121	1,879	26,075	381,879
	Yuanta De-Li Money Market Fund	〃	〃	〃	26,155	410,055	-	-	26,155	411,795	410,055	1,740	-	-
	Yuanta De-Bao Money Market Fund	〃	〃	〃	-	-	28,312	330,000	17,134	200,000	199,707	293	11,178	130,293

E. Aquisition of real estate properties exceeding $100 million or 20% of the Company’s paid-in capital for the year ended December 31, 2012 : 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, 2012: None

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, 2012

Unit：Thousands of New Taiwan Dollars

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transaction terms compared to 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.	Investee accounted for under equity method	Purchases	$ 354,889	2%	30~60 Days	$ -	-	($ 15,051)	1%	-
	Evergreen International Corp.	Investee of the Company's major shareholder	Purchases	348,239	2%	30~60 Days	-	-	(7,160)	1%	-
	〃	〃	Sales	1,718,039	11%	30~60 Days	-	-	84,612	9%	-
	Taiwan Terminal Services Co., Ltd.	Subsidiary of the Company	Purchases	724,580	4%	30~60 Days	-	-	(50,001)	5%	-
	Gaining Enterprise S.A.	Subsidiary of EITC accounted for under equity method	Purchases	1,539,802	9%	30~60 Days	-	-	-	-	-
	Greencompass Marine S.A.	Subsidiary of the Company	Sales	126,057	1%	30~60 Days	-	-	9,577	1%	-

H. Receivables from related parties exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2012

Unit：Thousands of New Taiwan Dollars

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	$ 151,440	-	$ -	-	$ 143,162	$ -

I. Derivative financial instruments undertaken for the year ended December 31, 2012：For related information, please see Note 10(2).

(2)Disclosure information of investee company

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

Unit：Thousands of New Taiwan Dollars/Thousnads of shares

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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	$ 42,401,968	($ 650,689)	($ 633,989)	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	68,318	11,429	6,286	〃
	Everport Terminal Services Inc.	1209 Orange Street in the City of Wilmington, Country of New Castle	Terminal Services	USD 100	USD 100	1	100.00	12,370	9,635	9,635	〃
	Charng Yang Development Co., Ltd.	2F, No. 369, Jingguo Rd., Taoyuan City, Taoyuan County, Taiwan	Development, rental, and sale of residential and commercial buildings	320,000	320,000	49,898	40.00	645,914	157,648	63,059	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	7,866,147	511,398	206,072	〃
	Evergreen Security Corporation	4&5F, No. 111, Sungjiang Rd., Taipei, Taiwan	General security guards services	25,000	25,000	6,336	31.25	100,851	37,570	11,740	〃
	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	7,060,503	504,012	97,353	〃
	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	789,878	(81,440)	(17,130)	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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	Evergreen Marine (Latin America), S.A.	EVERGREEN BUILDING 11TH FLOOR, 5TH B AVE AND 78 EAST STREET, SAN FRANCISCO, PANAMA	Management consultancy	USD 105	USD -	105	17.50	$ 3,089	$ 227	$ 40	Investee accounted for under the equity method
Peony Investment S.A.	Clove Holding Ltd.	Craigmuir Chambers, P. O. Box 71, Road Town, Tortola, B.V.I.	Investment holding company	USD 52,549	USD 52,549	10	100.00	USD 75,235	USD 11,210	USD 11,210	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 7,562	USD 978	USD 978	〃
	Evergreen Shipping Agency (Ireland) Ltd.	22 Fiztwilliam Place, Dublin 2, Ireland	Shipping agency	USD 95	USD 95	0.1	100.00	USD 227	USD 17	USD 17	〃
	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 2,615	USD 1,071	USD 1,071	〃
	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 5,618	USD 539	USD 539	〃
	Evergreen Shipping Agency (Poland) SP. ZO. O	UL.SOLEC 22,00-410 Warszawa, Poland	Shipping agency	USD 662	USD 662	2	100.00	USD 622	USD 10	USD 10	〃
	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 903,083	22,696	22,696	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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 498	(USD 14)	(USD 14)	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 1,177	USD 184	100	99.99	USD 6,012	USD 2,314	USD 2,314	〃
	Evergreen Argentina S.A.	Pje. Carabelas 344, (C1009AAD), Buenos Aires. Argentina	Leasing	USD 140	USD 140	150	95.00	USD 153	(USD 271)	(USD 258)	〃
	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 1,729	USD 210	USD 210	〃
	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 7,841	USD 20,204	17	95.03	USD 10,000	USD 2,776	USD 2,638	〃
	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 448	USD 474	USD 83	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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 48,158	USD 774	USD 653	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 8,871	(USD 322)	(USD 226)	〃
	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 3,330	USD 3,291	USD 1,810	〃
	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 1,939	USD 164	USD 90	〃
	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 -	USD 3,134	-	-	USD -	USD -	USD -	Completely Liquidated on May 31, 2012
	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 67,690	(USD 59,839)	(USD 30,518)	〃
	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 614	USD 698	USD 471	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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 1,892	USD 3,422	USD 1,745	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 5,463	USD 1,352	USD 690	〃
	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 2,964	USD 2,807	USD 1,431	〃
	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 1,538	USD 2,491	USD 1,270	〃
	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 3,293	USD 2,558	USD 1,305	〃
	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 4,187	USD 3,085	USD 1,697	〃
	Kingstrans International Logistics (Tianjin) Co., Ltd.	No.295 JiYun East Road, Tianjin Port Container Logistics Center,Binhai New District,Tianjin	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 2,000	USD 2,000	-	20.00	USD 2,844	USD 1,188	USD 238	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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 Rotterdan	Investment holding company	USD 39,721	USD 33,161	460	50.00	USD 85,641	(USD 9,046)	(USD 4,523)	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 183,191	USD 122,696	0.451	49.00	USD 61,667	(USD 96,122)	(USD 47,100)	〃
	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 2,361	USD 661	USD 264	〃
	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, cleaning, and related activities	USD 4,447	USD 4,447	-	40.00	USD 8,040	USD 3,731	USD 1,492	〃
	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 8,267	USD 5,929	USD 1,779	〃
	Evergreen Shipping Agency Co (U.A.E.) LLC.	5F, Shipping Tower, Al-Mina Road, P.O. Box 34984, Dubai, U.A.E	Shipping agency	USD 2,082	USD 2,082	-	49.00	USD 2,565	USD 3,027	USD 1,483	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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			
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Amsteldijk 166, 1079LH, Amsterdam	Investment holding company	USD 13,636	USD 13,636	0.045	100.00	USD 12,657	(USD 308)	(USD 308)	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	41,000	9.76	USD 12,593	(USD 2,754)	(USD 269)	Investee company of Armand Estate B.V. accounted for under the equity method
Clove Holding Ltd.	Colon Container Terminal S.A.	COCO SOLO NORTH ADM BUILDING PANAMA	Inland container storage and loading	USD 22,860	USD -	22,860	40.00	USD 78,919	USD 19,040	USD 7,616	Investee company of Clove Holding Ltd. accounted for under the equity method
	Island Equipment LLC.	655 Deep Valley Drive, Suite 300, Rolling Hils Estates, CA	Investment holding company	USD 144	USD 144	-	36.00	USD 2,327	USD 771	USD 277	Indirect subsidiary of the Company
	Ample Holding Ltd.	Craigmuir Chambers, P.O.BOX71,Road Town, Tortola, B.V.I	Investment holding company	USD -	USD 9	-	-	USD -	USD -	USD -	Completed liquidated on December 31, 2012
Ample Holding Ltd.	Colon Container Terminal S.A.	COCO SOLO NORTH ADM BUILDING PANAMA	Inland container storage and loading	USD -	USD 22,860	-	-	USD -	USD -	USD -	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 2,147	USD 473	USD 473	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 4,284	USD 324	USD 324	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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 (Tianjin) Co., Ltd.	No.295 JiYun East Road, Tianjin Port Container Logistics Center, Binhai New District, Tianjin	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 2,000	USD 2,000	-	20.00	USD 2,844	USD 1,188	USD 238	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	USD 970	USD 771	USD 116	〃
	Evergreen Shipping Agency (UK) Ltd.	160 Euston Road, London NW 12 DX, U.K.	Shipping agency	USD 0.002	USD 0.002	-	100.00	USD 2,742	USD 258	USD 258	〃
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 18,174,909	IDR 4,448,211	IDR 3,244,970	〃
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Austria) GmbH	Theresianumgasse 7, 1040 Wien, Austria	Shipping agency	EUR 18	EUR 18	-	100.00	EUR 473	EUR 28	EUR 28	〃
	Evergreen Shipping Agency (Switzerland) S.A.	Av. des Boveresses 52, 1000 Lausanne 21, Switzerland	Shipping agency	EUR 69	EUR 69	0.1	100.00	EUR 176	EUR 20	EUR 20	〃

B. Loans granted for the year ended December 31, 2012

Unit：Thousands of New Taiwan Dollars

No.	Creditor	Borrower	General ledger account	Maximum outstanding balance for the year ended December 31, 2012	Balance at December 31, 2012	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	$ 45,080	$ 43,572	$ 43,572	1.527	2	$ -	Working capital requirement	$ -	-	$ -	$ 8,102,909	$ 16,205,817
		Luanta Investment (NetherLands) N.V.	〃	439,665	335,715	155,105	1.308~2.183	2	–	〃	-	-	-	8,102,909	16,205,817
		Clove Holding Ltd.	〃	261,432	319,528	261,432	1.211	2	–	〃	-	-	-	8,102,909	16,205,817
2	Clove Holding Ltd.	Whitney Equipment LLC.	〃	74,865	72,620	72,620	1.355	2	-	〃	-	-	-	385,567	771,135
3	Evergreen Marine (UK) Ltd.	Kingtrans Intl. Logistics (Tianjin Co., Ltd.	〃	45,080	43,572	43,572	1.527	2	-	〃	-	-	-	818,790	1,637,580

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:

PEONY USD1,394,745*29.0480*20%=$8,102,909

CLOVE USD66,367*29.0480*20%=$385,567

EMU USD140,937*29.0480*20%=$818,790

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:

PEONY USD1,394,745*29.0480*40%=$16,205,817

CLOVE USD66,367*29.0480*40%=$771,135

EMU USD140,937*29.0480*40%=$1,637,580

C. Endorsements and guarantees provided as of December 31, 2012:

Unit：Thousands of New Taiwan Dollars

Number (Note1)	Endorser	Party Being endorsed		Limit on endorsement provided for a single party	Maximum outstanding endorsement amount at December 31, 2012	Outstanding endorsement amount at December31, 2012	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	$ 169,006	$ 113,787 USD 3,917	$ 113,787 USD 3,917	$ -	0.45%	$ 62,930,405

Note 1: The number is 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 method of calculating upper limit and the amount of the upper limit should be noted. If there is any contingent loss is recognized in the financial statements, such loss amount is also required to be note

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 exceed 250% of the net worth stated in the latest financial statements.
The calculation is as follows:
USD 866,571*29.0480*250%=$62,930,405

D. Marketable securities held as of December 31, 2012

Unit：Thousands of New Taiwan Dollars/Thousnads of shares

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2012				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 75,235	100.00	USD 75,235	
	Evergreen Shipping Agency (Deutschland) GmbH	〃	〃	-	USD 7,562	100.00	USD 7,562	
	Evergreen Shipping Agency (Ireland) Ltd.	〃	〃	0.1	USD 227	100.00	USD 227	
	Evergreen Shipping Agency (Korea) Corporation	〃	〃	121	USD 2,615	100.00	USD 2,615	
	Evergreen Shipping Agency (Netherlands) B.V.	〃	〃	0.047	USD 5,618	100.00	USD 5,618	
	Evergreen Shipping Agency (Poland) SP.ZO.O	〃	〃	2	USD 622	100.00	USD 622	
	Greencompass Marine S.A.	〃	〃	3,535	USD 903,083	100.00	USD 903,083	
	Vigor Enterprise S.A.	〃	〃	5	USD 498	100.00	USD 498	
	Evergreen Shipping Agency (India) Pvt Ltd.	〃	〃	100	USD 6,012	99.99	USD 6,012	
	Evergreen Argentina S.A.	〃	〃	150	USD 153	95.00	USD 153	
	Evergreen Shipping Agency France S.A.S.	〃	〃	5	USD 1,729	100.00	USD 1,729	
	PT Multi Bina Pura International	〃	〃	17	USD 10,000	95.03	USD 10,000	
	PT Multi Bina Transport	〃	〃	2	USD 448	17.39	USD 448	
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	〃	〃	42,120	USD 48,158	84.44	USD 48,158	
	Armand Investment (Netherlands) N.V.	〃	〃	4	USD 8,871	70.00	USD 8,871	
	Evergreen Shipping (Spain) S.L.	〃	〃	3	USD 3,330	55.00	USD 3,330	
	Evergreen Shipping Agency (Italy) S.p.A.	〃	〃	0.55	USD 1,939	55.00	USD 1,939	
	Evergreen Marine (UK) Ltd.	〃	〃	765	USD 67,690	51.00	USD 67,690	

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2012				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 614	67.50	USD 614	
	Evergreen Shipping Agency (Russia) Ltd.	〃	〃	-	USD 1,892	51.00	USD 1,892	
	Evergreen Shipping Agency (Singapore) Pte. Ltd.	〃	〃	765	USD 5,463	51.00	USD 5,463	
	Evergreen Shipping Agency (Thailand) Co., Ltd.	〃	〃	408	USD 2,964	51.00	USD 2,964	
	Evergreen Shipping Agency (Vietnam) Corp.	〃	〃	-	USD 1,538	51.00	USD 1,538	
	PT. Evergreen Shipping Agency Indonesia	〃	〃	0.459	USD 3,293	51.00	USD 3,293	
	Evergreen Agency (South Africa) (PTY) Ltd.	〃	〃	5,500	USD 4,187	55.00	USD 4,187	
	Luanta Investment (Netherlands) N.V.	Investee of Peony Investment S.A. accounted for under the equity method	〃	460	USD 85,641	50.00	USD 85,641	
	Balsam Investment (Netherlands) N.V.	〃	〃	0.451	USD 61,667	49.00	USD 61,667	
	Evergreen Shipping Agency Co. (U.A.E.) LLC	〃	〃	-	USD 2,565	49.00	USD 2,565	
	Ningbo Victory Container Co., Ltd.	〃	〃	-	USD 2,361	40.00	USD 2,361	
	Qingdao Evergreen Container Storage & Transportation Co., Ltd.	〃	〃	-	USD 8,040	40.00	USD 8,040	
	Green Peninsula Agencies SDN. BHD.	〃	〃	1,500	USD 8,267	30.00	USD 8,267	
	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Indirect Subsidiary of the company	〃	-	USD 2,844	20.00	USD 2,844	
	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, 2012				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indirect subsidiary of Peony	Long-term equity investment accounted for under the equity method	8	IDR 18,174,909	72.95	IDR 18,174,909	
Clove Holding Ltd.	Colon Container Terminal S.A.	Investee of Clove accounted for under the equity method	〃	22,860	USD 78,919	40.00	USD 78,919	
	Island Equipment LLC.	Indirect subsidiary of Peony	〃	-	USD 2,327	36.00	USD 2,327	
Island Equipment LLC	Whitney Equipment LLC.	Investee of Island accounted for under the equity method	〃	-	USD 2,147	100.00	USD 2,147	
	Hemlock Equipment LLC.	〃	〃	-	USD 4,284	100.00	USD 4,284	
Evergreen Marine (UK) Ltd.	Island Equipment LLC.	Indirect subsidiary of Peony	〃	-	USD 970	15.00	USD 970	
	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	〃	〃	-	USD 2,844	20.00	USD 2,844	
	Evergreen Shipping Agency (UK) Limited	〃	〃	-	USD 2,742	100.00	USD 2,742	
	Italia Marittima UK Limited	Investee of EMU accounted for under cost method	Financial assets carried at cost - non-current	0.2	USD 0.4	100.00	USD 0.4	
	Evergreen Marine (Latin America), S.A.	〃	Financial assets carried at cost - non-current	99	USD 99	16.50	USD 99	
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Indirect subsidiary of Peony	Long-term equity investment accounted for under the equity method	0.045	USD 12,657	100.00	USD 12,657	

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2012						Remark
				Number of shares (in thousands)	Book value		Ownership (%)	Market value		
Armand Estate B.V.	Taipei Port Container Terminal Corporation	Investee of Armand Estate B.V. accounted for under the equity method	Long-term equity investment accounted for under the equity method	41,000	USD	12,593	9.76	USD	12,593	
Evergreen Shipping Agency (Singapore) Pte Ltd.	RTW AIR SERVICES (S) PL	Investee of EGS accounted for under cost method	Financial assets carried at cost - non-current	30	SGD	41	2.00	SGD	41	
Evergreen Shipping Agency (Thailand) Co., Ltd.	Green Siam Air Service Co.	Investee of EGT accounted for under cost method	〃	4	THB	1,160	2.00	THB	1,160	
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Austria) GmbH	Indirect subsidiary of Peony	Long-term equity investment accounted for under the equity method	-	EUR	473	100.00	EUR	473	
	Zoll Pool Hafen Hamburg AG	Investee of EGD accounted for under cost method	Financial assets carried at cost - non-current	10	EUR	10	3.36	EUR	10	
	Evergreen Shipping Agency (Switzerland) S.A.	Indirect subsidiary of Peony	Long-term equity investment accounted for under the equity method	0.1	EUR	176	100.00	EUR	176	

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, 2012 : None.

