

**EVERGREEN MARINE CORP. (TAIWAN)
LTD.
CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT
ACCOUNTANTS
JUNE 30, 2012 AND 2011**

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

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen Marine Corporation

We have reviewed the accompanying consolidated balance sheets of Evergreen Marine Corporation (the “Company”) as of June 30, 2012 and 2011, and the related consolidated statements of income, of changes in stockholders' equity, and of cash flows for the six-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a review report on these consolidated financial statements based on our review. We did not review all the affiliated companies included in the consolidated financial statements of the Company's wholly-owned subsidiaries, Peony Investment S.A. and the financial statements of Everport Terminal Services Inc., which statements reflect total assets of 51,157,902 and 48,662,400 thousand New Taiwan dollars, constituting 33.89% and 36.29% of the consolidated total assets as of June 30, 2012 and 2011, respectively, and net operating revenues of 19,408,319 and 17,025,757 thousand New Taiwan dollars, constituting 30.58% and 32.39% of the consolidated net operating revenues for the six-month periods then ended, respectively. In addition, we didn't review 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 14,003,270 and 14,805,507 thousand New Taiwan dollars, constituting 9.28% and 11.04% of the consolidated total assets as of June 30, 2012 and 2011, respectively, and the related investment loss was 1,897,024 and 800,913 thousand New Taiwan dollars for the six-month periods then ended, respectively.

We conducted our reviews in accordance with the Statement of Auditing Standards NO.36 “Review of Financial Statements” issued by the Auditing Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews and the reports of other auditors, we are not aware of any material modifications or adjustments that should be made to the financial statements referred to in the first paragraph in order for them to be in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and generally accepted accounting principles in the Republic of China.

Evergreen Marine Corporation expects to adopt 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 former 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 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

August 28, 2012

Taipei, Taiwan

Republic of China

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

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

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

JUNE 30,

(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

ASSETS	Notes	2012	2011
Current Assets			
Cash and cash equivalents	4(1)	\$ 26,145,659	\$ 21,539,801
Financial assets at fair value through profit or loss - current	4(2)	2,825,383	2,095,972
Held-to-maturity financial assets - current	4(4)	-	944,087
Notes receivable, net		137,053	88,402
Accounts receivable, net	4(6)	13,227,102	8,315,445
Accounts receivable, net - related parties	4(6) and 5	153,690	1,219,574
Other receivables		1,076,256	993,252
Other receivables - related parties	5	435,094	2,735,382
Other financial assets - current	4(7)	-	97,229
Inventories	4(8)	4,902,662	4,690,332
Prepaid expenses		492,839	419,127
Prepayments		316,898	297,098
Deferred income tax assets - current	4(21)	350,050	250,266
Restricted assets	6	543,745	558,992
Other current assets - other	4(9) and 5	3,344,599	3,515,340
Total current assets		<u>53,951,030</u>	<u>47,760,299</u>
Funds and Investments			
Financial assets at fair value through profit or loss - non-current	4(2)	60,175	99,917
Available-for-sale financial assets - non-current	4(3)	568,040	879,849
Held-to-maturity financial assets - non-current	4(4)	370,000	1,280,000
Financial assets carried at cost - non-current	4(5)	1,509,889	1,507,639
Long-term equity investments accounted for under the equity method	4(10)	23,388,927	24,390,199
Other long-term investments		312	3,553
Total funds and investments		<u>25,897,343</u>	<u>28,161,157</u>
Property, Plant and Equipment, Net			
	4(11), 5 and 6		
Land		2,167,967	2,181,833
Buildings		2,849,897	2,653,111
Machinery and equipment		703,629	720,836
Loading and unloading equipment		6,449,333	7,865,889
Computer and communication equipment		338,684	302,754
Transportation equipment		23,921,905	25,706,454
Ships		53,053,509	49,970,079
Office equipment		519,806	504,921
Leased assets		3,073,214	6,751
Leasehold improvements		16,274	15,950
Cost and revaluation increments		93,094,218	89,928,578
Less: Accumulated depreciation		(47,500,025)	(43,266,339)
Construction in progress and prepayments for equipment	7	24,723,350	11,115,765
Total property, plant and equipment, net		<u>70,317,543</u>	<u>57,778,004</u>
Intangible Asset			
Deferred pension costs		416,318	59,300
Other Assets			
Refundable deposits		120,510	110,982
Deferred expenses		264,562	231,741
Other assets - other		161	1,126
Total other assets		<u>385,233</u>	<u>343,849</u>
TOTAL ASSETS		<u>\$ 150,967,467</u>	<u>\$ 134,102,609</u>

(Continued)

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

JUNE 30,

(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	2012	2011
Current Liabilities			
Short-term loans	4(12)	\$ 4,487,100	\$ 2,024,790
Financial liabilities at fair value through profit or loss - current	4(13)	221	427,170
Accounts payable		5,916,233	5,124,034
Accounts payable - related parties	5	119,100	105,644
Income tax payable	4(21)	136,724	494,925
Accrued expenses		9,505,140	9,911,648
Other payables - related parties	5	721,647	158,048
Other payables		1,911,256	4,316,750
Receipts in advance		32,971	83,003
Long-term liabilities - current portion	4(14)	7,853,644	5,181,845
Other current liabilities	5	5,582,641	2,163,173
Total current liabilities		<u>36,266,677</u>	<u>29,991,030</u>
Long-term Liabilities			
Bonds payable	4(15)	3,000,000	2,305,183
Long-term loans	4(16)	43,599,194	28,784,964
Long-term leases payable - non-current		2,302,219	-
Total long-term liabilities		<u>48,901,413</u>	<u>31,090,147</u>
Other Liabilities			
Accrued pension liabilities		2,207,083	1,126,750
Guarantee deposits received		38,883	35,672
Deferred income tax liabilities - non-current	4(21)	1,203,822	1,543,970
Other liabilities - other		968,041	1,636,114
Total other liabilities		<u>4,417,829</u>	<u>4,342,506</u>
Total liabilities		<u>89,585,919</u>	<u>65,423,683</u>
Stockholders' Equities			
Capital			
Common stock	4(17)	34,749,407	31,577,037
Stock dividend to be distributed		-	3,157,544
Capital Surplus			
Paid-in capital in excess of par value of common stock	4(18)	5,817,899	5,805,861
Capital reserve from donated assets		372	372
Capital reserve from long-term investments		1,606,562	1,611,003
Capital reserve from stock warrants		58,271	60,884
Capital reserve - other		6,713	6,713
Retained Earnings			
Legal reserve	4(19)	9,102,785	9,102,785
Special reserve		3,593,280	4,579,324
Undistributed earnings		7,447,559	13,342,210
Other Adjustments on Stockholders' Equity			
Cumulative translation adjustments		(3,529,114)	(5,292,340)
Unrecognized pension cost		(1,233,790)	(707,732)
Unrealized gain or loss on financial instruments		204,491	841,129
Total Parent Company Stockholders' Equities		<u>57,824,435</u>	<u>64,084,790</u>
Minority interest		3,557,113	4,594,136
Total stockholders' equity		<u>61,381,548</u>	<u>68,678,926</u>
Commitments and Contingent Liabilities	7		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>\$ 150,967,467</u>	<u>\$ 134,102,609</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 28, 2012.

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30
(Expressed in thousands of New Taiwan dollars, except (losses) earnings per share)
(UNAUDITED)

Items	Notes	2012		2011	
Operating income	4(20) and 5	\$	63,475,145	\$	53,115,662
Operating costs	4(23) and 5	(	63,106,766 )	(	50,814,053)
Gross profit			368,379		2,301,609
Operating Expenses	4(23) and 5				
General and administrative expenses		(	2,614,090 )	(	2,435,683)
Operating loss		(	2,245,711 )	(	134,074)
Non-operating Income and Gains					
Interest income			110,636		106,627
Dividend income			76,261		442,148
Gain on disposal of property, plant and equipment			680,421		590,033
Gain on disposal of investments	4(5)		21,548		1,068,395
Foreign exchange gain			63,209		141,102
Rental income	5		54,473		60,760
Gain on valuation of financial assets	4(2)		12,881		4,402
Gain on valuation of financial liabilities	4(13)		-		229,391
Other non-operating income	4(5)		318,467		462,043
Total non-operating Income and Gains			<u>1,337,896</u>		<u>3,104,901</u>
Non-operating Expenses and Losses					
Interest expense		(	248,148 )	(	175,853)
Investment loss accounted for under the equity method	4(10)	(	1,747,382 )	(	625,128)
Loss on disposal of property, plant and equipment		(	8,671 )	(	11,490)
Financing charges		(	12,115 )	(	8,894)
Loss on valuation of financial liabilities	4(13)	(	56,004)	(-
Other non-operating losses		(	16,326 )	(	21,446)
Total non-operating Expenses and Losses		(	<u>2,088,646</u> )	(	<u>842,811</u>)
(Loss) income from continuing operations before income tax		(	2,996,461)		2,128,016
Income tax benefit (expense)	4(21)	(	76,284 )	(	589,706)
Consolidated net (loss) income		(	<u>\$ 2,920,177</u>)	\$	<u>1,538,310</u>
Attributable to :					
Equity holder of the Company		(	\$ 2,400,508)	\$	1,387,949
Minority interest		(	519,669 )	(	150,361)
		(	<u>\$ 2,920,177</u>)	\$	<u>1,538,310</u>
		<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>
Basic (losses) earnings per share	4(22)				
Net (loss) income from continuing operations		(	\$ 0.86 )	(	\$ 0.84)
Minority interest loss (income)		(	0.15 )	(	0.06)
Net (loss) income		(	<u>\$ 0.71</u> )	(	<u>\$ 0.69</u>)
Diluted (losses) earnings per share	4(22)				
Net (loss) income from continuing operations		(	\$ 0.86 )	(	\$ 0.84)
Minority interest loss (income)		(	0.15 )	(	0.06)
Net (loss) income		(	<u>\$ 0.71</u> )	(	<u>\$ 0.69</u>)

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 28, 2012.