F. Acquisition of real estate properties exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2012 : None.

G. Disposal of real estate properties exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2012 : 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, 2012

Unit：Thousands of New Taiwan Dollars

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transaction terms compared to 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	$ 724,580	99%	30~60 Days	$ -	-	$ 50,001	56%	
Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	Related party	Sales	USD 12,236	-	15~30 Days	-	-	-	-	
		〃	Purchases	USD 38,137	1%	15~30 Days	-	-	-	-	
	Evergreen International S.A.	Related party	Purchases	USD 24,663	1%	15~30 Days	-	-	-	-	
	Evergreen Marine (UK) Ltd.	Related party	Sales	USD 11,470	-	15~30 Days	-	-	USD 1,784	1%	
		Related party	Purchases	USD 8,711	-	15~30 Days	-	-	(USD 504)	1%	
	Evergreen Marine (Singapore) Pte. Ltd .	Related party	Purchases	USD 12,045	-	15~30 Days	-	-	-	-	
		Related party	Sales	USD 3,833	-	15~30 Days	-	-	-	-	
	Italia Marittima S.p.A	〃	Sales	USD 3,566	-	15~30 Days					
	Evergreen Marine Corporation	Related party	Purchases	USD 4,392	-	15~30 Days	-	-	-	-	
	EVERPORT TERMINAL SERVICES INC.	Related party	Purchases	USD 9,540	-	15~30 Days	-	-	-	-	
	Evergreen International Corporation	Related party	Purchases	USD 5,833	-	15~30 Days	-	-	-	-	
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Greencompass Marine S.A.	Related party	Sales	MYR 27,932	10%	45 Days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Related party	Sales	MYR 51,376	19%	45 Days	-	-	-	-	

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transactions		Notes/accounts receivable		Remark
			Purchases/ Sales	Amount	% of total purchases/sales	Credit term	Unit price	Credit term	Balance	% of total notes/accounts receivable (payable)	
Evergreen Marine (UK) Ltd.	Greencompass Marine S.A.	Related party	Purchases	USD 11,470	1%	30~60 Days	$ -	-	$ -	-	
	Greencompass Marine S.A.	Related party	Sales	USD 8,711	1%	30~60 Days	-	-	-	-	
	Evergreen International Corporation	Related party	Purchases	USD 7,951	1%	30~60 Days	-	-	-	-	
	Evergreen Shipping Agency (Deutschland) GmbH	Related party	Purchases	USD 6,400	-	30~60 Days	-	-	-	-	
	Evergreen Shipping Agency (Netherlands) B.V.	Related party	Purchases	USD 6,496	-	30~60 Days	-	-	-	-	
	EVERPORT TERMINAL SERVICES INC.	Related party	Purchases	USD 6,050	-	30~60 Days	-	-	-	-	
	Evergreen Shipping Agency France S.A.S.	Related party	Purchases	USD 4,139	-	30~60 Days	-	-	-	-	
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Marine (UK) Ltd.	Related party	Sales	EUR 5,018	42%	-	-	-	EUR 382	3%	
Evergreen Shipping Agency (Netherlands) B.V.	Evergreen Marine (UK) Ltd.	Related party	Sales	EUR 5,060	44%	-	-	-	-	-	

I. Receivables from related parties exceeding $100 million or 20% of the Company's paid-in capital for the year ended December 31, 2012

Unit：Thousands of New Taiwan Dollars

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 5,362		USD -	-	USD -	USD -
	Clove Holding Ltd.	”	USD 9,002		USD -	-	USD -	USD -

J. Derivative financial instruments transactions:None.

(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, 2012	Amount remitted to Mainland China	Amount remitted back to Taiwan	Accumulated amount of remittance to Mainland China as of December 31, 2012	Ownership held by the Company (direct/ indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2012 (Note 2)	Book value of investment in Mainland China as of December 31, 2012	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2012
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, and discharging, and repair of brackets	CNY 24,119	(2)	$ 29,556 (USD 1,018)	$ -	$ -	$ 29,556 (USD 1,018)	40.00	$ 7,821 (USD 264)	$ 68,585 (USD 2,361)	$ -
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, container storage, loading, repair, discharging, and related activities	CNY 92,500	(2)	$ 129,174 (USD 4,447)	-	-	$ 129,174 (USD 4,447)	40.00	$ 44,125 (USD 1,492)	$ 233,553 (USD 8,040)	-
Shenzhen Greentrans Transportation Co., Ltd.	Inland container loading, discharging, restoring, repair, clearing, and transportation	CNY 44,960	(2)	$ 91,044 (USD 3,134)	-	88,811 (USD 3,057)	$ 91,044 (USD 3,134)	note 4	note 4	note 4	-
Shenzhen Hutchison Inland Container Depots Co., Ltd.	Inland container yards	HKD 92,000	(2)	$ 23,621 (HKD 6,304)	-	-	$ 23,621 (HKD 6,304)	6.85	$ -	$ 23,621 (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, 2012	Amount remitted		Accumulated amount of remittance to Mainland China as of December 31, 2012	Ownership held by the Company (direct/ indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2012 (Note 2)	Book value of investment in Mainland China as of December 31, 2012	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2012
					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)	$ 116,192 (USD 4,000)	$ -	$ -	$ 116,192 (USD 4,000)	40.00	$ 14,054 (USD 476)	$ 165,198 (USD 5,688)	$ -

Balance of investments in Mainland China as of December 31, 2012	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)
$389,587 (USD 12,599) (HKD 6,304)	$1,048,409 (USD 36,092)	$ 35,739,130

(Net worth of the Company:$59,565,217)

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 auditors

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

(c) Others

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

Note 4:Shenzhen Greentrans Transportation Co., Ltd.was liquidated on May 31, 2012. Related amount allotted from the liquidation had been received on October 23, 2012.

2.The significant transactions direct or across third region company with the investees in mainland China

12. SEGMENT INFORMATION

In accordance with R.O.C. SFAS No. 41, "Operating Segments", segment information is disclosed in the consolidated financial statements.

13. ADOPTION RELATED TO IFRSs

The Company discloses the 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 and its subsidiaries as of December 31, 2012 and 2011, 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. as of December 31, 2012 and 2011 and the financial statements of Everport Terminal Services Inc. as of December 31, 2011, which statements reflect total assets of 54,654,010 and 49,203,361 thousand New Taiwan dollars, constituting 35.19% and 35.71% of the consolidated total assets as of December 31, 2012 and 2011, respectively, and net operating revenues of 42,863,196 and 32,773,492 thousand New Taiwan dollars, constituting 30.39% and 30.30% 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 14,696,439 and 14,447,282 thousand New Taiwan dollars, constituting 9.46% and 10.49% of the consolidated total assets as of December 31, 2012 and 2011, respectively, and the related investment loss was 1,032,630 and 2,259,160 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, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Evergreen Marine Corporation and its subsidiaries as of December 31, 2012 and 2011, 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.

Evergreen Marine Corporation adopts International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee (collectively referred herein as the IFRSs) as recognized by the Financial Supervisory Commission, Executive Yuan, R.O.C (FSC) and the “Rules Governing the Preparation of Financial Statements by Securities Issuers” that will be applied in 2013 in the preparation of consolidated financial statements of Evergreen Marine Corporation and its subsidiaries starting from January 1, 2013. Information relating to the adoption of IFRSs by Evergreen Marine Corporation is disclosed in Note 13 to the financial statements in accordance with Jin-Guan-Zheng-Shen-Zi Letter No. 0990004943 of the FSC, dated February 2, 2010. The IFRSs may be subject to changes during the time of transition; therefore, the actual impact of IFRSs adoption on Evergreen Marine Corporation and its subsidiaries may also change.

PricewaterhouseCoopers, Taiwan
March 26, 2013
Taipei, Taiwan
Republic of China

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

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31,
(Expressed in thousands of New Taiwan dollars)

ASSETS	Notes	2012	2011
Current Assets			
Cash and cash equivalents	4(1)	$ 31,984,708	$ 23,006,258
Financial assets at fair value through profit or loss - current	4(2)	1,407,989	2,232,678
Held-to-maturity financial assets - current	4(4)	-	951,382
Notes receivable, net		131,332	93,263
Accounts receivable, net	4(6)	12,984,094	7,835,603
Accounts receivable, net - related parties	5	172,326	151,270
Other receivables		618,997	1,601,761
Other receivables - related parties	5	239,489	520,638
Inventories	4(7)	5,233,026	4,814,786
Prepaid expenses		532,800	482,422
Prepayments		269,172	234,790
Deferred income tax assets - current	4(21)	275,927	253,930
Restricted assets	6	550,214	520,132
Other current assets	4(8) and 5	1,368,992	3,395,777
Total current assets		55,769,066	46,094,690
Funds and Investments			
Financial assets at fair value through profit or loss - non-current	4(2)	76,648	62,959
Available-for-sale financial assets - non-current	4(3)	640,209	602,904
Held-to-maturity financial assets - non-current	4(4)	370,000	370,000
Financial assets carried at cost - non-current	4(5)	1,505,358	1,515,391
Long-term equity investments accounted for under the equity method	4(9)	24,020,391	23,919,745
Other long-term investments		312	312
Total funds and investments		26,612,918	26,471,311
Property, Plant and Equipment, Net	4(10), 5, 6 and 7		
Land		2,163,427	2,177,397
Buildings		2,850,633	2,898,319
Machinery and equipment		706,861	724,077
Loading and unloading equipment		6,408,130	6,420,851
Computer and communication equipment		333,742	319,673
Transportation equipment		22,581,661	25,093,249
Ships		55,425,994	53,534,978
Office equipment		510,722	507,486
Leased assets		15,176,982	2,489,407
Leasehold improvements		18,131	16,604
Cost and revaluation increments		106,176,283	94,182,041
Less: Accumulated depreciation		(47,957,422)	(45,942,449)
Construction in progress and prepayments for equipment		13,725,227	16,523,249
Total property, plant and equipment, net		71,944,088	64,762,841
Intangible Assets			
Deferred pension costs		458,670	61,058
Other Assets			
Refundable deposits		117,260	118,412
Deferred expenses		395,641	274,235
Other assets - other		195	2,912
Total other assets		513,096	395,559
TOTAL ASSETS		$ 155,297,838	$ 137,785,459

(Continued)

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31,
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	2012	2011
Current Liabilities			
Short-term loans	4(11)	$ 1,452,400	$ 3,910,312
Financial liabilities at fair value through profit or loss - current	4(12)	-	255,246
Accounts payable		4,326,591	4,569,133
Accounts payable - related parties	5	687,299	77,701
Income tax payable	4(21)	84,832	184,138
Accrued expenses		9,842,125	8,817,050
Other payables - related parties	5	113,223	148,623
Other payables		1,176,187	1,140,061
Receipts in advance		39,720	29,461
Long-term liabilities - current portion	4(13)	6,540,126	7,102,812
Other current liabilities	5	5,781,879	2,220,613
Total current liabilities		30,044,382	28,455,150
Long-term Liabilities			
Bonds payable	4(14)	3,548,791	-
Long-term loans	4(15)	41,534,538	37,863,525
Long-term leases payable - non-current		13,658,953	1,953,360
Total long-term liabilities		58,742,282	39,816,885
Other Liabilities			
Accrued pension liabilities	4(16)	2,288,158	1,450,813
Guarantee deposits received		39,712	40,231
Deferred income tax liabilities - non-current	4(21)	1,275,630	1,316,628
Other liabilities - other		478,833	1,104,217
Total other liabilities		4,082,333	3,911,889
Total Liabilities		92,868,997	72,183,924
Stockholders' Equity			
Capital	4(17)		
Common stock		34,749,407	34,734,581
Capital Surplus	4(18)		
Paid-in capital in excess of par value of common stock		5,817,899	5,805,861
Capital reserve from donated assets		446	372
Capital reserve from long-term investments		1,606,562	1,606,562
Capital reserve from stock warrants		58,271	60,884
Capital reserve - other		6,713	6,713
Retained Earnings	4(19)		
Legal reserve		9,102,785	9,102,785
Special reserve		3,593,280	4,579,324
Undistributed earnings		9,976,596	8,862,023
Other Adjustments to Stockholders' Equity			
Cumulative translation adjustments		(4,877,940)	(2,656,053)
Unrecognized pension cost		(1,284,299)	(1,229,959)
Unrealized gain or loss on financial instruments		347,247	292,733
Total Parent Company Stockholders' Equity		59,096,967	61,165,826
Minority Interest		3,331,874	4,435,709
Total stockholders' equity		62,428,841	65,601,535
Commitments and Contingent Liabilities	7		
Subsequent Evevts	9		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 155,297,838	$ 137,785,459

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 26, 2013.

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

Items	Notes	2012	2011
Operating income	4(20) and 5	$ 141,028,128	$ 108,156,058
Operating costs	4(23) and 5	(136,948,924)	(108,325,035)
Gross profit (loss)		4,079,204	(168,977)
Operating Expenses			
General and administrative expenses	4(23) and 5	(5,350,577)	(4,948,726)
Operating loss		(1,271,373)	(5,117,703)
Non-operating Income and Gains			
Interest income		233,049	239,521
Dividend income		148,093	473,482
Gain on disposal of property, plant and equipment	5	1,315,465	1,125,260
Gain on disposal of investments		154,154	1,128,393
Foreign exchange gain		171,820	219,735
Rental income	5	111,775	119,773
Gain on valuation of financial assets	4(2)	16,340	-
Gain on valuation of financial liabilities	4(12)	-	232,863
Other non-operating income		364,635	640,726
Total Non-operating Income and Gains		2,515,331	4,179,753
Non-operating Expenses and Losses			
Interest expense		(457,771)	(415,765)
Investment loss accounted for under the equity method	4(9)	(799,691)	(1,938,535)
Loss on disposal of property, plant and equipment		(18,235)	(23,587)
Financing charges		(35,634)	(17,207)
Impairment loss	4(5)	(1,844)	-
Loss on valuation of financial assets	4(2)	-	(36,992)
Loss on valuation of financial liabilities	4(12)	(55,780)	-
Other non-operating losses		(30,181)	(49,119)
Total Non-operating Expenses and Losses		(1,399,136)	(2,481,205)
Loss from continuing operations before income tax		(155,178)	(3,419,155)
Income tax expense	4(21)	(263,459)	(260,647)
Consolidated net loss		($ 418,637)	($ 3,679,802)
Attributable to :			
Equity holders of the Company		$ 128,531	($ 3,092,361)
Minority interest		(547,168)	(587,441)
		($ 418,637)	($ 3,679,802)

		2012 Before Tax	2012 After Tax	2011 Before Tax	2011 After Tax
Basic earnings (loss) per share	4(22)				
Net loss from continuing operations		($ 0.04)	($ 0.12)	($ 0.99)	($ 1.06)
Minority interest loss		0.06	0.16	0.16	0.17
Net income (loss)		$ 0.02	$ 0.04	($ 0.83)	($ 0.89)
Diluted earnings (loss) per share	4(22)				
Net loss from continuing operations		($ 0.04)	($ 0.12)	($ 0.99)	($ 1.06)
Minority interest loss		0.06	0.16	0.16	0.17
Net income (loss)		$ 0.02	$ 0.04	($ 0.83)	($ 0.89)

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 26, 2013.

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

			Retained Earnings			Other Adjustments to Stockholders' Equity				
	Common Stock	Capital Surplus	Legal reserve	Special reserve	Undistributed earnings	Cumulative translation adjustments	Unrecognized pension cost	Unrealized gain or loss on financial instruments	Minority Interest	Total
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
Appropriations 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 to stockholders' equity accounted for under the equity method	-	(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
Unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	(351,856)	-	(351,856)
Unrecognized pension cost	-	-	-	-	-	-	(309,394)	-	-	(309,394)
Consolidated net loss for 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
2012										
Balance at January 1, 2012	$ 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
Appropriations of 2011 earnings										
Special reserve	-	-	-	(986,044)	986,044	-	-	-	-	-
Donated assets	-	74	-	-	(2)	-	-	-	-	72
Conversion of convertible bonds into common stock	14,826	12,038	-	-	-	-	-	-	-	26,864
Stock warrants of convertible bonds	-	(2,613)	-	-	-	-	-	-	-	(2,613)
Adjustments on stockholders' equity accounted for under the equity method	-	-	-	-	-	(488,052)	(104,160)	15,686	-	(576,526)
Translation adjustments arising from investees' financial statements denominated in foreign currencies	-	-	-	-	-	(1,733,835)	-	-	-	(1,733,835)
Unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	38,828	-	38,828
Unrecognized pension cost	-	-	-	-	-	-	49,820	-	-	49,820
Consolidated net loss for 2012	-	-	-	-	128,531	-	-	-	(547,168)	(418,637)
Minority interest	-	-	-	-	-	-	-	-	(556,667)	(556,667)
Balance at December 31, 2012	$ 34,749,407	$ 7,489,891	$ 9,102,785	$ 3,593,280	$ 9,976,596	($ 4,877,940)	($ 1,284,299)	$ 347,247	$ 3,331,874	$ 62,428,841

Note: Directors' and supervisors' remuneration of $55,000 and employees' bonus 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 26, 2013.