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Capital		Retained Earnings					Cumulative translation adjustments	Unrecognized pension cost	Unrealized gain or loss on financial instruments	Minority interest	Total
	Common stock	Stock dividend to be distributed	Capital Surplus	Legal reserve	Special reserve	Undistributed earnings						
Year 2011												
Balance at January 1, 2011	\$ 31,248,395	\$ -	\$ 7,202,990	\$ 7,586,240	\$ 957,344	\$ 23,407,874	(\$ 5,055,677)	(\$ 707,771)	\$ 1,184,125	\$ 4,398,045	\$ 70,221,565	
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 on retained earnings due to changes in investees' capital surplus based on percentage of shareholding	-	-	-	-	-	-	(307,036)	39	(265,738)	-	(572,735)	
Translation adjustments arising from investees' financial statements denominated in foreign currencies	-	-	-	-	-	-	70,373	-	-	-	70,373	
Unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	(77,258)	-	(77,258)	
Consolidated net income for the six-month periods ended June 30, 2011	-	-	-	-	-	1,387,949	-	-	-	150,361	1,538,310	
Minority interest	-	-	-	-	-	-	-	-	-	45,730	45,730	
Balance at June 30, 2011	<u>\$ 31,577,037</u>	<u>\$ 3,157,544</u>	<u>\$ 7,484,833</u>	<u>\$ 9,102,785</u>	<u>\$ 4,579,324</u>	<u>\$ 13,342,210</u>	<u>(\$ 5,292,340)</u>	<u>(\$ 707,732)</u>	<u>\$ 841,129</u>	<u>\$ 4,594,136</u>	<u>\$ 68,678,926</u>	
Year 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	-	-	-	-	-	
Conversion of convertible bonds into common stock	14,826	-	12,038	-	-	-	-	-	-	-	26,864	
Stock warrants of convertible bonds	-	-	(2,613)	-	-	-	-	-	-	-	(2,613)	
Adjustments on retained earnings due to changes in investees' capital surplus based on percentage of shareholding	-	-	-	-	-	-	(199,744)	(3,831)	(54,901)	-	(258,476)	
Translation adjustments arising from investees' financial statements denominated in foreign currencies	-	-	-	-	-	-	(673,317)	-	-	-	(673,317)	
Unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	(33,341)	-	(33,341)	
Consolidated net loss for the six-month periods ended June 30, 2012	-	-	-	-	-	(2,400,508)	-	-	-	(519,669)	(2,920,177)	
Minority interest	-	-	-	-	-	-	-	-	-	(358,927)	(358,927)	
Balance at June 30, 2012	<u>\$ 34,749,407</u>	<u>\$ -</u>	<u>\$ 7,489,817</u>	<u>\$ 9,102,785</u>	<u>\$ 3,593,280</u>	<u>\$ 7,447,559</u>	<u>(\$ 3,529,114)</u>	<u>(\$ 1,233,790)</u>	<u>\$ 204,491</u>	<u>\$ 3,557,113</u>	<u>\$ 61,381,548</u>	

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

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 28, 2012.

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	2012	2011
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Consolidated net (loss) income	(\$ 2,920,177)	\$ 1,538,310
Adjustments to reconcile consolidated net (loss) income to net cash provided by operating activities		
Depreciation	2,650,906	2,691,018
Amortization	12,579	9,630
Reclassification of depreciation of loading and unloading equipment to others	103,954	129,293
Reclassification of amortization of deferred charges to others	15,211	22,516
Net gain on disposal of property, plant and equipment	(671,750)	(578,543)
Deficiency of equity-accounted investment gain/(loss) over cash dividends	2,000,976	1,615,112
Amortization of bond discounts	97,616	94,004
Gain on disposal of available-for-sale financial assets	(20,889)	-
Gain on disposal of financial assets carried at cost	-	(744,381)
Gain on disposal of long-term equity investments accounted for under the equity method	94,608	(320,603)
Realized income from capital reduction of financial assets carried at cost	-	(61,638)
Changes in assets and liabilities		
Financial assets and liabilities at fair value through profit or loss	(593,441)	(360,829)
Notes and accounts receivable	(5,533,400)	247,179
Other receivables	446,883	(1,942,619)
Other financial assets	-	61,154
Inventories	(141,419)	(1,194,489)
Prepaid expense and prepayments	(99,169)	(16,521)
Restricted assets	(28,382)	(910)
Agent accounts	1,836,962	(200,254)
Agency reciprocal accounts	700,619	(1,712,743)
Other current assets	921,182	3,666,365
Refundable deposits	(2,940)	(912)
Other assets	2,716	135
Notes and accounts payable	1,099,836	387,942
Income tax payable	(45,565)	315,654
Accrued expenses	784,909	(238,496)
Other payables	733,549	367,423
Receipts in advance	3,851	(392,730)
Other current liabilities	76,072	(47,289)
Accrued pension liabilities	401,010	46,875
Other liabilities	(100,157)	807,528
Deferred income tax assets / liabilities	(208,267)	116,111
Net cash provided by operating activities	1,617,883	4,303,292

(Continued)

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	2012	2011
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Financial assets and liabilities at fair value through profit or loss	(\$ 245,286)	(\$ 228,006)
Decrease (increase) in other receivables	357,304	(6,645)
Proceeds from disposal of available-for-sale financial assets - non-current	22,412	-
Proceeds from disposal of held-to-maturity financial assets	949,570	910,000
Proceeds from capital reduction of financial assets carried at cost	-	62,107
Proceeds from disposal of financial assets carried at cost - non-current	-	3,718,749
Acquisition of long-term equity investment accounted for under the equity method	(1,848,781)	(59,450)
Proceeds from capital reduction of long-term equity investments accounted for under the equity method	366,551	139,538
Proceeds from disposal of long-term equity investments accounted for under the equity method	-	1,139,081
Acquisition of property, plant and equipment	(9,513,640)	(11,523,686)
Proceeds from disposal of property, plant and equipment	1,263,025	1,550,336
Increase in deferred expenses	(19,243)	(17,350)
Net cash used in investing activities	(8,668,088)	(4,315,326)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase (decrease) in short-term loans	623,606	(578,382)
Increase in long-term loans	6,929,841	3,708,886
Increase in long-term leases payable - non-current	372,246	-
Increase (decrease) in other payables	622,966	(2,383)
Increase in bonds payable	2,710,000	-
(Decrease) increase in guarantee deposits received	(867)	3,883
Net change in minority interest	(358,927)	45,730
Net cash provided by financing activities	10,898,865	3,177,734
Effect of exchange rate changes	(709,259)	(1,341,986)
Effect of initial consolidation of subsidiaries	-	(4)
Increase in cash and cash equivalents	3,139,401	1,823,710
Cash and cash equivalents at beginning of period	23,006,258	19,716,091
Cash and cash equivalents at end of period	\$ 26,145,659	\$ 21,539,801
<u>SUPPLEMENTAL INFORMATION OF CASH FLOWS</u>		
Interest paid	\$ 273,132	\$ 105,458
Less: Interest capitalized	(123,743)	(17,026)
Interest paid, excluding interest capitalized	\$ 149,389	\$ 88,432
Income tax paid (received)	\$ 194,478	(\$ 21,733)
<u>FINANCING ACTIVITIES NOT AFFECTING CASH FLOWS</u>		
Long-term liabilities due within one year	\$ 7,853,644	\$ 5,181,845
Conversion of convertible bonds into common stock	\$ 25,500	\$ 658,600

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 28, 2012.

EVERGREEN MARINE CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

(Expressed in thousands currency, except as otherwise indicated)

(Unaudited)

1. HISTORY AND ORGANIZATION

(1) The Company 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 4,657 employees as of June 30, 2012.

(2) 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 Statements 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 (%)		Description
			June 30, 2012	June 30, 2011	
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	

<u>Investor</u>	<u>Subsidiary</u>	<u>Main activities</u>	<u>Ownership (%)</u>		<u>Description</u>
			<u>June 30,</u> <u>2012</u>	<u>June 30,</u> <u>2011</u>	
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	

<u>Investor</u>	<u>Subsidiary</u>	<u>Main activities</u>	<u>Ownership (%)</u>		<u>Description</u>
			<u>June 30, 2012</u>	<u>June 30, 2011</u>	
Peony	EGUD	Agency services dealing with port formalities	100.00	100.00	
"	EGD-WWX	"	100.00	100.00	
"	EGF	"	100.00	100.00	
"	EGN	"	100.00	100.00	
"	EGV	"	51.00	51.00	
"	ESA	"	55.00	55.00	
"	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	EDGL	"	100.00	100.00	
"	EGDV	"	100.00	100.00	
Clove	Ample	Investments in container yards and port terminals	90.00	90.00	
"	Island	Investments in operating machinery and equipment of port terminals	36.00	36.00	

Investor	Subsidiary	Main activities	Ownership (%)		Description
			June 30, 2012	June 30, 2011	
Armand N.V.	Armand B.V.	Investments in operating machinery and equipment of port terminals	100.00	100.00	
Island	Whitney	Investments and leases of operating machinery and equipment of port terminals	100.00	100.00	
//	Hemlock	//	100.00	100.00	
MBPI	MBT	Inland transportation, repairs and cleaning of containers	72.95	72.95	

a. For the information on investee companies included in the consolidated financial statements for the six-month periods ended June 30, 2012, please refer to Note 11.

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

The indirect subsidiary SGTC administered the liquidation procedure on October 30, 2009, as resolved by the stockholders, and completed the procedure on May 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 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 statement of cash flows is 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 certificates, and derivative financial instruments are recognized and derecognized using settlement date accounting. These instruments are initially recognized at their fair values.
- B. These financial instruments are subsequently remeasured and stated at fair value, and the gain or loss is recognized in profit or loss. The fair value of listed stocks and OTC stocks and closed-end mutual funds is based on latest quoted fair prices of the accounting period. The fair value of open-end and balanced mutual funds is based on the net asset value at the balance sheet date.
- C. When a derivative is an ineffective hedging instrument, it is initially recognized at fair value on the date a derivative contract is entered into and is subsequently remeasured at its fair value. If a derivative is a non-option derivative, the fair value initially recognized is zero.
- D. For call options, put options and conversion rights without characteristics of equity, which are embedded in corporate bonds payable, please refer to Note 2 (16).
- E. Financial assets and financial liabilities designated as at fair value through profit or loss at inception are those that conform to one of the following conditions :
- (a) Hybrid products.
 - (b) As a result of the designation, measurement and recognition inconsistency could be decreased significantly or eliminated.
 - (c) The financial products are managed under the method of risk management and investment strategy management established by the Company and performance of the product is assessed by fair value.

(7) Available-for-sale financial assets

- A. Available-for-sale financial assets 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 and OTC stocks and closed-end mutual funds are based on latest quoted fair prices of the accounting period. The fair values of open-end and balanced mutual funds are based on the net asset value at the balance sheet date.
- C. If there is any objective evidence that the financial asset is impaired, the cumulative loss that has been recognized directly in equity shall be transferred from equity to profit or loss. When the fair value of an equity instrument subsequently increases, impairment losses recognized previously in profit or loss shall not be reversed. When the fair value of a debt instrument subsequently increases and the increase can be objectively related to an event occurring after the impairment

loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss recognized in profit or loss.

(8) Held-to-maturity financial assets

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

B. The financial assets are carried at amortized cost.

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

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

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

(11) Inventories

Inventories refer to fuel inventories and steel inventories. Fuel inventories are physically measured by the crew of each ship and reported back to the Head Office through telegraph for recording purposes at balance sheet date. Valuation of inventories is based on the exchange rate prevailing at the balance sheet date. The perpetual inventory system is adopted for steel inventory recognition. Steel inventories are stated at cost. The cost is determined using the weighted-average method. At the end of period, inventories are evaluated at the lower of cost or net realizable value, and the individual item approach is used in the comparison of cost and net realizable value. The calculation of net realizable value should be based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses.