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

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net loss	($ 418,637)	($ 3,679,802)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	5,404,551	5,264,002
Amortization	28,149	28,480
Reclassification of depreciation of loading and unloading equipment to operating costs and others	185,966	248,744
Reclassification of amortization of deferred charges to others	29,899	43,029
Net gain on disposal of property, plant and equipment	(1,300,268)	(1,101,673)
Deficiency of equity-accounted investment (gain) / loss over cash dividends	1,087,017	2,996,453
Amortization of bond discounts	114,134	190,021
Gain on disposal of available-for-sale financial assets	(20,889)	(42,500)
Gain on disposal of financial assets carried at cost	-	(752,975)
Realized (loss) income from capital reduction of financial assets carried at cost - non-current	1,844	(61,631)
(Loss) gain on disposal of long-term equity investments accounted for under the equity method	94,359	(324,305)
Loss on disposal of other long-term investments	-	2,557
Changes in assets and liabilities		
Financial assets and liabilities at fair value through profit or loss	807,258	(535,106)
Notes and accounts receivable	(5,502,274)	2,247,384
Other receivables	916,860	(293,443)
Other financial assets	-	158,383
Inventories	(599,696)	(1,157,338)
Prepaid expenses and prepayments	(107,277)	9,783
Restricted assets	(46,245)	52,245
Agent accounts	2,474,837	349,234
Agency reciprocal accounts	1,793,670	(1,325,894)
Other current assets	667,550	(986,898)
Refundable deposits	(1,703)	(5,018)
Other assets	2,598	(1,586)
Notes and accounts payable	493,328	(368,930)
Income tax payable	(93,039)	(4,094)
Accrued expenses	1,353,192	(1,829,157)
Other payables	(3,428)	520,958
Receipts in advance	11,414	(470,228)
Other current liabilities	649,795	179,778
Accrued pension liabilites	469,309	58,982
Other liabilities	(542,074)	37,303
Deferred income tax assets / liabilities	(60,758)	(117,855)
Net cash provided by (used in) operating activities	7,889,442	(671,097)

(Continued)

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

	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial assets and liabilities at fair value through profit or loss	($ 238,184)	($ 337,054)
Decrease in other receivables	281,813	15,031
Proceeds from disposal of available-for-sale financial asset - non-current	22,412	44,848
Proceeds from sale of held-to-maturity financial assets	945,240	1,820,000
Acquisition of financial assets carried at cost - non-current	(2,927)	-
Proceeds from capital reduction of financial assets carried at cost - non-current	884	62,107
Proceeds from disposal of financial assets carried at cost - non-current	-	3,761,685
Acquisition of long-term equity investments accounted for under the equity method	(2,024,986)	(710,377)
Proceeds from capital reduction of long-term equity investments accounted for under the equity method	364,550	-
Proceeds from disposal of long-term equity investments accounted for under the equity method	-	1,152,233
Proceeds from disposal of other long-term investments	-	752
Acquisition of property, plant and equipment	(28,032,058)	(20,502,299)
Proceeds from disposal of property, plant and equipment	14,521,261	5,226,423
Increase in deferred expenses	(189,914)	(90,633)
Net cash used in investing activities	(14,351,909)	(9,557,284)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term loans	(2,299,247)	1,307,140
Increase (decrease) in other payables	55,798	(144,882)
Increase in corporate bonds payable	500,000	-
Increase in long-term loans	6,853,337	11,408,325
Increase in long-term leases payable - non-current	11,784,852	1,953,360
Increase in guarantee deposits received	1,112	6,835
Payment of cash dividends	-	(3,157,544)
Proceeds from disposal of donated treasury stock	72	-
Net change in minority interest	(556,667)	625,105
Net cash provided by financing activities	16,339,257	11,998,339
Effect of exchange rate changes	(898,340)	1,618,446
Effect of initial consolidation of subsidiaries	-	(98,237)
Increase in cash and cash equivalents	8,978,450	3,290,167
Cash and cash equivalents at beginning of year	23,006,258	19,716,091
Cash and cash equivalents at end of year	$ 31,984,708	$ 23,006,258
SUPPLEMENTAL INFORMATION OF CASH FLOW		
Interest paid	$ 481,471	$ 281,831
Less: interest capitalized	(160,152)	(45,572)
Interest paid, excluding interest capitalized	$ 321,319	$ 236,259
Income tax paid	$ 439,009	$ 336,383
FINANCING ACTIVITIES NOT AFFECTING CASH FLOWS		
Long-term liabilities - current portion	$ 6,540,126	$ 7,102,812
Conversion of convertible bonds into common stock	$ 25,500	$ 658,600

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 26, 2013.

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(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 4,966 employees as of December 31, 2012.

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 policies 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 2012：

Investor	Subsidiary	Main activities	Ownership (%) December 31, 2012	Ownership (%) December 31, 2011	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	100.00	
Peony	GMS	Container shipping	100.00	100.00	
〃	Clove	Investments in container yards and port terminals	100.00	100.00	
〃	Vigor	Investments in container manufacturing	100.00	100.00	
〃	EMU	Container shipping	51.00	51.00	
〃	EHIC(M)	Manufacturing of dry steel containers and container parts	84.44	84.44	
〃	Armand N.V.	Investments in container yards and port terminals	70.00	70.00	
〃	SGTC	Loading, discharging, storage, repairs, cleaning and inland transportation of containers	-	55.00	

Investor	Subsidiary	Main activities	Ownership (%) December 31, 2012	Ownership (%) December 31, 2011	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	

			Ownership (%)		
Investor	Subsidiary	Main activities	December 31, 2012	December 31, 2011	Description
Peony	EGD-WWX	Agency services dealing with port formalities	100.00	100.00	
〃	EGF	〃	100.00	100.00	
〃	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 in operating machinery and equipment of port terminals	15.00	15.00	
〃	KTIL	Loading, discharging,storage, repairs and cleaning	20.00	20.00	
〃	EGU	Agency services dealing with port formalities	100.00	100.00	
EGD	EGDL	〃	100.00	100.00	
	EGDV	〃	100.00	100.00	
Clove	Ample	Investments in container yards and port terminals	-	90.00	
〃	Island	Investments in operating machinery and equipment of port terminals	36.00	36.00	
Armand N.V.	Armand B.V.	〃	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership (%) December 31, 2012	Ownership (%) December 31, 2011	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, 2012, please refer to Note 11.

(b)Detail of major changes in the subsidiaries is as follows:

①The indirect subsidiary, SGTC, initiated the liquidation procedures on October 30, 2009, as resolved by the stockholders, and completed the procedures on May 31, 2012.

②The indirect subsidiary, Ample, initiated the liquidation procedures on December 28, 2012, as resolved by the stockholders, and completed the procedures on December 31, 2012.

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

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 the 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 expenses

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 while the other deferred expenses are amortized by 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.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.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 convertible 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.

C. 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 is 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, is recognized as an adjustment to current income tax expense (benefit).

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 EITF 96-052 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 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 EITF 97-127 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

Revenue 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, accounts and other receivables

Effective January 1, 2011, the Group adopted the amendments to R.O.C. SFAS No. 34, "Financial Instruments: Recognition and Measurement". An impairment loss is recognized when there is objective evidence of impairment. This change in accounting principle had no effect on consolidated net loss and consolidated loss 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" which replaced R.O.C. SFAS No. 20, "Segment Reporting". This change in accounting principle had no effect on consolidated net loss and consolidated loss per share for the year ended December 31, 2011.

4. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2012	December 31, 2011
Cash	$ 20,950	$ 22,989
Checking accounts	352,068	1,017,506
Demand deposits	947,398	781,753
Foreign currency deposits	3,821,416	3,508,988
Time deposits (New Taiwan Dollars)	9,579,000	3,243,500
Time deposits (Foreign currencies)	16,465,427	14,128,710
Cash equivalents	798,937	299,664
(Less) Add: Unrealized foreign exchange (loss) gain	(488)	3,148
	$ 31,984,708	$ 23,006,258
Interest rates on the above time deposits	0.10%~9.00%	0.01%~14.00%

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

	December 31, 2012	December 31, 2011
Current items:		
Trading financial assets		
Listed (TSE and OTC) stocks	$ 290	$ 10,292
Beneficiary certificates	1,398,138	2,366,704
Embedded derivatives	3,923	-
Cross currency swap (CCS)	-	1,824
	1,402,351	2,378,820
Adjustments	5,638	(146,142)
	$ 1,407,989	$ 2,232,678
Non-current item:		
Financial assets designated as at fair value through profit or loss		
Corporate bonds	$ 100,000	$ 100,000
Adjustments	(23,352)	(37,041)
	$ 76,648	$ 62,959

A.As of December 31, 2012 and 2011, the Group recognized net gain of $16,340 and net loss of $36,992, respectively.

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

(3) Available-for-sale financial assets

	December 31, 2012	December 31, 2011
Non-current items:		
Listed (TSE and OTC) stocks		
Central Reinsurance Corp.	$ 490,801	$ 490,801
Fubon Financial Holding Co., Ltd.	-	1,523
	490,801	492,324
Adjustments	149,408	110,580
	$ 640,209	$ 602,904

(4) Held-to-maturity financial assets

	December 31, 2012	December 31, 2011
Current item:		
Financial bonds	$ -	$ 951,382
Non-current items:		
Financial bonds	$ 370,000	$ 370,000

(5) Financial assets carried at cost

	December 31, 2012	December 31, 2011
Non-current item:		
Unlisted stocks	$ 1,507,202	$ 1,515,391
Accumulated impairment	(1,844)	-
	$ 1,505,358	$ 1,515,391

A.In July 2012, Power World Fund Inc., an investee accounted for under the cost method, reduced its capital. The conversion rate on the capital reduction was 6.856%, 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 Power World Fund Inc. amounted to $884 and the carrying amount of the Company’s investment was reduced by $884.

B.In June 2011, Fu-Ji Management Consultancy 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 to $62,107 and the carrying amount of the Company’s investment in Fu-Ji Management Consultancy Co., Ltd. was reduced by $476. Accordingly, a gain of $61,631 was generated, which was recorded under “non-operating income – others”.

C.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.

D.The Company has evaluated the above financial assets and recognized impairment loss of $1,844 for the year ended December 31, 2012.

E.The Group’s investments in unlisted securities were measured at cost since its fair value cannot be measured reliably.

(6) Accounts receivable, net

	December 31, 2012	December 31, 2011
Non-related parties	$ 13,021,490	$ 7,853,755
(Less)Add : Unrealized foreign exchange (loss) gain	(1,683)	735
Less: Allowance for doubtful accounts	(35,713)	(18,887)
	12,984,094	7,835,603
Related parties	172,326	151,270
	$ 13,156,420	$ 7,986,873

(7) Inventories

	December 31, 2012	December 31, 2011
Ship fuel	$ 4,614,510	$ 3,688,168
Steel and others	618,516	1,126,618
	$ 5,233,026	$ 4,814,786

(8) Other current assets

	December 31, 2012	December 31, 2011
Agent accounts	$ 451,962	$ 928,886
Agency reciprocal accounts	491,399	1,329,487
Temporary debits	425,631	1,137,404
	$ 1,368,992	$ 3,395,777

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

These pertain to 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.

(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, 2012	Carrying amount	
	Percentage	December 31,	
Investee company	of ownership	2012	2011
Charng Yang Development Co., Ltd.	40.00%	$ 645,914	$ 609,794
Evergreen International Storage and Transport Corporation	39.74%	7,866,147	7,991,293
EVA Airways Corporation	19.32%	7,060,503	7,315,432
Taipei Port Container Terminal Corporation	27.87%	1,155,667	1,180,746
Luanta Investment (Netherlands) N.V.	50.00%	2,487,697	2,522,258
Balsam Investment (Netherlands) N.V.	49.00%	1,791,291	1,434,080
Colon Container Terminal S.A.	36.00%	2,292,443	2,195,474
Others		720,729	670,668
		$ 24,020,391	$ 23,919,745

B. Investment income (loss) accounted for under the equity method for the years ended December 31, 2012 and 2011 are set forth below:

	For the years ended December 31,	
Investee company	2012	2011
Charng Yang Development Co. Ltd.	$ 63,059	$ 59,868
Evergreen International Storage and Transport Corporation	206,072	305,923
EVA Airways Corporation	97,353	40,375
Taipei Port Container Terminal Corporation	(25,079)	(28,011)
Luanta Investment (Netherlands) N.V.	(133,748)	(153,568)
Balsam Investment (Netherlands) N.V.	(1,392,733)	(2,375,158)
Colon Container Terminal S.A.	225,202	118,642
Others	160,183	93,394
	($ 799,691)	($ 1,938,535)

C.The Board of Directors on March 22, 2011 adopted a resolution of Peony Investment S.A. held by long-term equity investment Evergreen Container Terminal (Thailand) Ltd. 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(14)).

E.As resolved by the Board of Directors, the Company's subsidiary, Peony Investment S.A. participated in the cash capital increase of Balsam Investment (Netherlands) N.V. on January 18 and March 21, 2012 according to its original ownership stake as an original shareholder. The capital increase amounts to EUR 19,600 and EUR 49,000, respectively, totaling EUR 68,600.

F.As resolved by the Board of Directors, the Company's subsidiary, Peony Investment S.A. participated in the cash capital increase of Luanta Investment (Netherlands) N.V. for the year ended December 31, 2012 according to its original ownership stake as an original shareholder. The capital increase amounts to USD 6,560.

G.As the Group considered the great potential for development in the market of Latin America in the future and for the requirement of business expansion in this market, the Board of Directors at their meeting on November 9, 2012 resolved to invest in a new company— Evergreen Marine (Latin America), S. A.. Evergreen Marine (Latin America), S. A. was incorporated with 600 thousand shares (par value of USD 1 per share). The Group totally holds 25.915% ownership in Evergreen Marine (Latin America), S. A. and accounts for this investee under the equity method.

(10) Property, plant and equipment

Asset	December 31, 2012 Initial cost	Accumulated depreciation	Net book value
Land	$ 2,163,427	$ -	$ 2,163,427
Buildings	2,850,633	(1,327,123)	1,523,510
Machinery equipment	706,861	(578,148)	128,713
Loading and unloading equipment	6,408,130	(4,788,983)	1,619,147
Computer and communication equipment	333,742	(272,992)	60,750
Transportation equipment	22,581,661	(14,062,343)	8,519,318
Ships	55,425,994	(25,986,103)	29,439,891
Office equipment	510,722	(408,594)	102,128
Lease assets	15,176,982	(525,529)	14,651,453
Leasehold improvements	18,131	(7,607)	10,524
	106,176,283	(47,957,422)	58,218,861
Construction in progress and prepayments for equipment	13,725,227	-	13,725,227
	$ 119,901,510	($ 47,957,422)	$ 71,944,088

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

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, 2012 and 2011, the insurance coverage amounted to USD1,634,660 and USD1,337,820, 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 USD41 billion and USD34 billion as of December 31, 2012 and 2011, respectively.

B. The Group's loading and unloading equipment were covered by the general insurance for construction machinery with insurance coverage amounting to $5,634,323 and $6,004,878 as of December 31, 2012 and 2011, respectively; The fire and car insurance coverage for the office equipment and building was $3,032,441 and $4,313,542, respectively; Container facilities were insured with full coverage amounting to USD598,028 and USD631,663 as of December 31, 2012 and 2011, respectively.

C. The interest capitalization of fixed assets for the years ended December 31, 2012 and 2011 were $160,152 and $45,572, respectively.

(11) Short-term loans

	December 31, 2012	December 31, 2011
Secured loans	$ 1,452,400	$ 3,632,932
Unsecured loans	-	277,380
	$ 1,452,400	$ 3,910,312
Interest rate	1.31%~2.31%	1.29%~2.50%

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

	December 31, 2012	December 31, 2011
Current items:		
Trading financial liabilities		
Interest rate swap	$ -	$ 250,083
Embedded derivatives	-	5,163
	$ -	$ 255,246

A. As of December 31, 2012 and 2011, the Group recognized net loss of $55,780 and net gain of $232,863, respectively.

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

(13) Long-term liabilities - current portion

	December 31, 2012	December 31, 2011
Corporate bonds payable	$ -	$ 2,955,661
Long-term bank loans	6,540,126	4,147,151
	$ 6,540,126	$ 7,102,812

(14) Corporate bonds payable

	December 31, 2012	December 31, 2011
Domestic unsecured convertible bonds	$ 568,600	$ 594,100
Domestic secured exchangeable bonds	-	2,500,000
Domestic secured corporate bonds	3,000,000	-
Less: Discount on corporate bonds	(19,809)	(138,439)
	3,548,791	2,955,661
Less: Current portion	-	(2,955,661)
	$ 3,548,791	$ -

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 repaid. Additionally, the portion the Guarantors insure includes principal plus accrued interest and debt ancillary to the main liability.

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

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

e) Object exchanged

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

h) Entitlement to cash dividends or stock dividends

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

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

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

b) Coupon rate: 0% per annum

c) Principal repayment and interest payment

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

d) Collaterals

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

e) Redemption at the Company’s option

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

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

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

f) Redemption at the bondholders' option

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

g) Terms of conversion

(a)Conversion period

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

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

(b)Conversion price

The base day for setting conversion price is July 30, 2009. The conversion price can be any of the three average closing prices of the Company's common stock during the 1, 3 and 5 trading days before the base day multiplied by 101.00%. If any cash or stock dividends are distributed before the base day, the closing price used in the computation of the conversion price must be adjusted for the effect of the dividend distribution. If any cash or stock dividends are distributed during the period from the date on which the conversion price is set to the date on which the Third Bonds are issued, the conversion price is required to be adjusted in accordance with the adjusting formula specified in the bond agreement. The conversion price at the issuance of the Third Bonds was set at $20.40 (in dollars). Until the report release date, the conversion price of the Convertible Bonds was set at $17.20 (in dollars).

h) Entitlement to cash dividends or stock dividends

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

i) As of December 31, 2012, the Third Bond holders to request convertible bonds of the Company common stock, total convertible bonds face value was $1,931,400. Convertible for the Third Bonds to increase conversion transaction capital surplus - paid-in capital in excess of par value of common stock $1,016,996, and reduce the capital reserves from stock warrants $ 197,933.

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

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

b) Coupon rate: 1.28% fixed per annum

c) Principal repayment and interest payment

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

d) Collaterals

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

D. The conversion rights and debt component of the Third Bonds are recognized separately in accordance with 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 from stock warrants” amounted to $256,205.

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

(15) Long-term loans

	December 31, 2012	December 31, 2011
Secured bank loans	$ 25,969,135	$ 21,587,369
Unsecured bank loans	22,231,284	20,387,613
(Less) Add: unrealized foreign exchange (gain) loss	(113,228)	41,890
Less: deferred expenses - hosting fee credit	(12,527)	(6,196)
	48,074,664	42,010,676
Less: current portion	(6,540,126)	(4,147,151)
	$ 41,534,538	$ 37,863,525
Interest rate	0.95%~6.72%	0.95%~9.38%

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 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 Standards 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.As of December 31, 2012, reserve of pension provided by overseas subsidiaries of the Company for their employees of ROC nationality under the defined benefit pension plan was $831,727. The pension cost of $169,540 was recognized by those overseas subsidiaries for 2012.

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

a) Actuarial assumptions

	December 31, 2012	December 31, 2011
Discount rate	1.75%~5.25%	2.00%
Increase in future salary level	1.00%~11.00%	1.00%~2.00%
Expected rate of return on plan assets	0.00%~6.00	2.00%

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

	December 31, 2012	December 31, 2011
Benefit obligations:		
Vested benefit obligation (VBO)	($ 498,680)	($ 284,443)
Non-vested benefit obligation	(2,556,783)	(1,626,402)
Accumulated benefit obligation (ABO)	(3,055,463)	(1,910,845)
Effects of future salary increments	(427,664)	(247,168)
Projected benefit obligation (PBO)	(3,483,127)	(2,158,013)
Fair value of plan assets	792,367	460,033
Funded status	(2,690,760)	(1,697,980)
Unrecognized net transaction obligation	564,595	46,592
Unamortized prior service cost	(13,235)	14,465
Unrecognized loss on plan assets	1,208,182	1,157,923
Additional accrued pension liability	(1,356,940)	(971,813)
Accrued pension liability	($ 2,288,158)	($ 1,450,813)

c) The pension costs is comprised of the following:

	2012	2011
Service cost	$ 98,507	$ 34,801
Interest cost	78,371	41,563
Expected return on plan assets	(13,049)	(11,404)
Deferred amortization		
Unrecognized net transaction obligation	50,962	5,824
Prior service cost	45,789	2,112
Unrecognized loss on plan assets	66,981	57,199
Net pension costs	$ 327,561	$ 130,095

D. 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.

E. The pension costs under the defined benefit plan and the defined contribution plan for the years ended December 31, 2012 and 2011 were $155,410 and $159,394, respectively.

(17) Capital stock

A.As of December 31, 2012, the Company’s authorized capital was $36,000,000, and the paid-in capital was $34,749,407, divided into 3,474,941 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, 2012 and 2011 are set forth below:

	For the years ended December 31,			
	2012		2011	
	No. of Shares (in 000's)	Amount	No. of Shares (in 000's)	Amount
Third unsecured convertible bonds	1,483	$ 14,826	32,864	$ 328,642

(18) 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(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.

B.Dividend policy

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

C.Legal reserve

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

D.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, cumulative translation adjustments and unrecognized pension cost, 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.

E.Appropriations of the 2011 and 2010 earnings as resolved by the stockholders on June 15, 2012 and June 24, 2011, respectively, are set forth below:

	2011		2010	
	Total Amount	Dividend per share (in dollars)	Total Amount	Dividend per share (in dollars)
Legal reserve	$ -		$ 1,516,545	
Special reserve	(986,044)		3,621,980	
Cash dividends	-	$ -	3,157,544	$ 1.0
Stock dividends	-	-	3,157,544	1.0

F.The appropriation of 2012 earnings had been proposed by the Board of Directors on March 26, 2013. Details are summarized below:

	2012
Legal reserve	$ 12,853
Special reserve	2,221,713

The above-mentioned 2012 earnings appropriation had not been resolved by the stockholders.

G.On June 15, 2012, the earnings available for appropriation had been resolved not to be appropriated by the Board of Directors in order to faciliate future operating plans.

H.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" website of the Taiwan Stock Exchange.

(20) Operating revenue

	For the years ended December 31, 2012	For the years ended December 31, 2011
Marine freight income	$ 131,327,612	$ 102,841,927
Ship rental income	2,431,139	958,868
Commission income and agency service income	1,662,571	1,587,599
Container manufacturing income	2,281,567	289,147
Container income and others	3,325,239	2,478,517
	$ 141,028,128	$ 108,156,058

(21) Income tax

A. Income tax expense and income tax payable are reconciled as follows:

	For the years ended December 31, 2012	For the years ended December 31, 2011
Income tax expense	$ 263,459	$ 260,647
Add (Less):		
Prepaid and withholding taxes	(273,802)	(203,488)
Separate income tax	7,071	39,517
Consolidated company tax refundable	4,797	1,719
Adjustments for changes in tax estimates and effect of exchange rate changes	22,549	(32,112)
Net change in deferred income tax assets/ liabilities	60,758	117,855
Income tax payable	$ 84,832	$ 184,138

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

	December 31, 2012	December 31, 2011
Deferred income tax assets - current	$ 291,408	$ 253,944
Deferred income tax assets - non-current	102,503	96,582
Deferred income tax liabilities - current	(15,481)	(14)
Deferred income tax liabilities - non-current	(1,378,133)	(1,413,210)
Valuation allowance for deferred income tax assets	-	-
	($ 999,703)	($ 1,062,698)

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

	December 31, 2012		December 31, 2011	
	Amount	Tax effect	Amount	Tax effect
Current items:				
Bad debts expense	$ 2,377	$ 404	$ 1,937	$ 329
Unrealized loss (gain)	20,081	5,842	(63)	(14)
Unrealized foreign exchange (gain) loss	(91,869)	(15,481)	28,042	4,727
Loss on valuation of financial assets	131,424	22,342	131,424	22,342
Property, plant and equipment and others	18,656	3,171	383	65
Loss carryforwards	853,459	145,088	1,186,162	201,648
Investment tax credits	-	114,561	-	24,833
		$ 275,927		$ 253,930
Non-current items:				
Unrealized expense and losses	$ 54,259	$ 15,512	$ 52,344	$ 15,120
Pension expense	510,215	86,991	479,144	81,462
Equity-accounted investment income	(7,780,425)	(1,327,992)	(7,936,746)	(1,354,294)
Property, plant and equipment and others	(173,255)	(50,141)	(236,197)	(58,916)
		($1,275,630)		($1,316,628)

D. The Company is eligible for investment tax credits under the Statute for Upgrading Industry. Details as of December 31, 2012 are as follows:

Qualifying item	Total tax credits	Unused tax credits	Final year tax credits are due
Equipment	$ 18,398	$ 18,398	2013
Personnel training	163	163	2013
Significant public works	36,000	36,000	2015
Significant public works	60,000	60,000	2016
	$ 114,561	$ 114,561	

E. As of December 31, 2012, losses available to be carried forward were as follows:

Year in which loss was 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	$ 145,088	2019

F. As of December 31, 2012, the Company's income tax returns through 2009 has been assessed and approved by the Tax Authority.

G. Undistributed retained earnings

	December 31, 2012	December 31, 2011
Earnings generated in and before 1997	$ 6,527,940	$ 5,570,596
Earnings generated in and after 1998	3,448,656	3,291,427
	$ 9,976,596	$ 8,862,023

H. As of December 31, 2012 and 2011, the balance of the imputation tax credit account were $1,059,125 and $1,013,143, respectively. The creditable tax rate was 30.78% for 2011 and is estimated to be 30.71% for 2012.

(22) Earnings (loss) per share

	For the year ended December 31, 2012				
	Amount		Weighted-average outstanding common shares (in thousands)	(Loss) Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Basic EPS					
Consolidated loss	($ 155,178)	($ 418,637)	3,474,576	($ 0.04)	($ 0.12)
Minority interest	202,821	547,168		0.06	0.16
Consolidated net income	$ 47,643	$ 128,531		$ 0.02	$ 0.04
Dilutive effect of common stock equivalents:					
Convertible bonds	Note	Note	Note		
Dilutive EPS					
Consolidated net income plus dilutive effect of common stock equivalents	$ 47,643	$ 128,531	3,474,576	$ 0.02	$ 0.04

Note：In accordance with 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-dilutive effect.

	For the year ended December 31, 2011				
	Amount		Weighted-average outstanding common shares (in thousands)	Loss per share (in dollars)	
	Before tax	After tax		Before tax	After tax
Basic LPS					
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 LPS					
Consolidated net loss plus dilutive effect of common stock equivalents	($ 2,873,323)	($ 3,092,361)	3,469,771	($ 0.83)	($ 0.89)

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

(23) Personnel expenses, depreciation and amortization

Personnel expenses, depreciation and amortization are summarized as follows:

	For the year ended December 31, 2012		
	Operating cost	Operating expense	Total
Personnel expenses			
Salaries	$ 1,626,541	$ 2,682,748	$ 4,309,289
Labor and health insurance	50,385	243,720	294,105
Pension	182,128	266,512	448,640
Others	156,012	114,660	270,672
Depreciation	5,288,940	115,611	5,404,551
Amortization	189,060	25,055	214,115

	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	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

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 Marine (Latin America), S.A. (ELA)	Investee accounted for under the equity method (Established in October, 2012)
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) Ltd. (EGH)	Investee of the Company's major stockholder
Evergreen Marine (Singapore) Pte. Ltd. (EMS)	Investee of the Company's major stockholder
Seaside Transportation Service LLC. (STS)	Investee of the Company's major stockholder
Chang Yung-Fa Charity Foundation	Its Chairman is a member of the Company's Board of Directors
Chang Yung-Fa Foundation	Its Chairman is a member of the Company's Board of Directors
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

Names of related parties	Relationship with the Company
Luanta Investment (Netherlands) N.V. (Luanta)	Investee of Peony
Balsam Investment (Netherlands) N. V. (Balsam)	Investee of Peony
Evergreen Shipping Agency Co. (U.A.E) LLC. (UAE)	Investee of Peony (Acquired in December, 2011)
Evergreen Container Terminal (Thailand) Ltd. (ECTT)	Investee of Peony (Disposed 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

(2) Significant transactions and balances with related parties

A. Operating revenues

	For the years ended December 31,			
	2012		2011	
	Amount	% of Total Operating Revenues	Amount	% of Total Operating Revenues
EIC	$ 1,723,388	1	$ 1,905,287	2
EITC	91,676	-	91,125	-
EMS	1,323,534	1	860,756	1
ITS	730,719	1	614,043	1
EGH	444,295	1	447,607	-
STS	328,812	-	132,163	-
EIS	262,953	-	140,052	-
GESA	32,888	-	31,026	-
	$ 4,938,265	4	$ 4,222,059	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

	For the years ended December 31,					
	2012			2011		
	Amount		% of Total Operating Costs and Expenses	Amount		% of Total Operating Costs and Expenses
EIC	$	778,860	1	$	621,673	1
EITC		354,889	-		551,703	-
TPCT		73,237	-		77,080	-
ESRC		47,948	-		45,174	-
GESA		1,539,802	1		1,552,673	2
EGH		1,215,654	1		964,448	1
EIS		756,794	1		939,662	1
EMS		360,088	-		515,969	-
ITS		81,208	-		546,142	-
UAE		32,689	-		-	-
Others		5,154	-		5,761	-
	$	5,246,323	4	$	5,820,285	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	2012		2011	
ESRC	Office equipment	$	3,563	$	-
EIC	Office equipment		-		3,351
EITC	Vessel		-		502,254
"	Vessel		-		492,993
"	Vessel		-		470,324
		$	3,563	$	1,468,922

b) Disposal of property, plant and equipment

		For the years ended December 31,			
		2012		2011	
	Item	Price	Gain on disposal	Price	Gain on disposal
EITC	Loading and unloading equipment	$ 2,508	$ 2,447	$ 9,666	$ 9,644
"	Office equipment	5	3	32	32
"	Computer and communication equipment	-	-	163	21
EIC	Office equipment	134	6	-	-
EVA	Office equipment	-	-	1,626	-
		$ 2,647	$ 2,456	$ 11,487	$ 9,697

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,			
		2012		2011	
	Leasehold Property	Amount	% of Total Rental Income	Amount	% of Total Rental Income
EIC	Office building and parking lots	$ 93,331	83	$ 95,040	80
"	Vehicles	681	1	1,056	1
EVA	Office building	2,961	3	1,595	1
ESRC	Parking lots	24	-	96	-
Chang Yung-Fa Charity Foundation	Office building	241	-	218	-
		$ 97,238	87	$ 98,005	82

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,			
		2012		2011	
	Leasehold Property	Amount	% of Total Rental Expenses	Amount	% of Total Rental Expenses
EIC	Office buildings	$ 45,325	99	$ 43,456	99
EVA	Office buildings	79	-	53	1
		$ 45,404	99	$ 43,509	100

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

	For the years ended December 31,			
	2012		2011	
	Amount	% of Total Charter and Slotting Expenses	Amount	% of Total Charter and Slotting Expenses
EITC	$ 192,368	5	$ 369,925	8
GESA	1,539,802	43	1,552,673	35
EIS	729,275	20	939,662	21
EMS	360,088	10	515,969	11
ITS	81,208	2	546,142	12
EGH	16,346	1	4,232	-
	$ 2,919,087	81	$ 3,928,603	87

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:

Accounts receivable	December 31, 2012 Amount	December 31, 2012 % of Account Balance	December 31, 2011 Amount	December 31, 2011 % of Account Balance
EIC	$ 85,641	1	$ 72,796	1
EITC	20,915	-	22,889	1
EMS	21,914	-	12,043	-
ITS	16,985	-	30,371	-
STS	13,104	-	281	-
Others	13,767	-	12,890	-
	$ 172,326	1	$ 151,270	2

Other receivables	December 31, 2012 Amount	December 31, 2012 % of Account Balance	December 31, 2011 Amount	December 31, 2011 % of Account Balance
EIC	$ 66,828	8	$ 71,416	4
Others	16,910	2	7,108	-
	$ 83,738	10	$ 78,524	4

Accounts payable	December 31, 2012 Amount	December 31, 2012 % of Account Balance	December 31, 2011 Amount	December 31, 2011 % of Account Balance
EITC	$ 15,063	-	$ 9,018	-
EIS	593,574	12	7,610	-
ITS	30,384	1	22,260	1
EMS	23,556	1	27,411	1
EGH	15,233	-	939	-
Others	9,489	-	10,463	-
	$ 687,299	14	$ 77,701	2

Other payables	December 31, 2012 Amount	December 31, 2012 % of Account Balance	December 31, 2011 Amount	December 31, 2011 % of Account Balance
EIS	$ -	-	$ 19,586	2
Others	1,008	-	-	-
	$ 1,008	-	$ 19,586	2

F. Loans receivable from and payable to related parties

Loans receivable from and payable to related parties as of December 31, 2012 and 2011 are as follows:

	For the year ended December 31, 2012			
	Maximum balance	Ending balance	Annual interest rate	Total interest
Loans receivable from related parties (classified as other receivables-related parties)				
Luanta	$ 439,665	$ 155,751	1.31%~2.18%	$ 2,418
Loans payable to related parties (classified as other payables-related parties)				
EIS	$ 68,643	$ 68,643	-	$ -
ITS	43,572	43,572	1.51%~1.73%	759
GESA	580,960	-	1.46%~1.47%	2,226
		$ 112,215		$ 2,985

	For the year ended December 31, 2011			
	Maximum balance	Ending balance	Annual interest rate	Total interest
Loans receivable from related parties (classified as other receivables-related parties)				
Luanta	$ 483,527	$ 442,114	1.35%~4.59%	$ 12,763
Loans payable to related parties (classified as other payables-related parties)				
EIS	$ 83,622	$ 83,622	-	$ -
ITS	105,852	45,415	1.25%~1.70%	1,035
		$ 129,037		$ 1,035

(3) Endorsements and guarantees for related parties

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

	December 31, 2012	December 31, 2011
Balsam	USD 78,400	USD 49,000
CCT	USD 9,600	USD 9,600
TCT	USD 24,167	USD 23,025

(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, 2012 and 2011, the receivables were $84,612 and $71,856, respectively. The contract took effect since 2002 unless terminated.

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, 2012 and 2011, the debit balances of the account are as follows:

	December 31, 2012	December 31, 2011
EMS	$ 13,396	$ 10,436
GESA	6,852	7,345
EIS	5,503	3,468
EGH	3,286	4,308
	$ 29,037	$ 25,557

E.The Group entered into agency agreements with its related parties, whereby the related parties act as the Group's domestic and overseas agents to deal with both domestic and 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 domestic and foreign ports. The transactions are recorded as "agent accounts in other assets (liabilities) - current". As of December 31, 2012 and 2011, the details of the balances of the accounts are as follows:

a) Debit balance of agency reciprocal accounts

	December 31, 2012	December 31, 2011
EIC	$ -	$ 43,760
UAE	34,039	-
	$ 34,039	$ 43,760

b) Credit balance of agency reciprocal accounts

	December 31, 2012	December 31, 2011
EIC	$ 141,046	$ -
UAE	-	973
	$ 141,046	$ 973

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 "agency reciprocal accounts" in other current assets (liabilities). Details of the balance as of December 31, 2012 and 2011 are as follows:

a) Debit balance of agency reciprocal accounts

	December 31, 2012	December 31, 2011
EIS	$ 414,083	$ 1,091,251
GESA	22,218	20,853
	$ 436,301	$ 1,112,104

b) Credit balance of agency reciprocal accounts

	December 31, 2012	December 31, 2011
EMS	$ 359,823	$ 55,716
EGH	196,344	179,271
ITS	22,149	93,208
	$ 578,316	$ 328,195

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, 2012 and 2011 are as follows:

	For the years ended December 31,	
	2012	2011
EITC	$ 84,849	$ 85,711
EIS	57,052	54,520
EMS	33,744	29,423
GESA	24,810	23,088
EGH	21,520	21,243
ITS	8,465	9,073
	$ 230,440	$ 223,058

(5) Disclosure of managements salaries, bonuses and allowance

	For the years ended December 31,	
	2012	2011
Salary and bonuses	$ 131,200	$ 128,837
Administrative fees	6,017	3,635
Directors' and supervisors' remuneration and employees' bonuses	5,768	3,510
	$ 142,985	$ 135,982

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 statement of income in this period.

6. PLEDGED ASSETS

The Group's assets pledged as collateral as of December 31, 2012 and 2011 are as follows:

	Book value		
Pledged assets	December 31, 2012	December 31, 2011	Purpose
Restricted assets			
-Pledged time deposits	$ 550,214	$ 520,132	Performance guarantee
Refundable deposits			
-Pledged time deposits	2,000	2,000	〃
Property, plant and equipment			
-Land	1,800,093	1,800,093	Long-term loan
-Buildings	788,120	813,889	〃
-Loading and unloading equipment	1,154,395	1,337,866	〃
-Ships	17,541,412	13,362,686	〃
-Transportation equipment	593,267	1,642,626	〃
long-term equity investments accounted for under the equity method -EITC	-	1,631,851	Exchange corporate bonds payable as subject
	$ 22,429,501	$ 21,111,143	

7. COMMITMENTS AND CONTINGENT LIABILITIES

A. As of December 31, 2012, the Company had delegated Deutsche Bank to issue Letter of Credit amounting to USD 5,000.

B. As for the list and amount of the Group's endorsement and guarantee, please refer to Note 5, Related Party Transactions.

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, 2012. As of December 31, 2012, 7,996,386 units were redeemed and 356,500 units were outstanding, representing 3,565,074 shares of the Company's common stock.

D. As of December 31, 2012, the long-term and medium-term loan facilities granted by the financial institutions with the resolution from the Board of Directors to finance the Company's purchase of new ships and general working capital requirement amounted to $41,995,249 and the unutilized credits was $13,924,302.

E. As of December 31, 2012, 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	180,943
1~2 years		45,841
2~3 years		40,177
3~4 years		12,730
4~5 years		7,121
	USD	286,812

F. As of December 31, 2012, the amount of guaranteed notes issued by the Company for loans borrowed was $28,457,441.

G. To meet operational needs, the Group signed the shipbuilding contracts with Samsung Heavy Industries Co., Ltd. As of December 31, 2012, the total price of shipbuilding contracts amounted to USD1, 339,000, USD 463,500 of which remain unpaid.