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

(15) Impairment of non-financial assets

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

(16) Corporate bonds payable

A. 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

A. Under the defined benefit pension plan, which is adopted by the Group, net periodic pension costs are recognized in accordance with the actuarial calculations. Net periodic pension costs include service cost, interest cost, expected return on plan assets, and 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.

B. The amount contributed is recognized as pension cost as incurred on an accrual basis. According to R.O.C. SFAS No. 23, "Interim Financial Reporting and Disclosures", the Company can choose not to disclose information on pension, which is stated in paragraph 34 of R.O.C. SFAS No. 18, "Accounting for Pensions."

(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 income 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 income tax liability or asset, is recognized as an adjustment to income tax expense (benefit) for income from continuing operations in the current period.

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

C. A 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.

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

Effective January 1, 2008, pursuant to EITF96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007, "Accounting for Employees' Bonuses and Directors' and Supervisors' Remuneration", the costs of employees' bonuses and directors' and supervisors' remuneration are accounted for as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be estimated reasonably. However, if the accrued amounts for employees' bonuses and directors' and supervisors' remuneration are significantly different from the actual distributed amounts resolved by the

stockholders at their annual stockholders' meeting subsequently, the differences shall be recognized as gain or loss in the following year. In addition, according to EITF97-127 of the Accounting Research and Development Foundation, R.O.C., dated March 31, 2008, "Criteria for Listed Companies in Calculating the Number of Shares of Employees' Stock Bonus", the Company calculates the number of shares of employees' stock bonus based on the closing price of the Company's common stock at the previous day of the stockholders' meeting held in the year following the financial reporting year, and 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 the 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 receivable, accounts receivable 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 income and consolidated earnings per share for the six-month periods ended June 30, 2011.

(2) Operating segments

Effective January 1, 2011, the Group adopted the amendments to 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 income and consolidated earnings per share for the six-month periods ended June 30, 2011.

4. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Cash	\$ 24,887	\$ 26,350
Checking accounts	312,289	1,179,751
Demand deposits	928,926	1,398,902
Foreign currency deposits	3,099,618	4,413,860
Time deposits (New Taiwan Dollars)	7,452,545	1,545,500
Time deposits (Foreign currencies)	13,413,376	12,978,005
Cash equivalents	908,350	-
Add (Less): Unrealized foreign exchange gain (loss)	<u>5,668</u>	<u>(2,567)</u>
	<u>\$ 26,145,659</u>	<u>\$ 21,539,801</u>

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

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Current items:		
Trading financial assets		
Listed (TSE and OTC) stocks	\$ 290	\$ 290
Beneficiary certificates	2,956,377	2,234,347
Cross currency swap	-	2,775
Embedded derivatives	<u>7,903</u>	<u>9,149</u>
	2,964,570	2,246,561
Adjustments	<u>(139,187)</u>	<u>(150,589)</u>
	<u>\$ 2,825,383</u>	<u>\$ 2,095,972</u>

Non-current items:

Financial assets designated as at fair value through profit or loss

Corporate bonds	\$ 100,000	\$ 100,000
Adjustments	<u>(39,825)</u>	<u>(83)</u>
	<u>\$ 60,175</u>	<u>\$ 99,917</u>

A.For the six-month periods ended June 30, 2012 and 2011, the Group recognized net gain of \$12,881 and \$4,402, respectively.

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

(3) Available-for-sale financial assets

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Non-current items:		
Listed (TSE and OTC) stocks		
Central Reinsurance Corp.	\$ 490,801	\$ 490,801
Fubon Financial Holding Co., Ltd.	-	3,871
	<u>490,801</u>	<u>494,672</u>
Adjustments	<u>77,239</u>	<u>385,177</u>
	<u>\$ 568,040</u>	<u>\$ 879,849</u>

(4) Held-to-maturity financial assets

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Current item:		
Financial bonds	<u>\$ -</u>	<u>\$ 944,087</u>
Non-current items:		
Financial bonds	\$ 370,000	\$ 370,000
Corporate bonds	-	910,000
	<u>\$ 370,000</u>	<u>\$ 1,280,000</u>

(5) Financial assets carried at cost

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Non-current item:		
Unlisted stocks	<u>\$ 1,509,889</u>	<u>\$ 1,507,639</u>

A.In June 2011, Fu-Ji Management Consultancy Co., Ltd. (Formerly known as Fubon Securities Finance Co., Ltd.) an investee accounted for under the cost method, reduced its capital. The conversion rate on the capital reduction was 98.44%, and the amount returned to the stockholders was \$10 (in dollars) (par value) per share. As a result of the capital reduction, the proceeds received by the Company based on its proportionate equity interest in Fu-Ji Management Consultancy Co., Ltd. amounted to \$62,106, and the carrying amount of the Company's investment in Fu-Ji Management Consultancy Co., Ltd. was written down by \$468. Accordingly, \$61,638 of income was generated, which was recorded under "non-operating income – others"

B.The Board of Directors adopted a resolution of Clove Holding Ltd. ("Clove") held by the "Classic Outlook Investment Ltd. ("Classic") and Everup Profits 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 transaction Clove investment income for the USD25, 761.

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

(6) Accounts receivable

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Non-related parties	\$ 13,252,551	\$ 8,335,475
Add: Unrealized foreign exchange gain	2,662	60
Less: Allowance for doubtful accounts	(28,111)	(20,090)
	<u>13,227,102</u>	<u>8,315,445</u>
Related parties	<u>153,690</u>	<u>1,219,574</u>
	<u>\$ 13,380,792</u>	<u>\$ 9,535,019</u>

(7) Other financial assets-current

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Futures transaction margin	\$ -	<u>\$ 97,229</u>

(8) Inventories

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Ship fuel	\$ 4,170,632	\$ 3,526,666
Steel and others	<u>732,030</u>	<u>1,163,666</u>
	<u>\$ 4,902,662</u>	<u>\$ 4,690,332</u>

(9) Other current assets - other

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Agent accounts	\$ 799,991	\$ 1,412,684
Agency reciprocal accounts	2,341,435	2,027,315
Temporary debits	<u>203,173</u>	<u>75,341</u>
	<u>\$ 3,344,599</u>	<u>\$ 3,515,340</u>

A. Agency accounts

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

B. Agency reciprocal accounts

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

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

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

Investee company	June 30, 2012 Percentage of ownership	Carrying amount	
		June 30, 2012	June 30, 2011
Charng Yang Development Co., Ltd.	40.00%	\$ 615,086	\$ 579,224
Evergreen International Storage and Transport Corporation	39.74%	7,935,000	7,985,028
EVA Airways Corporation	19.32%	6,948,616	7,070,287
Taipei Port Container Terminal Corporation	27.87%	1,170,097	1,192,241
Luanta Investment (Netherlands) N.V.	50.00%	2,463,867	2,439,889
Balsam Investment (Netherlands) N.V.	49.00%	1,365,687	2,365,202
Colon Container Terminal S.A.	36.00%	2,254,004	2,068,387
Others		636,570	689,941
		<u>\$ 23,388,927</u>	<u>\$ 24,390,199</u>

B. Investment income (loss) accounted for under the equity method for the six-month periods ended June 30, 2012 and 2011 is set forth below:

Investee company	For the six-month periods ended June 30,	
	2012	2011
Charng Yang Development Co. Ltd.	\$ 32,232	\$ 29,298
Evergreen International Storage and Transport Corporation	132,831	165,437
EVA Airways Corporation	(170,247)	64,360
Taipei Port Container Terminal Corporation	(10,649)	(16,516)
Luanta Investment (Netherlands) N.V.	(80,194)	(37,074)
Balsam Investment (Netherlands) N.V.	(1,812,161)	(942,927)
Colon Container Terminal S.A.	84,062	59,117
Others	76,744	53,177
	<u>(\$ 1,747,382)</u>	<u>(\$ 625,128)</u>

C. As resolved by the Board of Directors on March 22, 2011, Peony Investment S.A. (Peony) disposed its long-term equity investment Evergreen Container Terminal (Thailand) Ltd. (ECTT) at USD 4.27 (in dollars) per share, all shares sold, totaling USD 39,200. Peony gained USD 10,754 on this disposal of investment.

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

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 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 six-month periods ended June 30, 2012 according to original ownership as an original shareholder. The capital increase amounts to USD 1,751.

(11) Property, plant and equipment

Asset	June 30, 2012		
	Initial cost	Accumulated depreciation	Net book value
Land	\$ 2,167,967	\$ -	\$ 2,167,967
Buildings	2,849,897	(1,282,568)	1,567,329
Machinery equipment	703,629	(566,499)	137,130
Loading and unloading equipment	6,449,333	(4,687,769)	1,761,564
Computer and communication equipment	338,684	(275,426)	63,258
Transportation equipment	23,921,905	(14,108,028)	9,813,877
Ships	53,053,509	(25,965,571)	27,087,938
Office equipment	519,806	(408,400)	111,406
Lease assets	3,073,214	(199,620)	2,873,594
Leasehold improvements	16,274	(6,144)	10,130
	93,094,218	(47,500,025)	45,594,193
Construction in progress and prepayments for equipment	24,723,350	-	24,723,350
	<u>\$ 117,817,568</u>	<u>(\$ 47,500,025)</u>	<u>\$ 70,317,543</u>

Asset	June 30, 2011		
	Initial cost	Accumulated depreciation	Net book value
Land	\$ 2,181,833	\$ -	\$ 2,181,833
Buildings	2,653,111	(1,224,278)	1,428,833
Machinery equipment	720,836	(559,517)	161,319
Loading and unloading equipment	7,865,889	(5,001,230)	2,864,659
Computer and communication equipment	302,754	(261,819)	40,935
Transportation equipment	25,706,454	(12,989,467)	12,716,987
Ships	49,970,079	(22,840,304)	27,129,775
Office equipment	504,921	(377,946)	126,975
Lease assets	6,751	(5,979)	772
Leasehold improvements	15,950	(5,799)	10,151
	89,928,578	(43,266,339)	46,662,239
Construction in progress and prepayments for equipment	11,115,765	-	11,115,765
	<u>\$ 101,044,343</u>	<u>(\$ 43,266,339)</u>	<u>\$ 57,778,004</u>

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 June 30, 2012 and 2011, the insurance coverage amounted to USD1,325,110 and USD1,293,540, respectively. In addition, the ships were covered by the protection and indemnity insurance with GARD. The indemnity amounts were unlimited except for oil pollution which was limited to USD 34,000,000 and 32,000,000 as of June 30, 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 \$5,705,909 and \$5,822,465 as of June 30, 2012 and 2011, respectively. The fire and car insurance coverage for the office equipment and building was \$4,284,547 and \$4,103,777 as of June 30, 2012 and 2011, respectively. Container facilities were insured with full coverage amounting to USD605,378 and USD606,012 as of June 30, 2012 and 2011, respectively.

C. Interest capitalized to property, plant and equipment amounted to \$123,743 and \$17,026 for the six-month periods ended June 30, 2012 and 2011, respectively.