H. To meet operational needs, the Group signed shipbuilding contracts for seven container vessels with Taiwan Shipbuilding Co., Ltd. As of December 31, 2012, the total price of shipbuilding contracts amounted to USD721,000, USD628,300 of which remain unpaid.

8. SIGNIFICANT CATASTROPHE

None.

9. SUBSEQUENT EVENTS

The Company's Board of Directors proposed the appropriation of earnings on March 26, 2013 and the related information is described in Note 4(19).

10. OTHERS

(1) Financial statement presentation

Certain accounts in the 2011 financial statements were reclassified to conform with the 2012 financial statement presentation.

(2) Fair value information of financial instruments

	December 31, 2012		
		Fair value	
	Book value	Quotations in an active market	Estimated using a valuation technique
Non-derivative financial instruments:			
Assets			
Cash and cash equivalents	$ 31,984,708	$ -	$ 31,984,708
Notes and accounts receivable	14,146,238	-	14,146,238
Financial assets at fair value through profit or loss			
Equity securities	243	243	-
Beneficiary certificates	1,403,823	1,403,823	-
Corporate bonds	76,648	-	76,648
Restricted assets	550,214	-	550,214
Available-for-sale financial assets - non-current	640,209	640,209	-
Held-to-maturity financial assets - non-current	370,000	-	370,000
Financial assets carried at cost - non-current	1,505,358	-	-
Refundable deposits	117,260	-	117,260
Liabilities			
Short-term loans	1,452,400	-	1,452,400
Notes and accounts payable	16,145,425	-	16,145,425
Bonds payable (including current portion)	3,548,791	-	3,548,791
Long-term loans (including current portion)	48,074,664	-	48,074,664
Guarantee deposits received	39,712	-	39,712
Derivative financial instruments:			
Assets			
Embedded derivatives	3,923	-	3,923

	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	10,202,535	-	10,202,535
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	14,752,568	-	14,752,568
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	1,824	-	1,824
Liabilities			
Interest rate swap	250,083	-	250,083
Embedded derivatives	5,163	-	5,163

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

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, refundable deposits, restricted assets, short-term loans 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.

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, 2012 and 2011, total interest income for financial assets and financial liabilities that are not at fair value through profit or loss amounted to $229,049 and 235,521, respectively whereas the total interest expense amounted to $457,771 and $415,765, respectively.

B. For the years ended December 31, 2012 and 2011, the adjustment of shareholders' equity resulting from available-for-sale financial assets was credit $38,828 and debit $387,812, respectively; whereas the total loss or gain deducted from the adjustment of shareholders' equity resulting from available-for-sale financial assets were $19,373 and $35,957, respectively.

(4) Information on interest rate risk positions

As of December 31, 2012 and 2011, the financial liabilities with fair value risk due to the change of interest rate amounted to $0 and $250,083, respectively. The financial assets with cash flow risk due to the change of interest rate amounted to $4,768,347 and $4,290,110, respectively; whereas the financial liabilities with cash flow risk due to the change of interest amounted to $44,739,591 and $42,927,184, 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 swaps, cross currency swaps, foreign exchange options and oil swaps. The primary objective is to avoid the interest rate risk, exchange 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, 2012, 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	$ 26,843,379	$ -	$ -	$ -	$ 26,843,379
Restricted assets	550,214	-	-	-	550,214
Bank loan	(200,000)	(200,000)	(2,200,000)	(2,200,000)	(4,800,000)
Bonds payable	-	-	-	(3,000,000)	(3,000,000)

B. Floating interest rate

	Within 1 year	1-2 years	2-3 years	over 3 years	Total
Cash and cash equivalents	$ 4,768,347	$ -	$ -	$ -	$ 4,768,347
Bank loan	(7,792,525)	(9,833,944)	(7,615,173)	(19,497,949)	(44,739,591)

The interest of financial instruments associated with the floating interest rates is remeasured within one 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 which involves a number of non-functional currency. Details of the foreign currency and exchange rate are as follows:

	December 31, 2012		December 31, 2011	
	Foreign currency amount	Exchange rate	Foreign currency amount	Exchange rate
Financial assets:				
Monetary items				
USD	$ 498,076	29.0480	$ 383,590	30.2765
EUR	53,414	38.4741	37,013	39.2156
KRW	10,782,238	0.0271	6,045,981	0.0262
THB	174,400	0.9482	232,636	0.9533
GBP	6,900	46.8021	-	46.6455
IDR	57,874,455	0.0030	-	0.0032
CNY	-	4.6581	67,487	4.7913
ZAR	-	3.4206	29,530	3.7076
VND	-	0.0014	79,624,998	0.0014
INR	-	0.5302	152,971	0.5722
Non-monetary items				
USD	170,840	29.0480	101,064	30.2765
MYR	63,195	9.4820	115,524	9.5532
GBP	-	46.8021	20,261	46.6455
Long-term equity investment accounted for under the equity method				
USD	351,671	29.0480	234,740	30.2765

	December 31, 2012		December 31, 2011	
	Foreign currency amount	Exchange rate	Foreign currency amount	Exchange rate
Financial liabilities:				
Monetary items				
USD	$ 1,194,764	29.0480	$ 759,064	30.2765
EUR	30,165	38.4741	25,165	39.2156
GBP	96,763	46.8021	192,632	46.6455
THB	198,333	0.9482	343,006	0.9533
KRW	-	0.0271	4,439,096	0.0262
CNY	-	4.6581	43,649	4.7913
ZAR	-	3.4206	21,092	3.7076
INR	-	0.5302	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, 2012	
Financial instruments	Book value	Maximum credit exposure amount
Financial assets at fair value through profit or loss		
Trading financial assets	$ 1,404,066	$ 1,404,066
Financial assets designated as at fair value through profit or loss	76,648	76,648
Held-to-maturity financial assets		
Financial bonds	370,000	370,000
Available-for-sale financial assets		
Equity security	640,209	640,209
Financial assets carried at cost		
Equity security	1,505,358	1,505,358

Financial instruments	December 31, 2011	
	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

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.

Liquidity 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.

10. ADDITIONAL DISCLOSURES REQUIRED BY THE SECURITIES AND FUTURES

(1) Related information of significant transactions

A. Loans granted during the year ended December 31, 2012 : None.

B. Endorsements and guarantees provided during the year ended December 31, 2012

Unit：Thousands of New Taiwan Dollars

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount during the year ended December 31, 2012	Outstanding endorsement/ guarantee amount at December 31, 2012	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 (Notes 3 and 4)
0	Evergreen Marine Corporation	Greencompass Marine S.A.	3	$ 119,130,434	$ 28,413,877 USD 948,837	$ 27,561,822 USD 948,837	$ -	46.27%	$ 148,913,043
0	Evergreen Marine Corporation	Peony Investment S.A.	2	119,130,434	444,792 USD 14,800	429,910 USD 14,800	-	0.72%	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Ltd.	3	119,130,434	52,281,888 USD 1,769,973	46,034,200 USD 1,584,763	-	77.28%	
0	Evergreen Marine Corporation	Taranto Container Terminal S.p.A.	6	29,782,609	608,583 USD 20,250	588,222 USD 20,250	-	0.99%	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	3	119,130,434	3,141,948 USD 108,164	3,141,948 USD 108,164	-	5.27%	
0	Evergreen Marine Corporation	Hemlock Equipment LLC.	3	119,130,434	1,737,393 USD 57,810	1,679,265 USD 57,810	-	2.82%	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	29,782,609	288,514 USD 9,600	278,861 USD 9,600	-	0.47%	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	29,782,609	2,356,194 USD 78,400	2,277,363 USD 78,400	-	3.82%	

Note 1: The number is 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 method of calculating upper limit and the amount of the upper limit should be noted. If there is any contingent loss is recognized in the financial statements, such loss amount is also required to be noted.

Note 4: In accordance with the Company's credit policy, the total amount of endorsements or guarantees provided by the Company should not exceeded 250% of the net worth stated in the latest financial statements.
The calculation is as follows:
The Company: 59,565,217*250% = 148,913,043

C. Marketable securities held as of December 31, 2012

Unit：Thousands of New Taiwan Dollars/ Thousands of shares

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2012 Number of shares (in thousands)	Book value	Ownership (%)	Market value	Remark
Evergreen Marine Corporation	Stock:							
	Peony Investment S.A.	Subsidiary of the Company	Long-term equity investment accounted for under the equity method	4,765	$ 42,401,968	100.00	$ 42,546,435	(Note)
	Taiwan Terminal Services Co., Ltd.	〃	〃	5,500	68,318	55.00	68,318	(Note)
	Everport Terminal Services Inc.	〃	〃	1	12,370	100.00	12,370	(Note)
	Charng Yang Development Co., Ltd.	Investee company accounted for under the equity method	〃	49,898	645,914	40.00	645,914	
	Evergreen International Storage and Transport Corp.	〃	〃	424,062	7,866,147	39.74	8,544,856	
	Evergreen Security Corporation	〃	〃	6,336	100,851	31.25	100,851	
	EVA Airways Corporation	〃	〃	629,483	7,060,503	19.32	10,701,215	
	Taipei Port Container Terminal Corporation	〃	〃	88,344	789,878	21.03	788,329	
	Evergreen Marine (Latin America), S.A.	〃	〃	105	3,089	17.50	3,089	
	Power World Fund Inc.	None	Financial assets carried at cost - non-current	1,017	10,170	5.68	5,969	
	Fu-Ji Management Consultancy Co., Ltd.	〃	〃	99	-	4.93	5,666	
	Taiwan HSR Consortium	〃	〃	126,735	1,250,000	1.95	633,675	
	Ever Accord Construction Corp.	〃	〃	7,700	43,749	17.50	96,711	
	Linden Technologies, Inc.	〃	〃	50	15,372	2.53	-	Convertible Preferred Stocks (no fair value)
	Toplogis, Inc.	〃	〃	2,464	22,100	17.48	17,457	
	Central Reinsurance Corp.	〃	Available-for-sale financial assets - non-current	46,561	640,209	8.45	640,209	
	China Man-Made Fiber Corporation	〃	Financial assets at fair value through profit or loss-current	22	243	-	243	

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2012				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Evergreen Marine Corporation	Beneficiary certificates:							
	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss-current	40,849	$ 496,520		$ 496,520	
	FSITC Taiwan Money Market Fund	〃	〃	12,158	180,474		180,474	
	Eastspring Investments Well Pool Money Market Fund	〃	〃	16,104	212,654		212,654	
	Yuanta Wan Tai Money Market Fund	〃	〃	26,075	383,688		383,688	
	Yuanta De-Bao Money Market Fund	〃	〃	11,178	130,487		130,487	
	Financial bonds:							
	TLG Private Placement Subordinated Mandatory Convertible Bond at Maturity	〃	Financial assets at fair value through profit or loss -non-current	-	76,648		76,648	
	Bank of Taichung Unsecured Subordinated Financial Debentures	〃	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, 2012

Unit：Thousands of New Taiwan Dollars/ Thousands of shares

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 Money Market Fund	Financial assets at fair value through profit or loss	Open market transaction	None	37,185	$ 561,122	-	$ -	37,185	$ 565,318	$ 561,122	$ 4,196	-	$ -
	Mega Diamond Money Market Fund	〃	〃	〃	25,879	311,129	61,899	750,000	46,929	570,000	567,219	2,781	40,849	493,910
	FSITC Money Market Fund	〃	〃	〃	4,318	740,246	3,185	550,000	7,503	1,298,144	1,290,246	7,898	-	-
	FSITC Taiwan Money Market Fund	〃	〃	〃	-	-	22,263	330,000	10,105	150,000	149,787	213	12,158	180,213
	Eastspring Investments Well Pool Money Market Fund	〃	〃	〃	4,609	60,021	53,182	700,000	41,687	550,000	548,178	1,822	16,104	211,843
	Yuanta Wan Tai Money Market Fund	〃	〃	〃	8,944	130,000	44,315	650,000	27,184	400,000	398,121	1,879	26,075	381,879
	Yuanta De-Li Money Market Fund	〃	〃	〃	26,155	410,055	-	-	26,155	411,795	410,055	1,740	-	-
	Yuanta De-Bao Money Market Fund	〃	〃	〃	-	-	28,312	330,000	17,134	200,000	199,707	293	11,178	130,293

E. Aquisition of real estate properties exceeding $100 million or 20% of the Company’s paid-in capital for the year ended December 31, 2012 : 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, 2012 : None

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, 2012

Unit：Thousands of New Taiwan Dollars

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transaction terms compared to 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.	Investee accounted for under equity method	Purchases	$ 354,889	2%	30~60 Days	$ -	-	($ 15,051)	1%	-
	Evergreen International Corp.	Investee of the Company's major shareholder	Purchases	348,239	2%	30~60 Days	-	-	(7,160)	1%	-
	〃	〃	Sales	1,718,039	11%	30~60 Days	-	-	84,612	9%	-
	Taiwan Terminal Services Co., Ltd.	Subsidiary of the Company	Purchases	724,580	4%	30~60 Days	-	-	(50,001)	5%	(Note)
	Gaining Enterprise S.A.	Subsidiary of EITC accounted for under equity method	Purchases	1,539,802	9%	30~60 Days	-	-	-	-	-
	Greencompass Marine S.A.	Subsidiary of the Company	Sales	126,057	1%	30~60 Days	-	-	9,577	1%	(Note)

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, 2012

Unit：Thousands of New Taiwan Dollars

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	$ 151,440	-	$ -	-	$ 143,162	$ -

I. Derivative financial instruments undertaken for the year ended December 31, 2012 ：For related information, please see Note 10(2).

(2) Disclosure information of investee company

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

Unit：Thousands of New Taiwan Dollars/ Thousands of shares

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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	$ 42,401,968	($ 650,689)	($ 633,989)	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	68,318	11,429	6,286	〃 (Note)
	Everport Terminal Services Inc.	1209 Orange Street in the City of Wilmington, Country of New Castle	Terminal Services	USD 100	USD 100	1	100.00	12,370	9,635	9,635	〃 (Note)
	Charng Yang Development Co., Ltd.	2F, No. 369, Jingguo Rd., Taoyuan City, Taoyuan County, Taiwan	Development, rental, and sale of residential and commercial buildings	320,000	320,000	49,898	40.00	645,914	157,648	63,059	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	7,866,147	511,398	206,072	〃
	Evergreen Security Corporation	4&5F, No. 111, Sungjiang Rd., Taipei, Taiwan	General security guards services	25,000	25,000	6,336	31.25	100,851	37,570	11,740	〃
	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	7,060,503	504,012	97,353	〃
	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	789,878	(81,440)	(17,130)	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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	Evergreen Marine (Latin America), S.A.	EVERGREEN BUILDING 11TH FLOOR, 5TH B AVE AND 78 EAST STREET, SAN FRANCISCO, PANAMA	Management consultancy	USD 105	USD -	105	17.50	$ 3,089	$ 227	$ 40	Investee accounted for under the equity method
Peony Investment S.A.	Clove Holding Ltd.	Craigmuir Chambers, P. O. Box 71, Road Town, Tortola, B.V.I.	Investment holding company	USD 52,549	USD 52,549	10	100.00	USD 75,235	USD 11,210	USD 11,210	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 7,562	USD 978	USD 978	〃 (Note)
	Evergreen Shipping Agency (Ireland) Ltd.	22 Fiztwilliam Place, Dublin 2, Ireland	Shipping agency	USD 95	USD 95	0.1	100.00	USD 227	USD 17	USD 17	〃 (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 2,615	USD 1,071	USD 1,071	〃 (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 5,618	USD 539	USD 539	〃 (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 622	USD 10	USD 10	〃 (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 903,083	22,696	22,696	〃 (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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 498	(USD 14)	(USD 14)	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 1,177	USD 184	100	99.99	USD 6,012	USD 2,314	USD 2,314	〃 (Note)
	Evergreen Argentina S.A.	Pje. Carabelas 344, (C1009AAD), Buenos Aires. Argentina	Leasing	USD 140	USD 140	150	95.00	USD 153	(USD 271)	(USD 258)	〃 (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 1,729	USD 210	USD 210	〃 (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 7,841	USD 20,204	17	95.03	USD 10,000	USD 2,776	USD 2,638	〃 (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 448	USD 474	USD 83	〃 (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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 48,158	USD 774	USD 653	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 8,871	(USD 322)	(USD 226)	〃 (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 3,330	USD 3,291	USD 1,810	〃 (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 1,939	USD 164	USD 90	〃 (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 -	USD 3,134	-	-	USD -	USD -	USD -	Completely Liquidated on May 31, 2012
	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 67,690	(USD 59,839)	(USD 30,518)	Indirect subsidiary of the Company (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 614	USD 698	USD 471	〃 (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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 1,892	USD 3,422	USD 1,745	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 5,463	USD 1,352	USD 690	〃 (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 2,964	USD 2,807	USD 1,431	〃 (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 1,538	USD 2,491	USD 1,270	〃 (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 3,293	USD 2,558	USD 1,305	〃 (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 4,187	USD 3,085	USD 1,697	〃 (Note)
	Kingstrans International Logistics (Tianjin) Co., Ltd.	No. 295 JiYun East Road, Tianjin Port Container Logistics Center, Binhai New District,Tianjin	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 2,000	USD 2,000	-	20.00	USD 2,844	USD 1,188	USD 238	〃 (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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 Rotterdan	Investment holding company	USD 39,721	USD 33,161	460	50.00	USD 85,641	(USD 9,046)	(USD 4,523)	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 183,191	USD 122,696	0.451	49.00	USD 61,667	(USD 96,122)	(USD 47,100)	〃
	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 2,361	USD 661	USD 264	〃
	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, cleaning, and related activities	USD 4,447	USD 4,447	-	40.00	USD 8,040	USD 3,731	USD 1,492	〃
	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 8,267	USD 5,929	USD 1,779	〃
	Evergreen Shipping Agency Co (U.A.E.) LLC.	5F, Shipping Tower, Al-Mina Road, P.O. Box 34984, Dubai, U.A.E	Shipping agency	USD 2,082	USD 2,082	-	49.00	USD 2,565	USD 3,027	USD 1,483	〃

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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			
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Amsteldijk 166, 1079LH, Amsterdam	Investment holding company	USD 13,636	USD 13,636	0.045	100.00	USD 12,657	(USD 308)	(USD 308)	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	41,000	9.76	USD 12,593	(USD 2,754)	(USD 269)	Investee company of Armand Estate B.V. accounted for under the equity method
Clove Holding Ltd.	Colon Container Terminal S.A.	COCO SOLO NORTH ADM BUILDING PANAMA	Inland container storage and loading	USD 22,860	USD -	22,860	40.00	USD 78,919	USD 19,040	USD 7,616	Investee company of Clove Holding Ltd. accounted for under the equity method
	Island Equipment LLC.	655 Deep Valley Drive, Suite 300, Rolling Hils Estates, CA	Investment holding company	USD 144	USD 144	-	36.00	USD 2,327	USD 771	USD 277	Indirect subsidiary of the Company (Note)
	Ample Holding Ltd.	Craigmuir Chambers, P.O.BOX71, Road Town, Tortola, B.V.I	Investment holding company	USD -	USD 9	-	-	USD -	USD -	USD -	Completed liquidated on December 31, 2012
Ample Holding Ltd.	Colon Container Terminal S.A.	COCO SOLO NORTH ADM BUILDING PANAMA	Inland container storage and loading	USD -	USD 22,860	-	-	USD -	USD -	USD -	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 2,147	USD 473	USD 473	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 4,284	USD 324	USD 324	〃 (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of December 31, 2012			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 (Tianjin) Co., Ltd.	No.295 JiYun East Road, Tianjin Port Container Logistics Center, Binhai New District, Tianjin	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 2,000	USD 2,000	-	20.00	USD 2,844	USD 1,188	USD 238	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	USD 970	USD 771	USD 116	〃 (Note)
	Evergreen Shipping Agency (UK) Ltd.	160 Euston Road, London NW 12 DX, U.K.	Shipping agency	USD 0.002	USD 0.002	-	100.00	USD 2,742	USD 258	USD 258	〃 (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 18,174,909	IDR 4,448,211	IDR 3,244,970	〃 (Note)
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Austria) GmbH	Theresianumgasse 7, 1040 Wien, Austria	Shipping agency	EUR 18	EUR 18	-	100.00	EUR 473	EUR 28	EUR 28	〃 (Note)
	Evergreen Shipping Agency (Switzerland) S.A.	Av. des Boveresses 52, 1000 Lausanne 21, Switzerland	Shipping agency	EUR 69	EUR 69	0.1	100.00	EUR 176	EUR 20	EUR 20	〃 (Note)

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

B. Loans granted for the year ended December 31, 2012

Unit ：Thousands of New Taiwan Dollars

No.	Creditor	Borrower	General ledger account	Maximum outstanding balance for the year ended December 31, 2012	Balance at December 31, 2012	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 (Note 4)	$ 45,080	$ 43,572	$ 43,572	1.527	2	$ -	Working capital requirement	$ -	-	$ -	$ 8,102,909	$ 16,205,817
		Luanta Investment (NetherLands) N.V.	〃	439,665	335,715	155,105	1.308~2.183	2	–	〃	-	-	-	8,102,909	16,205,817
		Clove Holding Ltd.	〃 (Note 4)	261,432	319,528	261,432	1.211	2	–	〃	-	-	-	8,102,909	16,205,817
2	Clove Holding Ltd.	Whitney Equipment LLC.	〃 (Note 4)	74,865	72,620	72,620	1.355	2	-	〃	-	-	-	385,567	771,135
3	Evergreen Marine (UK) Ltd.	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	〃 (Note 4)	45,080	43,572	43,572	1.527	2	-	〃	-	-	-	818,790	1,637,580

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:

PEONY USD1,394,745*29.0480*20%=$8,102,909

CLOVE USD66,367*29.0480*20%=$385,567

EMU USD140,937*29.0480*20%=$818,790

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

The calculation is as follows:

PEONY USD1,394,745*29.0480*40%=$16,205,817

CLOVE USD66,367*29.0480*40%=$771,135

EMU USD140,937*29.0480*40%=$1,637,580

Note 4: This transaction was written off when the consolidated financial statement was prepared.

C. Endorsements and guarantees provided as of December 31, 2012:

Unit：Thousands of New Taiwan Dollars

Number (Note 1)	Endorser	Party Being endorsed		Limit on endorsement provided for a single party	Maximum outstanding endorsement amount at December 31, 2012	Outstanding endorsement amount at December31, 2012	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	$ 169,006	$ 113,787 USD 3,917	$ 113,787 USD 3,917	$ -	0.45%	$ 62,930,405

Note 1: The number is 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 method of calculating upper limit and the amount of the upper limit should be noted. If there is any contingent loss is recognized in the financial statements, such loss amount is also required to be note

Note 4: According to the GMS's credit policy, the total amount of endorsements or guarantees provided by the GMS should not exceed 250% of the net worth stated in the latest financial statements.
The calculation is as follows:
USD 866,571*29.0480*250%=$62,930,405

D. Marketable securities held as of December 31, 2012

Unit：Thousands of New Taiwan Dollars/ Thousands of shares

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2012				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 75,235	100.00	USD 75,235	(Note)
	Evergreen Shipping Agency (Deutschland) GmbH	〃	〃	-	USD 7,562	100.00	USD 7,562	(Note)
	Evergreen Shipping Agency (Ireland) Ltd.	〃	〃	0.1	USD 227	100.00	USD 227	(Note)
	Evergreen Shipping Agency (Korea) Corporation	〃	〃	121	USD 2,615	100.00	USD 2,615	(Note)
	Evergreen Shipping Agency (Netherlands) B.V.	〃	〃	0.047	USD 5,618	100.00	USD 5,618	(Note)
	Evergreen Shipping Agency (Poland) SP.ZO.O	〃	〃	2	USD 622	100.00	USD 622	(Note)
	Greencompass Marine S.A.	〃	〃	3,535	USD 903,083	100.00	USD 903,083	(Note)
	Vigor Enterprise S.A.	〃	〃	5	USD 498	100.00	USD 498	(Note)
	Evergreen Shipping Agency (India) Pvt Ltd.	〃	〃	100	USD 6,012	99.99	USD 6,012	(Note)
	Evergreen Argentina S.A.	〃	〃	150	USD 153	95.00	USD 153	(Note)
	Evergreen Shipping Agency France S.A.S.	〃	〃	5	USD 1,729	100.00	USD 1,729	(Note)
	PT Multi Bina Pura International	〃	〃	17	USD 10,000	95.03	USD 10,000	(Note)
	PT Multi Bina Transport	〃	〃	2	USD 448	17.39	USD 448	(Note)
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	〃	〃	42,120	USD 48,158	84.44	USD 48,158	(Note)
	Armand Investment (Netherlands) N.V.	〃	〃	4	USD 8,871	70.00	USD 8,871	(Note)
	Evergreen Shipping (Spain) S.L.	〃	〃	3	USD 3,330	55.00	USD 3,330	(Note)
	Evergreen Shipping Agency (Italy) S.p.A.	〃	〃	0.55	USD 1,939	55.00	USD 1,939	(Note)
	Evergreen Marine (UK) Ltd.	〃	〃	765	USD 67,690	51.00	USD 67,690	(Note)

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2012						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	614	67.50	USD	614	(Note)
	Evergreen Shipping Agency (Russia) Ltd.	〃	〃	-	USD	1,892	51.00	USD	1,892	(Note)
	Evergreen Shipping Agency (Singapore) Pte. Ltd.	〃	〃	765	USD	5,463	51.00	USD	5,463	(Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	〃	〃	408	USD	2,964	51.00	USD	2,964	(Note)
	Evergreen Shipping Agency (Vietnam) Corp.	〃	〃	-	USD	1,538	51.00	USD	1,538	(Note)
	PT. Evergreen Shipping Agency Indonesia	〃	〃	0.459	USD	3,293	51.00	USD	3,293	(Note)
	Evergreen Agency (South Africa) (PTY) Ltd.	〃	〃	5,500	USD	4,187	55.00	USD	4,187	(Note)
	Luanta Investment (Netherlands) N.V.	Investee of Peony Investment S.A. accounted for under the equity method	〃	460	USD	85,641	50.00	USD	85,641	
	Balsam Investment (Netherlands) N.V.	〃	〃	0.451	USD	61,667	49.00	USD	61,667	
	Evergreen Shipping Agency Co. (U.A.E.) LLC	〃	〃	-	USD	2,565	49.00	USD	2,565	
	Ningbo Victory Container Co., Ltd.	〃	〃	-	USD	2,361	40.00	USD	2,361	
	Qingdao Evergreen Container Storage & Transportation Co., Ltd.	〃	〃	-	USD	8,040	40.00	USD	8,040	
	Green Peninsula Agencies SDN. BHD.	〃	〃	1,500	USD	8,267	30.00	USD	8,267	
	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Indirect subsidiary of the Company	〃	-	USD	2,844	20.00	USD	2,844	(Note)
	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, 2012				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indirect subsidiary of Peony	Long-term equity investment accounted for under the equity method	8	IDR 18,174,909	72.95	IDR 18,174,909	(Note)
Clove Holding Ltd.	Colon Container Terminal S.A.	Investee of Clove accounted for under the equity method	〃	22,860	USD 78,919	40.00	USD 78,919	
	Island Equipment LLC.	Indirect subsidiary of Peony	〃	-	USD 2,327	36.00	USD 2,327	(Note)
Island Equipment LLC	Whitney Equipment LLC.	Investee of Island accounted for under the equity method	〃	-	USD 2,147	100.00	USD 2,147	(Note)
	Hemlock Equipment LLC.	〃	〃	-	USD 4,284	100.00	USD 4,284	(Note)
Evergreen Marine (UK) Ltd.	Island Equipment LLC.	Indirect subsidiary of Peony	〃	-	USD 970	15.00	USD 970	(Note)
	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Indirect subsidiary of the Company	〃	-	USD 2,844	20.00	USD 2,844	(Note)
	Evergreen Shipping Agency (UK) Limited	〃	〃	-	USD 2,742	100.00	USD 2,742	(Note)
	Italia Marittima UK Limited	Investee of EMU accounted for under cost method	Financial assets carried at cost - non-current	0.2	USD 0.4	100.00	USD 0.4	
	Evergreen Marine (Latin America), S.A.	Investee of EMU accounted for under cost method	Financial assets carried at cost - non-current	99	USD 99	16.50	USD 99	
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Indirect subsidiary of Peony	Long-term equity investment accounted for under the equity method	0.045	USD 12,657	100.00	USD 12,657	(Note)

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	December 31, 2012						Remark
				Number of shares (in thousands)	Book value		Ownership (%)	Market value		
Armand Estate B.V.	Taipei Port Container Terminal Corporation	Investee of Armand Estate B.V. accounted for under the equity method	Long-term equity investment accounted for under the equity method	41,000	USD	12,593	9.76	USD	12,593	
Evergreen Shipping Agency (Singapore) Pte Ltd.	RTW AIR SERVICES (S) PL	Investee of EGS accounted for under cost method	Financial assets carried at cost - non-current	30	SGD	41	2.00	SGD	41	
Evergreen Shipping Agency (Thailand) Co., Ltd.	Green Siam Air Service Co.	Investee of EGT accounted for under cost method	〃	4	THB	1,160	2.00	THB	1,160	
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Austria) GmbH	Indirect subsidiary of Peony	Long-term equity investment accounted for under the equity method	-	EUR	473	100.00	EUR	473	(Note)
	Zoll Pool Hafen Hamburg AG	Investee of EGD accounted for under cost method	Financial assets carried at cost - non-current	10	EUR	10	3.36	EUR	10	
	Evergreen Shipping Agency (Switzerland) S.A.	Indirect subsidiary of Peony	Long-term equity investment accounted for under the equity method	0.1	EUR	176	100.00	EUR	176	(Note)

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, 2012 : None.

F. Acquisition of real estate properties exceeding $100 million or 20% of the Company’s paid-in capital for the year ended December 31, 2012 : None.

G. Disposal of real estate properties exceeding $100 million or 20% of the Company’s paid-in capital for the year ended December 31, 2012 : 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, 2012

Unit：Thousands of New Taiwan Dollars

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transaction terms compared to 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	$ 724,580	99%	30~60 Days	$ -	-	$ 50,001	56%	(Note)
Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	Related party	Sales	USD 12,236	-	15~30 Days	-	-	-	-	
		〃	Purchases	USD 38,137	1%	15~30 Days	-	-	-	-	
	Evergreen International S.A.	Related party	Purchases	USD 24,663	1%	15~30 Days	-	-	-	-	
	Evergreen Marine (UK) Ltd.	Related party	Sales	USD 11,470	-	15~30 Days	-	-	USD 1,784	1%	(Note)
		Related party	Purchases	USD 8,711	-	15~30 Days	-	-	(USD 504)	1%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd .	Related party	Purchases	USD 12,045	-	15~30 Days	-	-	-	-	
		Related party	Sales	USD 3,833	-	15~30 Days	-	-	-	-	
	Italia Marittima S.p.A	〃	Sales	USD 3,566	-	15~30 Days					
	Evergreen Marine Corporation	Related party	Purchases	USD 4,392	-	15~30 Days	-	-	-	-	(Note)
	EVERPORT TERMINAL SERVICES INC.	Related party	Purchases	USD 9,540	-	15~30 Days	-	-	-	-	(Note)
	Evergreen International Corporation	Related party	Purchases	USD 5,833	-	15~30 Days	-	-	-	-	
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Greencompass Marine S.A.	Related party	Sales	MYR 27,932	10%	45 Days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Related party	Sales	MYR 51,376	19%	45 Days	-	-	-	-	

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transactions		Notes/accounts receivable		Remark
			Purchases/ Sales	Amount	% of total purchases/sales	Credit term	Unit price	Credit term	Balance	% of total notes/accounts receivable (payable)	
Evergreen Marine (UK) Ltd.	Greencompass Marine S.A.	Related party	Purchases	USD 11,470	1%	30~60 Days	$ -	-	$ -	-	(Note)
	Greencompass Marine S.A.	Related party	Sales	USD 8,711	1%	30~60 Days	-	-	-	-	(Note)
	Evergreen International Corporation	Related party	Purchases	USD 7,951	1%	30~60 Days	-	-	-	-	
	Evergreen Shipping Agency (Deutschland) GmbH	Related party	Purchases	USD 6,400	-	30~60 Days	-	-	-	-	(Note)
	Evergreen Shipping Agency (Netherlands) B.V.	Related party	Purchases	USD 6,496	-	30~60 Days	-	-	-	-	(Note)
	EVERPORT TERMINAL SERVICES INC.	Related party	Purchases	USD 6,050	-	30~60 Days	-	-	-	-	(Note)
	Evergreen Shipping Agency France S.A.S.	Related party	Purchases	USD 4,139	-	30~60 Days	-	-	-	-	(Note)
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Marine (UK) Ltd.	Related party	Sales	EUR 5,018	42%	-	-	-	EUR 382	3%	(Note)
Evergreen Shipping Agency (Netherlands) B.V.	Evergreen Marine (UK) Ltd.	Related party	Sales	EUR 5,060	44%	-	-	-	-	-	(Note)

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, 2012

Unit：Thousands of New Taiwan Dollars

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 5,362		USD -	-	USD -	USD -
	Clove Holding Ltd.	〃 (Note)	USD 9,002		USD -	-	USD -	USD -

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

J. Derivative financial instruments transactions:None.

(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, 2012	Amount remitted		Accumulated amount of remittance to Mainland China as of December 31, 2012	Ownership held by the Company (direct/ indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2012 (Note 2)	Book value of investment in Mainland China as of December 31, 2012	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2012
					to Mainland China	back to Taiwan					
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, and discharging, and repair of brackets	CNY 24,119	(2)	$ 29,556 (USD 1,018)	$ -	$ -	$ 29,556 (USD 1,018)	40.00	$ 7,821 (USD 264)	$ 68,585 (USD 2,361)	$ -
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, container storage, loading, repair, discharging, and related activities	CNY 92,500	(2)	$ 129,174 (USD 4,447)	-	-	$ 129,174 (USD 4,447)	40.00	$ 44,125 (USD 1,492)	$ 233,553 (USD 8,040)	-
Shenzhen Greentrans Transportation Co., Ltd.	Inland container loading, discharging, restoring, repair, clearing, and transportation	CNY 44,960	(2)	$ 91,044 (USD 3,134)	-	88,811 (USD 3,057)	$ 91,044 (USD 3,134)	note 4	note 4	note 4	-
Shenzhen Hutchison Inland Container Depots Co., Ltd.	Inland container yards	HKD 92,000	(2)	$ 23,621 (HKD 6,304)	-	-	$ 23,621 (HKD 6,304)	6.85	$ -	$ 23,621 (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, 2012	Amount remitted to Mainland China	Amount remitted back to Taiwan	Accumulated amount of remittance to Mainland China as of December 31, 2012	Ownership held by the Company (direct/ indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2012 (Note 2)	Book value of investment in Mainland China as of December 31, 2012	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2012
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	CNY 77,929	(2)	$ 116,192 (USD 4,000)	$ -	$ -	$ 116,192 (USD 4,000)	40.00	$ 14,054 (USD 476)	$ 165,198 (USD 5,688)	$ -

Balance of investments in Mainland China as of December 31, 2012	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)
$389,587 (USD 12,599) (HKD 6,304)	$1,048,409 (USD 36,092)	$ 35,739,130

(Net worth of the Company:$59,565,217)

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 auditors

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

(c) Others

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

Note 4:Shenzhen Greentrans Transportation Co., Ltd.was liquidated on May 31, 2012. Related amount allotted from the liquidation had been received on October 23, 2012.