(12) Short-term loans

	June 30, 2012	June 30, 2011
Secured loans	\$ 4,487,100	\$ 1,780,969
Unsecured loans	-	243,821
	<u>\$ 4,487,100</u>	<u>\$ 2,024,790</u>

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

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Current items:		
Trading financial liabilities		
Interest rate swaps	\$ -	\$ 208,408
Foreign exchange option	-	140,012
Embedded derivatives	221	78,750
	<u>\$ 221</u>	<u>\$ 427,170</u>

A. For the six-month periods ended June 30, 2012 and 2011, the Group recognized net loss of \$56,004 and net gain of \$229,391, respectively.

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

(14) Long-term liabilities - current portion

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Corporate bonds payable	\$ 2,742,273	\$ 554,461
Long-term bank loans	5,111,371	4,627,384
	<u>\$ 7,853,644</u>	<u>\$ 5,181,845</u>

(15) Corporate bonds payable

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Domestic unsecured convertible bonds	\$ 568,600	\$ 594,100
Domestic secured exchangeable bonds	2,210,000	2,500,000
Domestic secured corporate bonds	3,000,000	-
Less: Discount on corporate bonds	(36,327)	(234,456)
	5,742,273	2,859,644
Less: Current portion	(2,742,273)	(554,461)
	<u>\$ 3,000,000</u>	<u>\$ 2,305,183</u>

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

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

b) Coupon rate: 0% per annum

c) Principal repayment and interest payment

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

d) Collaterals

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

accrued interest and debt ancillary to the main liability.

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

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

e) Object exchanged

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

f) Redemption at the Company's option

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

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

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

g) Terms of exchange

(a) Exchange period

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

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

(b) Exchange price

The base day for setting exchange price is July 15, 2009. The exchange price can be any of the three average closing prices of the common stock of EITC during the 1, 3 and 5 trading

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

i) As of June 30, 2012, the Company repurchased \$290,000 of the Exchangeable Bonds.

j) As of June 30, 2012, the bondholders did not exercise the exchange right.

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 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 June 30, 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 totals \$2,000,000, and Bond B totals \$1,000,000. The major terms of the issuance are set forth below:

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

b) Coupon rate: 1.28% fixed per annum

c) Principal repayment and interest payment

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

d) Collaterals

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

D. The conversion rights and debt component of the Third Bonds are recognized separately in accordance with 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.

(16) Long-term loans

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Secured bank loans	\$ 23,723,790	\$ 19,157,646
Unsecured bank loans	24,969,276	14,282,778
Add (less): unrealized foreign exchange loss (gain)	22,598 (	20,497)
Less: Deferred charges - hosting fee credit	(5,099)	(7,579)
	48,710,565	33,412,348
Less: Current portion	(5,111,371)	(4,627,384)
	<u>\$ 43,599,194</u>	<u>\$ 28,784,964</u>

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

(17) Capital

A.As of June 30, 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 six-month periods ended June 30, 2012 and 2011 are set forth below :

	<u>For the six-month periods ended June 30,</u>			
	<u>2012</u>		<u>2011</u>	
	No. of Shares		No. of Shares	
	(in 000's)	Amount	(in 000's)	Amount
Third unsecured convertible bonds	<u>1,483</u>	<u>\$ 14,826</u>	<u>32,864</u>	<u>\$ 328,642</u>

C.The capital increase due to the distribution of stock dividends from retained earnings was \$3,157,544, constituting 315,754 thousand shares of common stocks, as resolved at the stockholders' meeting on June 24, 2011. Such capital increase had been registered in effect by Gin-Gwen-Jen (6) Letter No. 1000035689 of the Financial Supervisory Commission, Executive Yuan, R.O.C. The effective date of the capital increase is September 7, 2011, and the Company registered the change of capital at the Ministry of Economic Affairs on September 23, 2011.

(18) Capital surplus

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

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

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

	<u>2011</u>		<u>2010</u>	
	<u>Total Amount</u>	<u>Dividend per share (in dollars)</u>	<u>Total Amount</u>	<u>Dividend per share (in dollars)</u>
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. As resolved by the stockholders on June 15, 2012, the Company distributed no dividends to shareholders, bonus to employees, or remuneration to the directors and supervisors in order to facilitate future expansion plans.

G.As of June 30, 2012, the Company recognized neither bonus to employees nor remuneration to the directors and supervisors in order to facilitate future expansion plans.

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

(20) Operating revenue

	<u>For the six-month periods ended June 30,</u>	
	<u>2012</u>	<u>2011</u>
Marine freight income	\$ 58,848,196	\$ 50,625,181
Ship rental income	1,466,878	415,012
Commission income and agency service income	842,297	978,036
Container manufacturing income	1,019,876	102,183
Container income and others	1,297,898	995,250
	<u>\$ 63,475,145</u>	<u>\$ 53,115,662</u>

(21) Income tax

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

	<u>For the six-month periods ended June 30,</u>	
	<u>2012</u>	<u>2011</u>
Income tax (benefit) expense	(\$ 76,284)	\$ 589,706
Add (Less):		
Prepaid and withholding taxes	(48,251)	(38,324)
Separate income tax	3,488	30,065
Income tax refund receivable	2,472	-
Adjustments for changes in tax estimates and effect of exchange rate changes	47,032	29,589
Net change in deferred income tax assets/liabilities	<u>208,267</u>	<u>(116,111)</u>
Income tax payable	<u>\$ 136,724</u>	<u>\$ 494,925</u>

B.Deferred income tax assets and liabilities

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Deferred income tax assets-current	\$ 350,064	\$ 250,333
Deferred income tax assets-non-current	97,981	86,772
Deferred income tax liabilities-current	(14)	(67)
Deferred income tax liabilities-non-current	(1,301,803)	(1,630,742)
Valuation allowance	-	-
	<u>(\$ 853,772)</u>	<u>\$ 1,293,704</u>

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

	June 30, 2012		June 30, 2011	
	Amount	Tax effect	Amount	Tax effect
Current items:				
Bad debts expense	\$ 2,349	\$ 400	\$ 1,845	\$ 313
Unrealized foreign exchange loss	19,019	3,194	32,832	5,618
Unrealized revenue and gains	(62)	(14)	(278)	(67)
Loss on valuation of financial assets	131,424	22,342	131,424	22,342
Loss on valuation of financial liabilities	-	-	137,023	23,294
Deffered profit of selling loading and unloading equipment	383	65	-	-
Loss carryforwards	1,224,489	208,257	1,169,211	198,766
Investment tax credits		115,806		-
		<u>\$ 350,050</u>		<u>\$ 250,266</u>
Non-current items:				
Unrealized expense and losses	\$ 50,360	\$ 14,602	\$ 23,728	\$ 7,289
Pension expense	490,476	83,379	467,546	79,483
Equity-accounted investment income	(7,307,569)	(1,247,578)	(9,257,291)	(1,585,016)
Property, plant, and equipment and others	(217,091)	(54,225)	(183,203)	(45,726)
		<u>(\$1,203,822)</u>		<u>(\$1,543,970)</u>

D.The Company is eligible for investment tax credits under the Statute for Upgrading Industry and Involvement in Public Works. Details as of June 30, 2012 are as follows:

Qualifying item	Total tax credits	Unused tax credits	Final year tax credits are due
Machinery	\$ 3,076	\$ 1,246	2012
Machinery	18,398	18,398	2013
Personnel Training	162	162	2013
Significant public works	36,000	36,000	2015
Significant public works	60,000	60,000	2016
	<u>\$ 117,636</u>	<u>\$ 115,806</u>	

E.As of June 30, 2012, losses available to be carried forward were as follows:

Year in which losses incurred	Amount filed / approved	Losses available to be carried forward	Unused loss carryforwards	Final year losses can be carried forward
2009	\$ 2,456,334	\$ 417,577	\$ 207,843	2019

F.As of June 30, 2011, the Company's income tax returns through 2009 have been assessed and approved by the Tax Authority.

G.Unappropriated retained earnings

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Earnings generated in and before 1997	\$ 6,527,940	\$ 5,570,596
Earnings generated in and after 1998	<u>3,320,127</u>	<u>6,383,665</u>
	<u>\$ 9,848,067</u>	<u>\$ 11,954,261</u>

The unappropriated retained earnings represents the accumulated unappropriated retained earnings accounted for in accordance with the "Business Entity Accounting Law". Net income for the six-month periods ended June 30, 2012 and 2011 was not included.

H.As of June 30, 2012 and 2011, the balances of the imputation tax credit account were \$1,032,525 and \$2,535,706, respectively. The creditable tax rate is estimated to be 30.78% for 2011 and was 14.97% for 2010.

(22) (Losses) Earnings per share

	<u>For the six-month periods ended June 30, 2012</u>				
	<u>Amount</u>		<u>Weighted-average</u>	<u>Earnings per share</u>	
	<u>Before tax</u>	<u>After tax</u>	<u>outstanding</u>	<u>(in dollars)</u>	
			<u>common shares</u>	<u>Before tax</u>	<u>After tax</u>
			<u>(in thousands)</u>		
<u>Basic EPS</u>					
Consolidated loss	(\$ 2,996,461)	(\$ 2,920,177)	3,474,208	(\$ 0.86)	(\$ 0.84)
Minority interest	<u>533,244</u>	<u>519,669</u>		<u>0.15</u>	<u>0.15</u>
Consolidated net loss	<u>(\$ 2,463,217)</u>	<u>(\$ 2,400,508)</u>		<u>(\$ 0.71)</u>	<u>(\$ 0.69)</u>
Dilutive effect of common stock equivalents:					
Convertible bonds	<u>Note</u>	<u>Note</u>	<u>Note</u>		
<u>Dilutive EPS</u>					
Consolidated net loss plus dilutive effect of common stock equivalents	<u>(\$ 2,463,217)</u>	<u>(\$ 2,400,508)</u>	<u>3,474,208</u>	<u>(\$ 0.71)</u>	<u>(\$ 0.69)</u>

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

	For the six-month periods ended June 30, 2011				
	Amount		Weighted-average outstanding common shares (in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
<u>Basic EPS</u>					
Consolidated gains	\$ 2,128,016	\$ 1,538,310	3,466,022	\$ 0.61	\$ 0.44
Minority interest	(208,002)	(150,361)		(0.06)	(0.04)
Consolidated net gains	<u>\$ 1,920,014</u>	<u>\$ 1,387,949</u>		<u>\$ 0.55</u>	<u>\$ 0.40</u>
Dilutive effect of common stock equivalents:					
Convertible bonds	<u>7,596</u>	<u>7,596</u>	<u>40,046</u>		
<u>Dilutive EPS</u>					
Consolidated net income plus dilutive effect of common stock equivalents	<u>\$ 1,927,610</u>	<u>\$ 1,395,545</u>	<u>3,506,068</u>	<u>\$ 0.55</u>	<u>\$ 0.40</u>

The weighted-average outstanding common shares for the six-month periods ended June 30, 2011 have been adjusted retroactively in proportion to retained earnings capitalized during the years ended December 31, 2011. The basic and diluted EPS for the six-month periods ended June 30, 2011 were both adjusted from \$0.44 to \$0.40 per share.