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

(4) Business and significant transactions between the company and its subsidiary

December 31, 2012

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 Coorporation	Taiwan Terminal Service Co., Ltd	1	Accounts payable	$ 50,001	Note 3	0.03
		"	1	Operating revenue	2,966	"	-
		"	1	Operating cost	724,580	"	0.51
		Greencompass Marine S.A.	1	Accounts receivable	9,577	"	0.01
		"	1	Other receivables	16	"	-
		"	1	Agency reciprocal accounts - credit	156,845	"	0.10
		"	1	Operating revenue	126,057	"	0.09
		"	1	Operating cost	36	"	-
		Evergreen Marine (UK) Ltd.	1	Accounts receivable	3,724	"	-
		"	1	Other receivables	1,539	"	-
		"	1	Agency reciprocal accounts - credit	53,822	"	0.03
		"	1	Operating revenue	41,444	"	0.03
		Evergreen Shipping Agency (India) Pvt. Ltd.	1	Operating cost	3,674	"	-
		"	1	Agency accounts - debit	16,333	"	0.01
		Evergreen Shipping Agency (Thailand) Co., Ltd.	1	Operating cost	22,227	"	0.02
		"	1	Agency accounts - debit	12,623	"	0.01
		PT. Evergreen Shipping Agency Indonesia	1	Agency accounts - debit	29,276	"	0.02
		"	1	Operating cost	27,233	"	0.02

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 Coorporation	Evergreen Shipping Agency (Singapore) Pte. Ltd.	1	Agency accounts - debit	$ 1,055	Note 3	-
		"	1	Operating cost	12,003	"	0.01
		Evergreen Shipping Agency (Korea) Corporation	1	Operating cost	1,152	"	-
		"	1	Agency accounts - credit	1,728	"	-
		Evergreen Shipping Agency (Deutschland) GmbH	1	Agency accounts - credit	8,163	"	0.01
		"	1	Operating cost	7,972	"	0.01
		Evergreen Shipping Agency (Ireland) Ltd.	1	Agency accounts - debit	859	"	-
		"	1	Operating cost	528	"	-
		Evergreen Shipping Agency (Netherlands) B.V.	1	Agency accounts - credit	10,523	"	0.01
		"	1	Operating cost	8,898	"	0.01
		Evergreen Shipping Agency (Poland) SP.ZO.O	1	Agency accounts - credit	471	"	-
		"	1	Operating cost	904	"	-
		Evergreen Shipping Agency France S.A.S.	1	Agency accounts - credit	815	"	-
		"	1	Operating cost	702	"	-
		Evergreen Shipping (Spain) S.L.	1	Operating cost	1,491	"	-
		"	1	Agency accounts - credit	1,483	"	-
		Evergreen Shipping Agency (Italy) S.p.A.	1	Agency accounts - debit	1,580	"	-
		"	1	Operating cost	2,417	"	-
		Evergreen Shipping Agency (Russia) Limited	1	Other receivables	14	"	-
		"	1	Agency accounts - credit	391	"	-

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 Coorporation	Evergreen Shipping Agency (Vietnam) Corp.	1	Operating cost	$ 19,751	Note 3	0.01
		"	1	Agency accounts - credit	3,686	"	-
		Evergreen Shipping Agency (Australia) Pty. Ltd.	1	Agency accounts - credit	492	"	-
		"	1	Operating cost	7	"	-
		Evergreen Shipping Agency (UK) Limited	1	Agency accounts - credit	4,869	"	-
		"	1	Operating cost	5,368	"	-
		Evergreen Shipping Agency (Switzerland) S.A.	1	Agency accounts - credit	3	"	-
		"	1	Operating cost	144	"	
		Evergreen Shipping Agency (Austria) GmbH	1	Agency accounts - debit	46	"	-
		"	1	Operating cost	641	"	-
		Evergreen Shipping Agency (South Africa) (PTY) Ltd.	1	Agency accounts - credit	22	"	-
		PT. Multi Bina Pura International	1	Other receivables	3	"	-
2	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Accounts receivable	51,818	"	0.03
		"	3	Agency accounts - debit	68,539	"	0.04
		"	3	Accounts payable	14,633	"	0.01
		"	3	Operating revenue	339,170	"	0.24
		"	3	Operating cost	257,581	"	0.18
		Evergreen Shipping Agency (India) Pvt. Ltd.	3	Agency accounts - debit	86	"	-
		"	3	Agency accounts - credit	894	"	-
		"	3	Operating cost	31,238	"	0.02
		Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Agency accounts - debit	17,324	"	0.01
		"	3	Agency accounts - credit	16,447	"	0.01
		"	3	Operating cost	67,862	"	0.05

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.	PT. Evergreen Shipping Agency Indonesia	3	Agency accounts - debit	$ 17	Note 3	-
		"	3	Operating cost	55,977	"	0.04
		Evergreen Shipping Agency (Singapore) Pte. Ltd.	3	Agency accounts - debit	45,573	"	0.03
		"	3	Operating cost	42,146	"	0.03
		Evergreen Shipping Agency (Korea) Corporation	3	Agency accounts - credit	13,146	"	0.01
		"	3	Operating cost	62,063	"	0.04
		Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts payable	7,348	"	-
		"	3	Operating cost	99,708	"	0.07
		Evergreen Shipping Agency (Ireland) Ltd.	3	Agency accounts - debit	1,495	"	-
		"	3	Operating cost	4,723	"	-
		Evergreen Shipping Agency (Netherlands) B.V.	3	Accounts receivable	10,463	"	0.01
		"	3	Operating cost	73,914	"	0.05
		Evergreen Shipping Agency (Poland) SP.ZO.O	3	Accounts receivable	3,351	"	-
		"	3	Accounts payable	420	"	-
		"	3	Operating cost	4,706	"	-
		Evergreen Shipping Agency France S.A.S.	3	Agency accounts - credit	7,426	"	-
		"	3	Operating cost	58,984	"	0.04
		Evergreen Shipping (Spain) S.L.	3	Accounts receivable	6,295	"	-
		"	3	Operating cost	34,537	"	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 (Italy) S.p.A.	3	Agency accounts - debit	$ 20,339	Note 3	0.01
		"	3	Operating cost	41,426	"	0.03
		Evergreen Shipping Agency (Vietnam) Corp.	3	Agency accounts - debit	3	"	-
		"	3	Operating cost	36,096	"	0.03
		Evergreen Shipping Agency (Australia) Pty. Ltd.	3	Agency accounts - debit	8,115	"	0.01
		"	3	Agency accounts - credit	772	"	-
		"	3	Operating cost	5,772	"	-
		Evergreen Shipping Agency (South Africa) (PTY) Ltd.	3	Agency accounts - debit	529	"	-
		"	3	Operating cost	30,638	"	0.02
		Evergreen Shipping Agency (UK) Limited	3	Operating cost	84,789	"	0.06
		Evergreen Shipping Agency (Austria) GmbH	3	Agency accounts - debit	245	"	-
		"	3	Operating cost	3,794	"	-
		Evergreen Shipping Agency (Switzerland) S.A.	3	Agency accounts - debit	59	"	-
		"	3	Operating cost	123	"	-
		Everport Terminal Services Inc.	3	Operating cost	282,110		0.20
2	Evergreen Marine (UK) Ltd.	Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Agency accounts - debit	12,514	"	0.01
		"	3	Agency accounts - credit	27,055	"	0.02
		"	3	Operating cost	42,085	"	0.03
		Evergreen Shipping Agency (India) Pvt. Ltd.	3	Agency accounts - debit	8,947	"	0.01
		"	3	Operating cost	33,359	"	0.02
		PT. Evergreen Shipping Agency Indonesia	3	Agency accounts - debit	3,722	"	-
		"	3	Operating cost	32,322	"	0.02

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) Ltd.	Evergreen Shipping Agency (Singapore) Pte. Ltd.	3	Accounts receivable	$ 5,450	Note 3	-
		"	3	Agency accounts - credit	316	"	-
		"	3	Operating cost	17,999	"	0.01
		Evergreen Shipping Agency (Korea) Corporation	3	Agency accounts - credit	2,677	"	-
		"	3	Operating cost	13,262	"	0.01
		Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts payable	17,434	"	0.01
		"	3	Operating cost	189,245	"	0.13
		Evergreen Shipping Agency (Ireland) Ltd.	3	Other receivables	130	"	-
		"	3	Agency accounts - credit	127	"	-
		"	3	Operating revenue	2,730	"	-
		"	3	Operating cost	12,221	"	0.01
		Evergreen Shipping Agency (Netherlands) B.V.	3	Accounts receivable	13,009	"	0.01
		"	3	Operating cost	192,087	"	0.14
		Evergreen Shipping Agency (Poland) SP.ZO.O	3	Accounts receivable	2,268	"	-
		"	3	Accounts payable	975	"	-
		"	3	Operating cost	10,128	"	0.01
		Evergreen Shipping Agency France S.A.S.	3	Agency accounts - debit	8,981	"	0.01
		"	3	Operating cost	122,391	"	0.09
		Evergreen Shipping Agenoy (Russia) Ltd.	3	Agency accounts - debit	689	"	-
		"	3	Operating cost	1,661	"	-
		Evergreen Shipping (Spain) S.L.	3	Agency accounts - debit	26,675	"	0.02
		"	3	Agency accounts - credit	7,978	"	0.01
		"	3	Operating cost	42,205	"	0.01
		Evergreen Shipping Agency (Italy) S.p.A.	3	Operating cost	14,565	"	0.01

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) Ltd.	Evergreen Shipping Agency (Vietnam) Corp.	3	Agency accounts - debit	$ 2,933	Note 3	-
		"	3	Agency accounts - credit	1,068	"	-
		"	3	Operating cost	36,509	"	0.03
		Evergreen Shipping Agency (Australia) Pty. Ltd.	3	Agency accounts - credit	53	"	-
		"	3	Operating cost	315	"	-
		Evergreen Shipping Agency (Sounth Africa) (PTY) Ltd.	3	Agency accounts - credit	18	"	-
		"	3	Operating cost	739	"	-
		Kingstrans International Logistics (Tianjing) Co., Ltd	3	Other receivables	43,572	"	0.03
		Evergreen Shipping Agency (Switzerland) S.A.	3	Agency accounts - credit	13	"	-
		"	3	Operating cost	15,178	"	0.01
		Evergreen Shipping Agency (Austria) GmbH	3	Agency accounts - debit	64	"	-
		"	3	Operating cost	13,577	"	0.01
		Everport Terminal Services Inc.	3	Operating cost	178,908	"	0.13
3	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	261,502	"	0.17
		Kingstrans International Logistics (Tianjing) Co., Ltd	3	Other receivables	44,034	"	0.03
4	PT.Multi Bina Pura International	PT.Multi Bina Transport	3	Accounts receivable	353	"	-
		"	3	Accounts payable	81	"	-
		"	3	Operating revenue	5,570	"	-
		"	3	Operating cost	2,671	"	-
		PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	687	"	-
5	Clove Holding Ltd.	Whitney Equipment LLC.	3	Other receivables	72,656	"	0.05

Number Note (1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
6	Evergreen Shipping Agency (Russia) Limited	Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts receivable	$ 7,491	Note 3	-
		"	3	Accounts payable	11,504	"	0.01
		"	3	Operating revenue	92,570	"	0.07
7	Evergreen Heavy Industrial Co., (Malaysia) Berhad	Greencompass Marine S.A.	3	Operating revenue	267,265	"	0.19
8	PT.Multi Bina Transport	PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	1,573	"	-

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.

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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	Note 3	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	15	〃	-
		〃	1	Agency reciprocal accounts-debit	719,628	〃	0.52
		〃	1	Operating revenue	87,171	〃	0.08
		〃	1	Operating cost	41,749	〃	0.04
		Evergreen Marine (UK) Ltd.	1	Accounts receivable	2,895	〃	-
		〃	1	Other receivables	2,100	〃	-
		〃	1	Agency reciprocal accounts- debit	43,956	〃	0.03
		〃	1	Operating revenue	33,821	〃	0.03
		Evergreen Shipping Agency (India) Pvt. Ltd.	1	Operating cost	1,601	〃	-
		〃	1	Other receivables	1	〃	-
		〃	1	Agency accounts-debit	79,227	〃	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	Note 3	-
		〃	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 (Netherland) 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	Accounts payable	1	〃	-
		〃	1	Operating cost	933	〃	-
		Evergreen Shipping Agency France S.A.S.	1	Accounts 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	〃	-

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 (Italy) S.p.A.	1	Agency accounts- debit	$ 12,822	Note 3	0.01
		〃	1	Operating cost	5,312	〃	-
		Evergreen Shipping Agency (Russia) Ltd.	1	Other receivables	2	〃	
		〃	1	Agency accounts- credit	1,133	〃	-
		Evergreen Shipping Agency (Vietnam) Corp.	1	Operating cost	10,111	〃	0.01
		〃	1	Agency accounts- credit	3,722	〃	-
		Evergreen Shipping Agency (Australia)Pty. Ltd.	1	Agency accounts- credit	65	〃	-
		〃	1	Operating cost	2	〃	-
		Evergreen Shipping Agency (South 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 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

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.	PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	$ 3,147	Note 3	-
		〃	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
		Evergreen Shipping Agency (Deutschland) GmbH	3	Agency accounts-debit	9,142	〃	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
		Evergreen Shipping Agency France S.A.S.	3	Agency accounts- debit	6,330	〃	-
		〃	3	Operating cost	166,965	〃	0.15

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 (Spain) S.L.	3	Agency accounts- debit	$ 7,628	Note 3	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	〃	-
		Evergreen Shipping Agency (South Africa)(PTY). Ltd.	3	Agency accounts-debit	4,518	〃	-
		〃	3	Agency accounts- credit	114	〃	-
		〃	3	Operating cost	619	〃	-
2	Evergreen Marine (UK) Ltd.	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

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) Ltd.	Evergreen Shipping Agency (Singapore) Pte. Ltd.	3	Accounts receivable	$ 2,157	Note 3	-
		〃	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
		Evergreen Shipping Agency (Poland) SP.ZO.O	3	Accounts receivable	82	〃	-
		〃	3	Agency accounts- credit	20	〃	-
		〃	3	Operating cost	3,787	〃	-
		Evergreen Shipping Agency France S.A.S.	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	〃	-

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) Ltd.	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- debit	1,121	〃	-
		〃	3	Agency accounts- credit	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	〃	-
		Kingstrans International Logistics (Tianjing) 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	〃	-
		Kingstrans International Logistics (Tianjing) 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	〃	-
		〃	3	Accounts payable	454	〃	-
		〃	3	Other payables	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 (Russsia)Limited	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 (Taiwan) Ltd	2	Operating revenue	1,652,183		1.53
		Greencompass Marine S.A.	3	Operating revenue	682,044		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.

12. 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 characteristics and conform to the aggregation criteria as “reportable operating segment” and has categorized other operating segments which do not meet the quantitative thresholds required as “other departments”. The revenue 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 departments：

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:

	2012			
	Transportation Department	Investing and holding Department	Other Departments	Total
Segment revenue	$ 138,279,009	$ 467,553	$ 2,281,566	$ 141,028,128
Interest income	206,423	26,139	487	233,049
Interest expense	(456,984)	-	(787)	(457,771)
Depreciation and amortization	(5,452,466)	(131,855)	(34,345)	(5,618,666)
Investment income (loss) accounted for under the equity method	361,134	(1,160,825)	-	(799,691)
Other items	(132,166,951)	(154,905)	(2,218,371)	(134,540,227)
Segment profit (loss)	$ 770,165	($ 953,893)	$ 28,550	($ 155,178)
Recognizable assets	$ 124,349,040	$ 4,948,892	$ 1,979,515	$ 131,277,447
Long-term equity investments accounted for under the equity method	16,466,383	7,554,008	-	24,020,391
Segment assets	$ 140,815,423	$ 12,502,900	$ 1,979,515	$ 155,297,838
Segment liabilities	$ 91,180,194	$ 1,370,651	$ 318,152	$ 92,868,997

	2011			
	Transportation Department	Investing and holding Department	Other Departments	Total
Segment revenue	$ 107,373,921	$ 492,990	$ 289,147	$ 108,156,058
Interest income	199,963	38,897	661	239,521
Interest 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) accounted for 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)
Segment profit (loss)	($ 3,003,587)	($ 458,302)	$ 42,734	($ 3,419,155)
Recognizable assets	$ 104,954,089	$ 6,841,902	$ 2,069,723	$ 113,865,714
Long-term equity investments accounted for under the equity method	16,812,639	7,107,106	-	23,919,745
Segment assets	$ 121,766,728	$ 13,949,008	$ 2,069,723	$ 137,785,459
Segment liabilities	$ 69,545,980	$ 2,023,832	$ 614,112	$ 72,183,924

(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 statement of income.

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

	For the year ended December 31, 2012		For the year ended December 31, 2011	
Service routes	Amount	% of Account Balance	Amount	% of Account Balance
North America	$ 53,844,321	41	$ 41,136,771	40
Europe	34,145,179	26	25,710,482	25
Asia	24,952,246	19	21,596,805	21
Other	18,385,866	14	14,397,869	14
	$ 131,327,612	100	$ 102,841,927	100

(6) Region information

	2012		2011	
Region	Operating Income	Non-current Asset	Operating Income	Non-current Asset
Taiwan	$ 16,059,897	17,598,584	$ 15,258,095	15,041,255
North America	81,688,818	24,035,884	59,697,203	25,011,064
Europe	39,397,704	29,377,653	31,482,983	23,590,140
Asia	3,475,950	1,434,055	1,286,382	1,499,875
Other	405,759	11,320	431,395	16,378
	$ 141,028,128	$ 72,457,496	$ 108,156,058	$ 65,158,712

(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 former 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 Group 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 Group's plan for IFRSs adoption:

(1) The Group has formed an IFRSs group headed by the Group's Chief Financial Officer, which is responsible for setting up a plan relative to the Group'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 Group'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 Group 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

Working Items for IFRSs Adoption	Status of Execution
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	Done
k. Preparation of IFRSs comparative financial information for 2012	Done
l. Completion of relevant internal control (including financial reporting process and relevant information system) adjustments	Done

(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 Group 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 Group'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 Group 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, and the effects of exemptions selected by the Group under IFRS 1 – First-time Adoption of International Financial Reporting Standards (refer to Note 13(3)) are set forth below:

A. Significant differences reconciliation of its balance sheet as of January 1, 2012:

	ROC GAAP	Effects	IFRSs	Note
Prepaid expenses	$ 482,422	$ 1,483	$ 483,905	(1)
Other financial assets	-	520,132	520,132	(11)
Deferred income tax assets - current	253,930	(253,930)	-	(2)
Restricted assets	520,132	(520,132)	-	(11)
Other current assets	3,419,358	107,671	3,527,029	(3)(4)
Available-for-sale financial assets - non-current	602,904	895,194	1,498,098	(5)
Financial assets carried at cost - non-current	1,515,391	(1,511,970)	3,421	(5)
Investments accounted for under the equity method	23,919,745	(561,934)	23,357,811	(7)
Investment property, net	-	2,022,584	2,022,584	(6)
Property, plant and equipment	64,762,841	(16,739,204)	48,023,637	(1)(6)(10)(12)
Computer software cost	-	3,380	3,380	(12)
Deferred pension costs	61,058	(61,058)	-	(3)
Deferred income tax assets	-	568,435	568,435	(2)(3)(4)(7)
Deferred expenses	274,235	(274,235)	-	(3)(12)
Other non-current assets	121,324	16,540,409	16,661,733	(10)(12)
Others	42,079,344	-	42,079,344	
Total Assets	138,012,684	736,825	138,749,509	
Accounts payable	8,817,050	(222,156)	8,594,894	(1)(3)(4)
Other current liabilities	2,121,915	189,391	2,311,306	(1)
Accrued pension liabilities	1,450,813	1,275,907	2,726,720	(3)
Deferred income tax liabilities	1,316,628	91,076	1,407,704	(2)(3)(4)
Long-term leases payable	1,953,360	1,326,311	3,279,671	(1)
Other liabilities	1,104,217	(98,760)	1,005,457	(3)
Others	55,647,166	-	55,647,166	
Total Liabilities	72,411,149	2,561,769	74,972,918	

	ROC GAAP	Effects	IFRSs	Note
Common stock	$ 34,734,581	$ -	$ 34,734,581	
Capital reserve from long-term investments	1,606,562	(218,012)	1,388,550	(8)
Capital reserve - other	5,873,830	-	5,873,830	
Legal reserve	9,102,785	-	9,102,785	
Special reserve	4,579,324	-	4,579,324	
Undistributed earnings	8,862,023	(4,787,992)	4,074,031	(1)(3)(4)(7)(8)(9)
Cumulative translation differences arising on the translation of the financial statements of foreign entities	(2,656,053)	2,656,053	-	(9)
Unrecognized pension cost	(1,229,959)	1,229,959	-	(3)(7)
Unrealized gain or loss on financial instruments	292,733	(635,722)	(342,989)	(5)(7)
Minority interest	4,435,709	(69,230)	4,366,479	(3)(4)(7)
Total shareholders' equity	65,601,535	(1,824,944)	63,776,591	

Notes to the reconciliation:

(1) In accordance with IAS 17, “Leases”, that the Group accounted for under operating lease to capital lease. On the date of transition, the Group increased “Property, plant and equipment” by $1,587,691, “other current liabilities” by $189,391, “prepaid expense” by $1,483, “long-term leases payable” by $1,326,311 “undistributed earnings” by $76,336 and decreased “accrued expenses” by $2,864.

(2) In accordance with current accounting standards in R.O.C., a deferred income tax asset or liability should, according to the classification of its related asset or liability, be classified as current or non-current. However, a deferred income tax asset or liability that is not related to an asset or liability for financial reporting, should be classified as current or non-current according to the expected period to realize or settle a deferred income 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. Therefore, the Group decreased “deferred income tax assets - current” by $253,930 and increase “deferred income tax assets” by $253,930. Further, in accordance with IAS 12, “Income Taxes”, deferred income tax assets are only recognized to the extent that it is probable that there will be sufficient taxable profits and the valuation allowance account is no longer used. Therefore, the Group increased “deferred income tax assets” and “deferred income tax liabilities” by $90,045 at the date of transition to IFRS.

(3)On the date of transition, the Group increased “other current assets” by $106,728, “accrued pension liabilities” by $1,275,907, “deferred income tax assets” by $216,103, “deferred income tax liabilities” by $851, “unrecognized pension cost” by $910,098, and decreased “minority interest” by $69,007, “deferred expenses” by $34,757, “accounts payable” by $268,526, “deferred pension cost” by $61,058, “other liabilities” by $98,760 and “undistributed earnings” by $1,523,547. Notes on the reconciliations are as follow:

(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 transitional provisions in IAS 19, “Employee Benefits”, are not applied to the Group as the first-time adopter of IFRSs, so the Group has no unrecognized transitional liabilities.

(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 on 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)The Group selects to recognise all the accumulated actuarial pension gain or loss related to the plan of employee benefits in undistributed earnings at the transition date.

(e)In accordance with current accounting stadards in R.O.C., actuarial pension gain or loss of the Group is recognised in net pension cost of current period using the ‘corridor’ method. However, in accordance with IAS 19, ‘Employee Benefits’, the Group selects to recognise immediately actuarial pension gain or loss in undistributed earnings of other comprehensive income.

(4)The current accounting standards in R.O.C. do not specify the rules on recognition of the cost for accumulated unused compensated absences. The Group recognized 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. Therefore, the Group increased “other current assets” by $943, “deferred income tax assets” by $8,329, “deferred income tax liabilities” by $180, “accrued expenses” by $49,234 and decreased “minority interest” by $36,782, “undistributed earnings” by $3,360.

(5)In accordance with the amended “Rules Governing the Preparation of Financial Statements by Securities Issuers”, dated July 7, 2011, unlisted stocks held by the Group 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. In accordance with the amended “Rules Governing the Preparation of Financial Statements by Securities Issuers”, dated December 22, 2011, the Group designated “financial assets carried at cost - non-current” as “available-for-sale financial assets - non-current” by fair value, increasing “available-for-sale financial assets - non-current” by $895,194, decreasing “financial assets carried at cost - non-current” by $1,511,970, and decreasing “unrealized gain or loss on financial instruments” by $616,776.

(6)In accordance with current accounting standards in R.O.C., the Group’s property that is leased to others is presented in the “Property, Plant and Equipment, Net” account. In accordance with IAS 40, “Investment Property”, property that meets the definition of investment property is classified and accounted for as “Investment property”. The Group thus decreased “property, plant and equipment” by $2,022,584 and increased “investment property, net” by $2,022,584 on transition date.

(7)As the investee has elected to adopt the IFRSs, the Group recognized such effect of IFRSs and adjusted to the investment accounted for under the equity method in proportion to its share ownership in the investee. The Group thus decreased “investment accounted for under the equity method” by $561,934, “undistributed earnings” by $899,378, “unrealized gain or loss on financial assets” by $18,946, and increased “deferred income tax assets” by $28, “unrealized pension cost” by $319,861, “minority interest” by $36,559 on transition date.

(8)The Group has elected not to apply the requirements in IFRS 3, “Business Combinations”, retrospectively to investments in associates that occurred prior to the date of transition to IFRSs, and has adjusted undistributed earnings on the date of transition to IFRSs for the capital surplus—long-term investments of $218,012 under ROC GAAP that did not meet the regulations of IFRSs.

(9)In accordance with current accounting standards in R.O.C., exchange differences arising from translation of the financial statements of overseas investee companies accounted for under the equity method are recorded as “cumulative translation adjustments” under stockholders’ equity. In accordance with IFRS 1, “First-time Adoption of International Financial Reporting Standards”, the Group has elected to reset the cumulative translation differences arising on the translation of the financial statements of foreign entities to “undistributed earnings” by $2,656,053 at the opening IFRS balance sheet date, and to deal with translation differences arising subsequent to the opening IFRS balance sheet date in accordance with IAS 21, “The Effects of Changes in Foreign Exchange Rates”.

(10)Prepayment for acquisition of property, plant and equipment is presented in “Property, Plant and Equipment” in accordance with the “Rules Governing the Preparation ofFinancial Statements by Securities Issuers”. However, such prepayment should be presented in “other non-current assets” based on its nature under IFRSs. Therefore, the Group increased “other non-current assets” by $16,523,249 and decreased “property, plant and equipment” by $16,523,249.

(11)Under ROC GAAP, restricted cash and cash equivalents are presented in “restricted assets”. However under the IFRSs, as the Group’s restricted assets of $520,132 did not meet the definitions of cash equivalents, they were reclassified to “other financial assets” on the date of transition to IFRSs.

(12)Under ROC GAAP, deferred expenses are accounted for under “other assets”. However under the IFRSs, deferred expenses shall be classified appropriately based on their nature. Thus, the Group reclassified deferred expenses of $218,938, $3,380 and $17,160 to “property, plant and equipment”, “computer software” and “other non-current assets”, respectively, on the date of transition to IFRSs.

B. Major adjustments on the Income Statement and Balance Sheet items as of and for the year ended in December 31, 2012:

	ROC GAAP	Effects	IFRSs	Note
Other accounts receivables	$ 618,997	($ 15,481)	$ 603,516	(3)(4)
Other financial assets	-	550,214	550,214	(12)
Prepaid expenses	532,800	(22,364)	510,436	(1)(3)
Deferred income tax assests - current	275,927	(275,927)	-	(2)
Restricted assets	550,214	(550,214)	-	(12)
Other current assets - other	1,368,992	103,672	1,472,664	(3)(4)
Available-for-sale financial assets - non-current	640,209	897,923	1,538,132	(5)
Financial assets accounted for under the equity method - non-current	1,505,358	(1,505,358)	-	(5)
Investments accounted for under the equity method	24,020,391	(468,458)	23,551,933	(7)
Investment property, net	-	2,040,255	2,040,255	(6)
Property, plant and equipment	71,944,088	(14,199,521)	57,744,567	(1)(6)(11)(13)
Computer software cost	-	6,214	6,214	(13)
Deferred pension costs	458,670	(458,670)	-	(3)
Deferred income tax assets	395,641	(395,641)	-	(3)(13)
Deferred expenses	-	620,383	620,383	(2)(3)(4)
Other non-current assets	117,455	13,886,035	14,003,490	(11)
Others	52,869,096	-	52,869,096	
Total Assets	155,297,838	213,062	155,510,900	

	ROC GAAP	Effects	IFRSs	Note
Income tax payable	84,832	116	84,948	(4)
Accounts payable	9,842,125	29,741	9,871,866	(1)(3)(4)
Other current liabilities	5,781,879	159,010	5,940,889	(1)
Long-term leases payable - non-current	13,658,953	1,113,484	14,772,437	(1)
Accrued pension liabilities	2,288,158	480,374	2,768,532	(3)
Deferred income tax liabilities-non-current	1,275,630	116,509	1,392,139	(2)(3)(4)(7)
Others	59,937,420	-	59,937,420	
Total Liabilities	92,868,997	1,899,234	94,768,231	
Common stock	34,749,407	-	34,749,407	
Capital reserve from long-term investments	1,606,562	(218,012)	1,388,550	(8)
Capital reserve - other	5,883,329	-	5,883,329	
Legal reserve	9,102,785	-	9,102,785	
Special reserve	3,593,280	-	3,593,280	
Undistributed earnings	9,976,596	(4,871,247)	5,105,349	(1)(3)(4)(7)(8)(9)(10)
Cumulative translation differences arising on the translation of the financial statements of foreign entities	(4,877,940)	3,010,485	(1,867,455)	(1)(3)(4)(7)(9)
Unrecognized pension cost	(1,284,299)	1,284,299	-	(3)(7)
Unrealized gain or loss on financial instruments	347,247	(826,868)	(479,621)	(5)(7)
Minority interest	3,331,874	(64,829)	3,267,045	(3)(4)(7)
Total shareholders' equity	62,428,841	(1,686,172)	60,742,669	

	ROC GAAP	Effects	IFRSs	Note
Operating income	$ 141,028,128	($ 1,737)	$ 141,026,391	(3)(4)
Operating cost	(136,948,924)	84,906	(136,864,018)	(1)(3)(4)
Operating expenses	(5,350,577)	53,022	(5,297,555)	(3)(4)
Operating loss	(1,271,373)	136,191	(1,135,182)	
Non-operating income and gains (expenses and losses)	1,116,195	47,406	1,163,601	(7)
(Loss) gain before income tax	(155,178)	183,597	28,419	
Income tax expense	(263,459)	6,788	(256,671)	(3)(4)(7)
Consolidated net loss	(418,637)	190,385	(228,252)	
Minority interest loss	(547,168)	22,952	(524,216)	(3)(4)(7)
Equity holder of the Company	128,531	167,433	295,964	

Notes to the reconciliation:

(1)The Group increased “prepaid expenses” by $1,316, “property, plant and equipment” by $1,363,271, “other current liabilities” by $159,010, “long-term leases payable” by $1,113,484, “undistributed earnings” by $76,336, and decreased “accounts payable” by $2,883, “operating cost” by $22,127 and considerations of foreign subsidiaries exchange rate effects at the opening and current IFRSs balance sheet date decreased “cumulative translation differences arising on the translation of the financial statements of foreign entities” by $3,487. For explanation, please refer to Note 13. B. 1(1).

(2)The Group decreased “deferred income tax assets - current” by $275,927, and increased “deferred income tax assets” by $401,654, “deferred income tax liabilities” by $125,727. For explanation, please refer to Note 13. B. 1(2).

(3)The Group increased “other current assets - other” by $102,742, “deferred income tax assets” by $223,715, “accrued pension liabilities” by $480,374, “deferred income tax liabilities” by $10,865, “unrecognized pension cost” by $880,523, “operating income” $1,668, and decreased “minority interest loss” by $52,466, “other accounts receivable” by $15,456, “deferred pension cost” by $458,670, “prepaid expenses” by $23,680, “deferred expenses” by $25,929, “accounts payable” by $7,641, “undistributed earnings” by $1,599,727 (including the amount reclasified from other comprehensive income by $76,180), “minority interest” by $141,151, “operating cost” by $63,041, “operating expenses” by $43,758, and considerations of foreign subsidiaries exchange rate effects at the opening and current IFRSs balance sheet date increased “cumulative translation differences arising on the translation of the financial statements of foreign entities” $21,882. For explanation, please refer to Note 13. B. 1(3). Such differences that may arise between current accounting policies and IFRSs increased “income tax expenses” by $11,821 and decreased “deferred income tax assets” by $11,821.

(4)The Group increased “other current assets-other” by $930, “deferred income tax assets” by $8,288, “deferred income tax liabilities” by $5, “income tax payable” by $116, “accounts payable” by $40,265, “operating cost” by $262, “minority interest loss” by $32,584, “other receivables” by $25. The Group decreased “undistributed earnings” by $3,361, “minority interest” by $4,198, “operating income” by $69, “operating expenses” by $9,264 and considerations of foreign subsidiaries exchange rate effects at the opening and current IFRSs balance sheet date increased “cumulative translation differences arising on the translation of the financial statements of foreign entities” by $17. For explanation, please refer to Note 13. B. 1(4). Such differences that may arise between current accounting policies and IFRSs increased “income tax expense” by $1,453 and decreased “deferred income tax assets” by $1,453.

(5)The Group designated “financial assets carried at cost - non-current” of $1,505,358 as “available-for sale financial assets - non-current”, and adjusted the difference between fair value and book value as a decrease in “unrealized gain or loss on financial instruments” by $607,435. For explanation, please refer to Note 13. B. 1(5).

(6)The Group increased “investment property, net” and decreased “property, plant and equipment” both by $2,040,255. For explanation, please refer to Note 13. B. 1(6)

(7)The Group increased “income tax expense” by $26, “minority interest” by $80,520, “unrecognized pension cost” by $403,776, “non-operating income and gains (expense and losses)” by $47,406, “minority interest loss” by $42,834, and decreased “investment accounted for under the equity method” by $468,458, “unrealized gain or loss on financial assets” by 219,433, “undistributed earnings” by $1,073,887 (including the amount reclasified from other comprehensive income by $ 174,508) and considerations of foreign subsidiaries exchange rate effects at the opening and current IFRSs balance sheet date increased “cumulative translation differences arising on the translation of the financial statements of foreign entities” by $336,020. For explanation, please refer to Note 13. B. 1(7). Such differences that may arise between current accounting policies and IFRSs increased “deferred income tax liabilities” by $20,088 and “income tax expense” by $20,088.

(8)For explanation, please refer to Note 13. B. 1(8)

(9)The Group increased “cumulative translation differences arising on the translation of the financial statements of foreign entities” by $3,010,485 due to the increase of $2,656,053 on the opening IFRSs balance sheet date and the increase of $354,423 for the opening of foreign subsidiaries’ IFRSs balance sheets and foreign exchange effects of the current-period adjustments as stated above. For explanation, please refer to Note 13. B. 1(9).

(10)The Group decreased “undistributed earnings” by $4,871,247 due to the decrease of $4,787,992 on the opening IFRSs balance sheet date as stated above, the increase of $167,433 for the differences between the adoptions of current R.O.C. accounting standards and the IFRSs for the year ended December 31, 2012, and the amount reclassified from “other comprehensive income” as “undistributed earnings” by $250,688 this year.

(11)Prepayment for acquisition of property, plant and equipment is presented in ‘Propety, plant and equipment’ in accordance with the “Rules Governing the Preparation of Financial Statements by Securities issuers”. However, such prepayment should be presented in “Other non-current assets” based on its nature under IFRSs. Therefore, the Group increased “other non-current assets” by $13,725,227 and decreased “other non-current assets” by $13,725,227.

(12)Under ROC GAAP, restricted cash and cash equivalents are presented in “restricted assets”. However under the IFRSs, as the Group’s restricted assets of $550,214 did not meet the definitions of cash equivalents, they were reclassified to “other financial assets” on the date of transition to IFRSs.

(13)Under ROC GAAP, deferred expenses are accounted for under “other assets”. However under the IFRSs, deferred expenses shall be classified appropriately based on their nature. Thus, the Group reclassified deferred expenses of $202,690, $6,214 and $160,808 to “property, plant and equipment”, “computer software” and “other non-current assets”, respectively, on the date of transition to IFRSs.

(3) According to IFRS 1, “First-time Adoption of International Financial Reporting Standards” and “Rules Governing the Preparation of Financial Statements by Securities Issuers” that are expected to be applied in 2013, the Company selected the following exemptions:

A. Business combinations

The Group selected not to apply IFRS 3, “Business Combinations” retrospectively to business combinations which occurred before December 31, 2011.

B. Employee benefits

The Group elected to recognize all cumulative actuarial gains and losses relating to employee benefits plan as retained earnings at the date of transition to IFRSs, January 1, 2012.

C. Cumulative translation differences

The Group elected to reset the cumulative translation differences arising on the translation of the financial statements of foreign entities under ROC GAAP to zero and recognized as retained earnings at the opening IFRSs balance sheet date, January 1, 2012.

D. Deemed cost

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

E. Designated financial instruments

The Group has designated certain "financial assets carried at cost" as "available-for-sale financial assets."

F. Borrowing costs

The Company has chosen to apply the transitional rules (paragraph 27.28) of IAS No. 23, "Borrowing costs", and comply with the standard from the date of transition to IFRSs.

The selection of exemptions above may be different from the actual selection at the date of transition to IFRSs due to the issuance of related regulations by competent authorities, changes in economic environment, or changes in the evaluation of the impact of the Company's selection of exemptions.

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