(23) Personnel, depreciation and amortization expenses

Personnel, depreciation and amortization expenses are summarized as follows:

	For the six-month periods ended June 30, 2012		
	Operating cost	Operating expense	Total
Personnel expenses			
Salaries	\$ 766,975	\$ 1,315,443	\$ 2,082,418
Labor and health insurance	24,659	121,943	146,602
Pension expense	92,706	130,174	222,880
Others	64,546	53,565	118,111
Depreciation	2,594,638	56,268	2,650,906
Amortization	104,779	11,754	116,533

	For the six-month periods ended June 30, 2011		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Personnel expenses			
Salaries	\$ 734,786	\$ 1,167,750	\$ 1,902,536
Labor and health insurance	19,781	135,368	155,149
Pension expense	91,962	129,271	221,233
Others	108,623	41,615	150,238
Depreciation	2,637,073	53,945	2,691,018
Amortization	129,293	9,624	138,917

5. RELATED PARTY TRANSACTIONS

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

<u>Related Party</u>	<u>Relationship with the Company</u>
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
Chang Yang Development Co., Ltd. (CYD)	Investee accounted for under the equity method
Taipei Port Container Terminal Corporation (TPCT)	Investee accounted for under the equity method
Evergreen International Corporation (EIC)	Investee of the Company's major stockholder
Evergreen Airline Service Corporation (EGAS)	Investee of the Company's major stockholder
Evergreen Marine (Hong Kong) Pte. Ltd. (EGH)	Investee of the Company's major stockholder
Evergreen Marine (Singapore) Pte. Ltd. (EMS)	Investee of the Company's major stockholder
Chang Yung-Fa Charity Foundation	Its chairman being the Company's director
Chang Yung-Fa Foundation	Its chairman being the Company's director
Ningbo Victory Container Co., Ltd. (NVC)	Investee of Peony
Qingdao Evergreen Container Storage and Transportation Co., Ltd. (QECT)	Investee of Peony
Green Peninsula Agencies SDN. BHD. (GPA)	Investee of Peony
Luanta Investment (Netherlands) N.V. (Luanta)	Investee of Peony
Balsam Investment N. V. (Balsam)	Investee of Peony

<u>Related Party</u>	<u>Relationship with the Company</u>
Evergreen Shipping Agency Co. (U.A.E.) LLC. (UAE)	Investee of Peony (Acquired in December 2011)
Taranto Container Terminal S.p.A. (TCT)	Investee of Luanta
Italia Marittima S.p.A.(ITS)	Investee of Balsam
Evergreen Container Terminal (Thailand) Ltd. (ECTT)	Investee of Peony (Sold in March 2011)
Colon Container Terminal S.A. (CCT)	Investee of Peony
Gaining Enterprise S.A. (GESA)	Investee of EITC
Seaside Transportation Service LLC. (STS)	Investee of Island with significant influence
Sinotrans Group Shenzhen Co. (SGSC)	Investee of SGTC with significant influence

(2) Significant transaction and balances with related parties

A. Operating revenue from related parties

	<u>For the six-month periods ended June 30,</u>			
	<u>2012</u>		<u>2011</u>	
	<u>Amount</u>	<u>% of Total Operating Revenue</u>	<u>Amount</u>	<u>% of Total Operating Revenue</u>
EIC	\$ 877,862	2	\$ 1,006,765	2
EITC	46,363	-	44,598	-
EMS	823,986	1	418,965	1
ITS	323,683	1	282,335	1
EGH	211,202	-	233,862	-
EIS	111,279	-	83,584	-
STS	66,193	-	65,351	-
GESA	16,782	-	15,454	-
	<u>\$ 2,477,350</u>	<u>4</u>	<u>\$ 2,150,914</u>	<u>4</u>

The business terms on which the Group transacts with related parties are not different from those with non-related parties.

B.Expenditures on services rendered by related parties

	For the six-month periods ended June 30,			
	2011		2011	
	Amount	% of Total Operating Costs and Expenses	Amount	% of Total Operating Costs and Expenses
EIC	\$ 371,041	1	\$ 305,778	1
EITC	180,929	-	341,855	1
TPCT	27,169	-	34,633	-
ESRC	23,388	-	20,241	-
GESA	779,804	1	762,680	1
EGH	531,877	1	414,188	1
EIS	428,470	1	272,007	-
EMS	79,929	-	43,383	-
ITS	15,317	-	-	-
UAE	14,993	-	-	-
Others	2,856	-	5,620	-
	<u>\$ 2,455,773</u>	<u>4</u>	<u>\$ 2,200,385</u>	<u>4</u>

The business terms on which the Group transacts with related parties are not different from those with non-related parties.

C.Asset transactions

a) Acquisitions of property, plant, and equipment

	Items	For the six-month periods ended June 30,	
		2012	2011
		ESRC	Office equipment	$ 666	$ -
EITC	Vessel	-	502,254
		<u>\$ 666</u>	<u>\$ 502,254</u>

b) Disposal of property, plant and equipment

	Items	For the six-month periods ended June 30,			
		2012		2011	
		Sales Price	Gain on disposal	Sales Price	Gain on disposal
EVA	Office equipment	\$ -	\$ -	\$ 1,626	\$ -

D. Lease

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

	Leasehold Property	For the six-month periods ended June 30,			
		2012		2011	
		Amount	% of Total Rental Income	Amount	% of Total Rental Income
EIC	Office buildings & Parking lots	\$ 46,669	85	\$ 47,613	79
"	Vehicles	441	1	561	1
EVA	Office buildings	1,480	3	615	1
Chang Yung-Fa Charity Foundation	Office buildings	121	-	109	-
ESRC	Parking lots	24	-	48	-
		<u>\$ 48,735</u>	<u>89</u>	<u>\$ 48,946</u>	<u>81</u>

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

	Leasehold Property	For the six-month periods ended June 30,			
		2012		2011	
		Amount	% of Total Rental Expenses	Amount	% of Total Rental Expenses
EIC	Office buildings	\$ 22,641	99	\$ 21,573	99
EVA	Office buildings	31	-	239	1
		<u>\$ 22,672</u>	<u>99</u>	<u>\$ 21,812</u>	<u>100</u>

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

	For the six-month periods ended June 30,			
	2012		2011	
	Amount	% of Total Vessel and Slottage Expenses	Amount	% of Total Vessel and Slottage Expenses
EITC	\$ 97,042	6	\$ 240,252	15
GESA	779,804	45	762,680	50
EIS	414,978	24	272,007	17
EMS	79,930	5	43,383	3
EGH	16,389	-	4,184	-
ITS	15,317	-	3,499	-
	<u>\$ 1,403,460</u>	<u>80</u>	<u>\$ 1,326,005</u>	<u>85</u>

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:

	June 30, 2012		June 30, 2011	
	Amount	% of Account Balance	Amount	% of Account Balance
<u>Accounts receivable</u>				
EIC	\$ 58,043	1	\$ 187,949	2
EITC	22,615	-	21,786	-
ITS	28,730	-	13,229	-
EMS	21,911	-	29,382	1
EGH	10,575	-	-	-
EIS	8,645	-	962,298	10
Others	3,171	-	4,930	-
	<u>\$ 153,690</u>	<u>1</u>	<u>\$ 1,219,574</u>	<u>13</u>
	June 30, 2012		June 30, 2011	
	Amount	% of Account Balance	Amount	% of Account Balance
<u>Other receivables</u>				
EITC	\$ 127,274	9	\$ 298,046	8
EIC	50,939	3	90,390	2
CYD	26,940	2	25,400	1
EVA	273	-	574,115	15
QECT	36,620	3	29,234	1
ECTT	-	-	1,129,649	30
GPA	-	-	91,986	2
Others	112,288	7	95,582	3
	<u>\$ 354,334</u>	<u>24</u>	<u>\$ 2,334,402</u>	<u>62</u>

	June 30, 2012		June 30, 2011	
	Amount	% of Account Balance	Amount	% of Account Balance
<u>Accounts Payable</u>				
EIC	\$ 14,827	-	\$ 28,951	1
EITC	17,221	-	11,096	-
ITS	22,924	1	24,044	1
EMS	26,182	1	17,821	-
EGH	17,749	-	12,991	-
EIS	16,074	-	7,544	-
Others	4,123	-	3,197	-
	<u>\$ 119,100</u>	<u>2</u>	<u>\$ 105,644</u>	<u>2</u>
	June 30, 2012		June 30, 2011	
	Amount	% of Account Balance	Amount	% of Account Balance
<u>Other Payables</u>				
EIS	\$ -	-	\$ 20,825	1
Others	102	-	-	-
	<u>\$ 102</u>	<u>-</u>	<u>\$ 20,825</u>	<u>1</u>

F. Loans granted to related parties

Loans granted to the related parties as of June 30, 2012 and 2011 are as follows:

For the six-month periods ended June 30, 2012

	Maximum balance	Ending balance	Annual interest rate	Total interest
Loans receivable from related parties (classified as other receivables-related parties)				
Luanta	\$ 80,760	<u>\$ 80,760</u>	1.34%~3.69%	<u>\$ 495</u>
Loans payable to related parties (classified as other payables-related parties)				
GESA	\$ 598,280	\$ 598,280	1.46%~1.47%	\$ 2,280
ITS	44,871	44,871	1.70%~1.73%	386
EIS	78,546	<u>78,394</u>	-	<u>-</u>
		<u>\$ 721,545</u>		<u>\$ 2,666</u>

For the six-month periods ended June 30, 2011

	Maximum balance	Ending balance	Annual interest rate	Total interest
Loans receivable from related parties (classified as other receivables-related parties)				
Luanta	\$ 400,980	\$ <u>400,980</u>	1.29%~4.43%	\$ <u>6,059</u>
Loans payable to related parties (classified as other payables-related parties)				
EIS	\$ 79,698	\$ 79,698	-	\$ -
ITS	57,525	<u>57,525</u>	1.30%	<u>378</u>
		<u>\$ 137,223</u>		<u>\$ 378</u>

(3) Endorsements and guarantees for related parties

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

Companies receiving guarantees	June 30, 2012		June 30, 2011	
Balsam	USD	78,400	USD	49,000
CCT	USD	9,600	USD	9,600
TCT	USD	23,783	USD	20,817

(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 June 30, 2012 and 2011, the receivables were \$57,149 and \$67,050, respectively. The contract has been effective 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 June 30, 2012 and 2011 the debit balances of the account are as follows:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
EMS	\$ 11,759	\$ 9,339
EIS	6,907	6,138
GESA	5,849	6,744
EGH	3,801	4,258
	<u>\$ 28,316</u>	<u>\$ 26,479</u>

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 "agency accounts in other assets (liabilities)-current". As of June 30, 2012 and 2011, the debit balances of the accounts are as follows:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
EIC	\$ 137,381	\$ 195,390
UAE	18,463	-
	<u>\$ 155,844</u>	<u>\$ 195,390</u>

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 assets (liabilities)-current". Details of the balance as of June 30, 2012 and 2011 are as follows:

a) Debit balances of agency reciprocal accounts

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
EIS	\$ 2,102,674	\$ 1,586,100
ITS	173,774	-
GESA	28,401	32,633
	<u>\$ 2,304,849</u>	<u>\$ 1,618,733</u>

b) Credit balances of agency reciprocal accounts

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
EGH	\$ 154,647	\$ 153,928
EMS	524,430	101
ITS	-	374,349
	<u>\$ 679,077</u>	<u>\$ 528,378</u>

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 six-month periods ended June 30, 2012 and 2011 are as follows:

	<u>June 30, 2012</u>		<u>June 30, 2011</u>
EITC	\$ 42,813	\$	41,962
EIS	29,631		27,063
EMS	16,183		14,751
GESA	12,734		11,461
EGH	11,571		10,498
ITS	4,410		4,443
	<u>\$ 117,342</u>	\$	<u>110,178</u>

6. PLEDGED ASSETS

The Group's assets pledged as collateral as of June 30, 2012 and 2011 are as follows:

<u>Pledged assets</u>	<u>Book value</u>		<u>Purpose</u>
	<u>June 30, 2012</u>	<u>June 30, 2011</u>	
Restricted assets			Performance
- Time deposits	\$ 543,745	\$ 558,992	guarantee
Refundable deposits			
- Time deposits	2,000	2,000	"
Property, plant and equipment			Long-term
-Land	1,800,093	1,800,093	loan
-Buildings	801,005	826,774	"
-Transportation equipment	641,552	677,234	"
-Ships	12,835,064	12,839,031	"
-Loading and unloading equipment	1,287,408	2,258,226	"
Long-term equity investments accounted for under the equity method - EITC	1,620,356	1,630,572	Exchange corporate bonds payable as subject
	<u>\$ 19,531,223</u>	<u>\$ 20,592,922</u>	

7. COMMITMENTS AND CONTINGENT LIABILITIES

A.As of June 30, 2012, the Company had delegated Deutsche Bank to issue Letter of Certificate amounting to USD 5,000.

B.For details on the Group's endorsements and guarantees, please refer to Notes 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 USD

115,000. Another 2,085,856 units, representing 20,858,634 shares of the Company's common stocks, were issued during the period from 1997 to June 30, 2012. As of June 30, 2011, 7,960,285 units were redeemed and 392,601 units were outstanding, representing 3,926,084 shares of the Company's common stocks.

D. As of June 30, 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 containers and general working capital requirement amounted to \$40,275,824 and the unutilized credits was \$14,882,682.

E. As of June 30, 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	243,658
1~2 years		72,054
2~3 years		53,839
3~4 years		39,989
4~5 years		29,565
over 5 years		51,322
(in discounted present value USD 40,297)		
	<u>USD</u>	<u>490,427</u>

F. As of June 30, 2012, the amount of guaranteed notes issued by the Company for loans borrowed was \$22,529,827.

G. To meet operational needs, the Group signed the shipbuilding contracts for thirteen container vessels from Samsung Heavy Industries Co., Ltd.. As of June 30, 2012, the total price of shipbuilding contracts amounted to USD1,339,000, USD607,700 of which remain unpaid.

H. To meet operational needs, the Group signed the shipbuilding contracts for seven container vessels from Taiwan Shipbuilding Co., Ltd.. As of June 30, 2012, the total price of shipbuilding contracts amounted to USD721,000, USD648,900 of which remain unpaid.

8. SIGNIFICANT CATASTROPHE

None.

9. SUBSEQUENT EVENTS

None.

10. OTHERS

(1) Financial statement disclosure

Certain accounts in the financial statements as of June 30, 2011 were reclassified to conform to the financial statement as of June 30, 2012.

(2) Fair value information of financial instruments

	June 30, 2012		
		Fair Value	
	Book value	Quotations in an active market	Estimated using a valuation technique
<u>Non-derivative financial instruments :</u>			
Assets			
Cash and cash equivalents	\$ 26,145,659	\$ -	\$ 26,145,659
Notes and accounts receivable	15,029,195	-	15,029,195
Financial assets at fair value through profit or loss			
Equity securities	195	195	-
Beneficiary certificates	2,817,285	2,817,285	-
Corporate bonds	60,175	-	60,175
Restricted assets	543,745	-	543,745
Available-for-sale financial assets - non-current	568,040	568,040	-
Held-to-maturity financial assets - non-current	370,000	-	370,000
Financial assets carried at cost - non-current	1,509,889	-	-
Refundable deposits	120,510	-	120,510
Liabilities			
Short-term loans	4,487,100	-	4,487,100
Notes and accounts payable	18,173,376	-	18,173,376
Bonds payable (including current portion)	5,742,273	-	5,742,273
Long-term loans (including current portion)	48,710,565	-	48,710,565
Guarantee deposits received	38,883	-	38,883
<u>Derivative financial instruments :</u>			
Assets			
Embedded derivatives	7,903	-	7,903
Liabilities			
Embedded derivatives	221	-	221

	June 30, 2011		
		Fair Value	
	Book value	Quotations in an active market	Estimated using a valuation technique
<u>Non-derivative financial instruments :</u>			
Assets			
Cash and cash equivalents	\$ 21,539,801	\$ -	\$ 21,539,801
Notes and accounts receivable	13,352,055	-	13,352,055
Financial assets at fair value through profit or loss			
Equity securities	269	269	-
Beneficiary certificates	2,083,779	2,083,779	-
Corporate bonds	99,917	-	99,917
Held-to-maturity financial assets -current	944,087	-	944,087
Other financial assets - current	97,229	-	97,229
Restricted assets	558,992	-	558,992
Available-for-sale financial assets - non-current	879,849	879,849	-
Held-to-maturity financial assets - non-current	1,280,000	-	1,280,000
Financial assets carried at cost - non-current	1,507,639	-	-
Refundable deposits	110,982	-	110,982
Liabilities			
Short-term loans	2,024,790	-	2,024,790
Notes and accounts payable	19,616,124	-	19,616,124
Bonds payable (including current portion)	2,859,644	-	2,859,644
Long-term loans (including current portion)	33,412,348	-	33,412,348
Guarantee deposits received	35,672	-	35,672
<u>Derivative financial instruments :</u>			
Assets			
Cross currency swap	2,775	-	2,775
Embedded derivatives	9,149	-	9,149
Liabilities			
Interest rate swap	208,408	-	208,408
Foreign exchange option	140,012	-	140,012
Embedded derivatives	78,750	-	78,750

The methods and assumptions used to estimate the fair values 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, other financial assets, refundable deposits, restricted assets, short-term loans, notes and accounts payable and guarantee deposits received.

- B. For financial assets at fair value through profit or loss and available-for-sale financial assets with quoted market price available in an active market, the fair value is determined using the quoted market price. When there is no quoted market price for reference, a substitute valuation technique is used to measure the fair value which incorporates all factors that market participants would consider in making estimations and assumptions for setting a price and wherein such information is available to the Group.
- C. Held-to-maturity financial assets are those with fixed or determinable receivables 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 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 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. Quotation price from counterparties are available for reference in setting fair values for the Group's derivative financial instruments.

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

- A. For the six-month periods ended June 30, 2012 and 2011, total interest income for financial assets or financial liabilities that are not at fair value through profit or loss amounted to \$108,641 and \$106,098, respectively whereas the total interest expense amounted to \$248,148 and \$174,947, respectively.
- B. For the six-month periods ended June 30, 2012 and 2011, the adjustments of shareholders' equity resulting from available-for-sale financial assets were debit \$33,341 and \$77,258, 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 \$0, respectively.

(4) Information on interest rate risk positions

As of June 30, 2012 and 2011, the financial liabilities with fair value risk due to the change of interest rate amounted to \$0 and \$208,408, respectively. The financial assets with cash flow risk due to the change of interest rate amounted to \$4,028,045 and \$6,186,125, whereas the financial liabilities with cash flow risk due to the change of interest rate amounted to \$48,204,032 and \$33,200,896, 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 loans 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 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 comes primarily from long-term financing with floating interest. The Group adopts a combination of fixed and floating interest rate methods upon issuance of loans to manage such interest rate risks. In addition, the Group also engages in interest rate swaps to minimize cost of borrowings.

As of June 30, 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

	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>over 3 years</u>	<u>Total</u>
Cash and cash equivalents	\$ 21,780,303	\$ -	\$ -	\$ -	\$ 21,780,303
Restricted assets	543,745	-	-	-	543,745
Bank loan	(200,000)	(200,000)	(2,198,732)	(2,400,000)	(4,998,732)
Corporate bonds payable	-	-	-	(3,000,000)	(3,000,000)

b) Floating interest rate

	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>over 3 years</u>	<u>Total</u>
Cash and cash equivalents	\$ 4,028,045	\$ -	\$ -	\$ -	\$ 4,028,045
Bank loan	(9,398,472)	(9,469,882)	(8,701,060)	(20,634,618)	(48,204,032)

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 above 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 businesses that involves a number of non-functional currencies. Details of these foreign currency denominated assets and liabilities and the exchange rates are as follows:

	<u>June 30, 2012</u>		<u>June 30, 2011</u>	
	<u>Foreign</u>		<u>Foreign</u>	
	<u>currency</u>	<u>Exchange rate</u>	<u>currency</u>	<u>Exchange rate</u>
Financial assets :				
<u>Monetary items</u>				
VND	\$ -	-	\$ 58,940,833	0.0014
IDR	54,440,347	0.0032	11,875,784	0.0034
KRW	7,965,696	0.0259	7,892,836	0.0269
USD	567,905	29.9140	386,988	28.8175
THB	195,094	0.9389	229,045	0.9369
JPY	-	-	203,523	0.3576
INR	317,741	0.5266	74,394	0.6453
CNY	-	-	60,599	4.4568
ZAR	30,740	3.5579	46,866	4.2399
EUR	54,751	37.2489	43,864	41.7076
HKD	-	-	34,148	3.7033
SGD	-	-	2,434	23.3908
GBP	-	-	1,658	46.3515
AUD	-	-	1,098	30.8751
<u>Non-monetary items</u>				
USD	144,881	29.9140	124,922	28.8175
MYR	75,794	9.3642	119,781	9.5296
JPY	-	-	114,920	0.3576
Long-term equity investments accounted for under the equity method				
USD	233,727	29.9140	272,573	28.8175

	June 30, 2012		June 30, 2011	
	Foreign currency	Exchange rate	Foreign currency	Exchange rate
Financial liabilities :				
<u>Monetary items</u>				
VND	\$ -	-	\$ 68,977,557	0.0014
IDR	46,291,416	0.0032	30,883,015	0.0034
KRW	-	-	3,957,020	0.0269
USD	1,394,603	29.9140	791,074	28.8175
INR	362,211	0.5266	396,468	0.6453
THB	271,125	0.9389	259,004	0.9369
GBP	97,820	46.4654	134,662	46.3515
ZAR	-	-	23,282	4.2399
EUR	23,803	37.2489	24,673	41.7076
MYR	-	-	4,598	9.5296
SGD	-	-	2,366	23.3908

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 below:

June 30, 2012		
Financial instruments	Book value	Maximum credit exposure amount
Financial assets at fair value through profit or loss		
Trading financial assets	\$ 2,817,480	\$ 2,817,480
Financial assets designated as at fair value through profit or loss	60,175	60,175
Available-for-sale financial assets		
Equity securities	568,040	568,040
Held-to-maturity financial assets		
Financial bonds	370,000	370,000
Financial assets carried at cost		
Equity securities	1,509,889	1,509,889
June 30, 2011		
Financial instruments	Book value	Maximum credit exposure amount
Financial assets at fair value through profit or loss		
Trading financial assets	\$ 2,086,823	\$ 2,086,823
Financial assets designated as at fair value through profit or loss	99,917	99,917
Available-for-sale financial assets		
Equity securities	879,849	879,849
Held-to-maturity financial assets		
Financial bonds	1,314,087	1,314,087
Corporate bonds	910,000	910,000
Financial assets carried at cost		
Equity securities	1,507,639	1,507,639

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 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.

11. ADDITIONAL DISCLOSURES REQUIRED BY THE SECURITIES AND FUTURES

(1) Related information of significant transactions

A. Loans granted during the six-month periods ended June 30, 2012 : None.

B. Endorsements and guarantees provided during the six-month periods ended June 30, 2012

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 endorsements/guarantees amount during the six-month periods ended June 30, 2012	Outstanding endorsements/guarantees amount at June 30, 2012	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsements/guarantees 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	\$ 114,180,502	\$ 27,934,805 USD 933,837	\$ 27,934,805 USD 933,837	\$ -	48.93%	\$ 142,725,628
0	Evergreen Marine Corporation	Peony Investment S.A.	2	114,180,502	442,727 USD 14,800	442,727 USD 14,800	-	0.78%	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Ltd.	3	114,180,502	52,281,888 USD 1,769,973	51,501,481 USD 1,721,651	-	90.21%	
0	Evergreen Marine Corporation	Taranto Container Terminal S.p.A.	6	28,545,126	605,759 USD 20,250	605,759 USD 20,250	-	1.06%	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	3	114,180,502	2,996,306 USD 100,164	2,996,306 USD 100,164	-	5.25%	
0	Evergreen Marine Corporation	Hemlock Equipment LLC.	3	114,180,502	1,729,328 USD 57,810	1,729,328 USD 57,810	-	3.03%	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	28,545,126	287,174 USD 9,600	287,174 USD 9,600	-	0.50%	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	28,545,126	2,345,258 USD 78,400	2,345,258 USD 78,400	-	4.11%	

Note 1: The numbers are assigned as follows:

"0" denotes issuer

The investee is numbered starting from "1" in sequence by different company.

Note 2: Nature of the counterparty's relationship with the Company or its subsidiaries

"1" denotes the endorsements/guarantees provided to the companies which have transactions with the Company or its subsidiaries.

"2" denotes the endorsements/guarantees provided to the subsidiaries of which the Company holds more than 50% of the common stock.

"3" denotes the endorsements/guarantees provided to the investees of which the Company together with its subsidiaries hold more than 50% of the common stock.

"4" denotes the endorsements/guarantees provided to the companies which directly or indirectly hold more than 50% of the Company's common stock.

"5" denotes the endorsements/guarantees provided pursuant to construction contracts.

"6" denotes the endorsements/guarantees provided to joint venture companies based on the Company's or its subsidiaries proportionate equity interest in the Company.

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

Note 4: According to the Company's credit policy, the total amount of endorsements or guarantees provided by the Company or its subsidiaries should not exceed 250% of the net worth stated in the latest financial statements.

The calculation is as follows:

The Company: $57,090,251 * 250\% = 142,725,628$

C. Marketable securities held as of June 30, 2012

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	June 30, 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	\$ 41,569,576	100.00	\$ 41,722,392	(Note)
	Taiwan Terminal Services Co., Ltd.	"	"	5,500	83,614	55.00	83,614	(Note)
	Everport Terminal Services Inc.	"	"	1	2,991	100.00	2,991	(Note)
	Chang Yang Development Co., Ltd.	Investee company accounted for under the equity method	"	49,898	615,086	40.00	615,086	
	Evergreen International Storage and Transport Corp.	"	"	424,062	7,935,000	39.74	6,276,122	
	Evergreen Security Corporation	"	"	6,336	98,792	31.25	98,792	
	EVA Airways Corporation	"	"	629,483	6,948,616	19.32	11,425,121	
	Taipei Port Container Terminal Corporation	"	"	88,344	799,734	21.03	798,185	
	Power World Fund Inc.	None	Financial assets carried at cost - non-current	1,290	12,898	5.68	6,746	
	Fu-Ji Management Consultancy Co., Ltd.	"	"	99	-	4.93	5,558	
	Taiwan HSR Consortium	"	"	126,735	1,250,000	1.95	643,814	
	Linden Technologies, Inc.	"	"	50	15,372	2.53	-	Convertible Preferred Stocks (no fair value)
	Toplogis, Inc.	"	"	2,464	22,100	17.48	17,977	
	Ever Accord Construction Corp.	"	"	7,700	43,749	17.50	92,168	
Central Reinsurance Corp.	"	Available-for-sale financial assets - non-current	46,561	568,040	8.45	568,040		
China Man-Made Fiber Corporation	"	Financial assets at fair value through profit or loss-current	22	195	-	195		

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	June 30, 2012				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Evergreen Marine Corporation	Beneficiary certificates:							
	Fubon Chi-Hsiang Fund	None	Financial assets at fair value through profit or loss-current	37,185	\$ 565,032	-	\$ 565,032	
	Mega Diamond Money Market Fund	"	"	46,548	563,754	-	563,754	
	FSITC Money Market Fund	"	"	5,768	996,076	-	996,076	
	Eastspring Investments Well Pool Money Market Fund	"	"	23,634	310,959	-	310,959	
	Yuanta Wan Tai Money Market Fund	"	"	26,018	381,464	-	381,464	
	Financial bonds:							
	TLG Private Placement Subordinated Mandatory Convertible Bond at Maturity	"	Financial assets at fair value through profit or loss -non-current	-	60,175	-	60,175	
	Bank of Taichung 1st Unsecured Subordinated Financial Debentures issued in 2010	"	Held-to-maturity financial assets -non-current	-	220,000	-	220,000	
	Ta Chong Commercial Bank 1st Unsecured Subordinated Financial Debentures-B issued in 2009	"	"	-	100,000	-	100,000	
	Sunny Bank 1st Subordinated Financial Debentures-B issued 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 six-month periods ended June 30, 2012

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	Beneficiary Certificates:													
	Mega Diamond Money Market Fund	Financial Assets at fair value through profit or loss-current	Open market transaction	None	25,879	\$311,129	20,669	\$ 250,000	-	\$ -	\$ -	\$ -	46,548	\$561,129
	FSITC Money Market Fund	"	"	"	4,318	740,246	1,450	250,000	-	-	-	-	5,768	990,246
	Eastspring Investments Well Pool Money Market Fund	"	"	"	4,609	60,021	19,025	250,000	-	-	-	-	23,634	310,021
	Yuanta Wan Tai Money Market Fund	"	"	"	8,944	130,000	17,074	250,000	-	-	-	-	26,018	380,000
	Polaris De-Li Money Market Fund	"	"	"	26,155	410,055	-	-	26,155	411,795	410,055	1,740	-	-

E. Acquisition of real estate properties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month periods ended June 30, 2012 : None

F. Disposal of real estate properties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month periods ended June 30, 2012 : None

G. Purchases from or sales to related parties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month periods ended June 30, 2012

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transactions term compared to a third party transactions		Notes/accounts receivable (payable)		Remark
			Purchases/Sales	Amount	% of total purchases/sales	Credit term	Unit price	Credit term	Balance	% of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Evergreen International Storage & Transport Corp.	Investee accounted for under equity method	Purchases	\$ 180,929	2%	30~60 days	\$ -	-	(\$ 17,221)	2%	
	Evergreen International Corp.	Investee of the Company's major shareholder	Purchases	171,995	2%	30~60 days	-	-	(14,694)	2%	
	"	"	Sales	875,579	11%	30~60 days	-	-	57,149	8%	
	Taiwan Terminal Services Co., Ltd.	Subsidiary of the Company	Purchases	357,045	4%	30~60 days	-	-	(53,628)	6%	(Note)
	Gaining Enterprise S.A.	Subsidiary of EITC accounted for under equity method	Purchases	779,804	9%	30~60 days	-	-	-	-	

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

H. Receivables from related parties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month periods ended June 30, 2012

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	\$ 108,088	-	\$ -	-	\$ 81,308	\$ -
	Evergreen International Storage & Transport Corp.	Investee accounted for under equity method	149,889	-	-	-	127,253	-

I. Derivative financial instruments undertaken for the six-month periods ended June 30, 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:

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 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	\$ 41,569,576	(\$ 2,534,963)	(\$ 2,526,613)	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	83,614	2,432	1,337	" (Note)
	Everport Terminal Services Inc.	1209 Orange St in the city of Wilmington, Country of New Castle	Terminal Services	USD 100	USD 100	1	100.00	2,991	-	-	" (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	615,086	80,580	32,232	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	7,935,000	330,677	132,831	"
	Evergreen Security Corporation	4&5F, No.111, Sungjiang Rd., Taipei, Taiwan	General security guards services	25,000	25,000	6,336	31.25	98,792	30,979	9,681	"
	EVA Airways Corporation	11F, No.376, Section 1, Hsinnan Rd., Lu Chu Township, Taoyuan County, Taiwan	International passenger and cargo transportation	10,767,879	10,767,879	629,483	19.32	6,948,616	(881,399)	(170,247)	"
	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	799,734	(34,584)	(7,274)	"

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 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.	Clove Holding Ltd.	Craigmuir Chambers, P. O. Box71, Road Town, Tortola, B.V.I.	Investment holding company	USD 52,549	USD 52,549	10	100.00	USD 66,367	USD 2,342	USD 2,342	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 7,048	USD 816	USD 816	" (Note)
	Evergreen Shipping Agency (Ireland) Ltd.	22 Fitzwilliam Place, Dublin 2, Ireland	Shipping agency	USD 95	USD 95	0.1	100.00	USD 210	USD 11	USD 11	" (Note)
	Evergreen Shipping Agency (Korea) Corp.	12Fl, Royal Building 5, Dangju-Dong, Chongro-Ku, Seoul, Korea	Shipping agency	USD 2,426	USD 2,426	121	100.00	USD 1,795	USD 419	USD 419	" (Note)
	Evergreen Shipping Agency (Netherlands) B.V.	Port City II-Havennummer 2235, Waalhaven ZZ 19, 3089 JH Rotterdam, Netherlands	Shipping agency	USD 3,977	USD 3,977	0.047	100.00	USD 5,265	USD 445	USD 445	" (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 554	USD 9	USD 9	" (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 866,571	(USD 13,815)	(USD 13,815)	" (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 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 505	(USD 7)	(USD 7)	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (India) Pvt. Ltd.	Mararhon Nextgon Innova "A" G01, Opp. Peninsula Corporate Park, off G.K.Marg. Lower Parel (W), Mumbai, 400-013, India	Shipping agency	USD 184	USD 184	100	99.99	USD 3,402	USD 804	USD 804	" (Note)
	Evergreen Argentina S.A.	Pje. Carabelas 344, (C1009AAD), Buenos Aires. Argentina	Leasing	USD 140	USD 140	150	95.00	USD 81	(USD 92)	(USD 88)	" (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 1,572	USD 131	USD 131	" (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 8,875	USD 1,378	USD 1,309	" (Note)
	PT. Multi Bina Transport	JL. Raya Cakung Cilincing, KM.4, Jakarta Utara 14260, Indonesia	Repair and cleaning of containers, and inland transportation	USD 804	USD 804	2	17.39	USD 427	USD 303	USD 53	" (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 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 47,093	USD 1,888	USD 1,594	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 8,742	(USD 140)	(USD 98)	" (Note)
	Evergreen Shipping (Spain) S.L.	Calle Siete Aguas, 11 - Eetlo. 46023 Valencia, Spain	Shipping agency	USD 3,870	USD 3,870	3	55.00	USD 2,338	USD 1,749	USD 962	" (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 1,641	(USD 227)	(USD 125)	" (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 74,689	(USD 45,957)	(USD 23,438)	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 351	USD 326	USD 220	" (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 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 street, St., Petersburg, 191186 Russia	Shipping agency	USD 848	USD 848	-	51.00	USD 793	USD 1,485	USD 758	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Singapore) PTE. Ltd.	200 Cantonment Rd. #12-02 Southpoint, Singapore 089763	Shipping agency	USD 2,157	USD 2,157	765	51.00	USD 4,831	USD 549	USD 280	" (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 2,053	USD 1,202	USD 613	" (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 838	USD 1,126	USD 575	" (Note)
	PT. Evergreen Shipping Agency Indonesia	GD. Mega Plaza, 9F Jl. H.R. Rasuna said kav. C-03 Jakarta 12920, Indonesia	Shipping agency	USD 973	USD 973	0.459	51.00	USD 2,582	USD 1,020	USD 520	" (Note)
	Evergreen Agency (South Africa) (PTY) Ltd.	9B Riley Road, Bedfordview, Johannesburg 2007, South Africa	Shipping agency	USD 581	USD 581	5,500	55.00	USD 3,102	USD 1,023	USD 563	" (Note)
	Kingstrans International Logistics (Tianjing) Co., Ltd.	JiYun East Rd., No.295, Tianjin Port Continer Logistics Center, New Binhai District, Tianjin	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 2,000	USD 2,000	-	20.00	USD 2,637	USD 496	USD 99	" (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 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, Rotterdam	Investment holding company	USD 34,912	USD 33,161	460	50.00	USD 82,365	(USD 5,410)	(USD 2,705)	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 183,192	USD 122,696	0.451	49.00	USD 45,654	(USD 124,740)	(USD 61,123)	"
	Ningbo Victory Container Co., Ltd.	No.201 Xiaoshan Rd., Taipingyang Industrial Area, Beilun, Ningbo, Zhejiang, China	Inland container transportation, container storage, loading, discharging, leasing, repair, and bracket repair	USD 1,199	USD 1,199	-	40.00	USD 2,174	USD 304	USD 121	"
	Qingdao Evergreen Container Storage & Transportation Co., Ltd.	No.114 Huangho E. Rd., Huangdao District Qingdao, China	Container transportation, storage, loading, discharging, leasing, repair, clearing, and related activities	USD 4,447	USD 4,447	-	40.00	USD 7,205	USD 2,012	USD 805	"
	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 6,984	USD 2,676	USD 803	"
	Evergreen Shipping Agency Co. (U.A.E) LLC	5F, Shipping Tower, Al-Mina Rd., P.O. BOX 34984, Dubai, U.A.E	Shipping agency	USD 2,082	USD 2,082	-	49.00	USD 1,615	USD 1,088	USD 533	"

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 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 12,468	(USD 130)	(USD 130)	Indirect subsidiary of the Company (Note)
Armand Estate B.V.	Taipei Port Container Terminal Corporation	No.25 Sjajhuwei, Syuntang Village,Bali Township, Taipei County, Taiwan	Container distribution and cargo stevedoring	USD 12,678	USD 12,678	41,000	9.76	USD 12,381	(USD 1,167)	(USD 114)	Investee company of Armand Estate B.V. accounted for under the equity method
Clove Holding Ltd.	Ample Holding Ltd.	Craigmuir Chambers,P.O.BOX71,Road Town,Tortola, B.V.I.	Investment holding company	USD 9	USD 9	9	90.00	USD 38,340	USD 2,732	USD 2,459	Indirect subsidiary of the Company (Note)
	Island Equipment LLC.	655 Deep Valley Drive, Suite 300, Rolling Hills Estates, CA	Investment holding company	USD 144	USD 144	-	36.00	USD 2,160	USD 306	USD 110	" (Note)
Ample Holding Ltd.	Colon Container Terminal S.A.	COCO SOLO NORTH ADM BUILDING PANAMA	Inland container storage and loading	USD 22,860	USD 22,860	22,860	40.00	USD 75,349	USD 7,088	USD 2,835	Investee company of Ample Holding Ltd. accounted for under the equity method
Island Equipment LLC.	Whitney Equipment LLC.	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	Equipment leasing company	USD 200	USD 200	-	100.00	USD 1,857	USD 183	USD 183	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 4,096	USD 136	USD 136	" (Note)

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 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 (Tianjing) Co., Ltd.	JiYun East Rd., No.295, Tianjin Port Continer Logistics Center, New Binhai District, Tianjin	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 2,000	USD 2,000	-	20.00	USD 2,637	USD 496	USD 99	Indirect subsidiary of the Company (Note)
	Island Equipment LLC.	655 Deep Valley Drive, Suite 300, Rolling Hills Estates, CA	Investment holding company	USD 60	USD 60	-	15.00	USD 900	USD 306	USD 46	" (Note)
	Evergreen Shipping Agency (UK) Limited.	160 Euston Road, London NW 12 DX, U.K.	Shipping agency	USD 0.002	USD 0.002	-	100.00	USD 4,035	USD 92	USD 92	" (Note)
PT. Multi Bina Pura International	PT. Multi Bina Transport	JL. Raya Cakung Cilincing, KM.4, Jakarta Utara 14260, Indonesia	Repair and cleaning of containers, and inland transportation	USD 3,301	USD 3,301	8	72.95	IDR 16,961,666	IDR 2,785,095	IDR 2,031,727	" (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 458	EUR 13	EUR 13	" (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 168	EUR 13	EUR 13	" (Note)

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

B. Loans granted for the six-month periods ended June 30, 2012

No.	Creditor	Borrower	General ledger account	Maximum outstanding balance for the six-month periods ended June 30, 2012	Balance at June 30, 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 International Logistics (Tianjin) Co., Ltd	Receivables from related parties (Note 4)	\$ 44,871	\$ 44,871	\$ 44,871	1.736	2	\$ -	Working capital requirement	\$ -	-	\$ -	\$ 11,418,050	\$ 22,836,100
		Luanta Investment (Netherlands) N.V.	"	439,665	499,917	80,259	1.339 ~ 3.690	2	-	"	-	-	-	11,418,050	22,836,100
2	Clove Holding Ltd.	Witney Equipment LLC.	" (Note 4)	29,914	29,914	29,914	1.468	2	-	"	-	-	-	11,418,050	22,836,100
3	Evergreen Marine (UK) Ltd.	Kingtrans International Logistics (Tianjin) Co.,Ltd	" (Note 4)	44,871	44,871	44,871	1.736	2	-	"	-	-	-	11,418,050	22,836,100

Note 1: Nature of loans extended

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

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

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

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

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

The calculation is as follows:

The Company: $57,090,251 * 20\% = 11,418,050$

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:

The Company: $57,090,251 * 40\% = 22,836,100$

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

C. Endorsements and guarantees provided during the six-month periods ended June 30, 2012

Number (Note 1)	Endorser/ guarantor	Party being endorsed/ guarantee	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsements/ guarantee amount during the six-month periods ended June 30, 2012	Outstanding endorsements/ guarantee amount at June 30, 2012	Amount of endorsements/ guarantee secured with collateral	Ratio of accumulated endorsements/guarantee amount to net asset value of the Company	Ceiling on total amount of endorsements/ guarantees provided (Notes 3 and 4)
1	Greencompass Marine S.A.	Taranto Container Terminal S.p.A.	1	\$ 163,624	\$ 105,694 (USD 3,533)	\$ 105,694 (USD 3,533)	\$ -	0.40%	\$ 65,839,705

Note 1: The numbers are assigned as follows:

"0" denotes issuer

The investee is numbered from "1".

Note 2: Nature of the counterparty's relationship with the Company or its subsidiaries

"1" denotes the endorsements/guarantees provided to the companies which have transactions with the Company or its subsidiaries.

"2" denotes the endorsements/guarantees provided to the subsidiaries of which the Company holds more than 50% of the common stock.

"3" denotes the endorsements/guarantees provided to the investees of which the Company together with its subsidiaries hold more than 50% of the common stock.

"4" denotes the endorsements/guarantees provided to the companies which directly or indirectly hold more than 50% of the Company's common stock.

"5" denotes the endorsements/guarantees provided pursuant to construction contracts.

"6" denotes the endorsements/guarantees provided to joint venture companies based on the Company's or its subsidiaries proportionate equity interest in the Company.

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

Note 4: According to GMS's credit policy, the total amount of endorsements or guarantees provided by GMS or its subsidiaries should not exceed 250% of the net worth stated in the latest financial statements.

The calculation is as follows:

$USD880,387 * 29.914 * 250\% = 65,839,705$

D. Marketable securities held as of June 30, 2012

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	June 30, 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 66,367	100.00	USD 66,367	(Note)
	Evergreen Shipping Agency (Deutschland) GmbH	"	"	-	USD 7,048	100.00	USD 7,048	(Note)
	Evergreen Shipping Agency (Ireland) Ltd.	"	"	0.1	USD 210	100.00	USD 210	(Note)
	Evergreen Shipping Agency (Korea) Corporation	"	"	121	USD 1,795	100.00	USD 1,795	(Note)
	Evergreen Shipping Agency (Netherlands) B.V.	"	"	0.047	USD 5,265	100.00	USD 5,265	(Note)
	Evergreen Shipping Agency (Poland) SP.ZO.O	"	"	2	USD 554	100.00	USD 554	(Note)
	Greencompass Marine S.A.	"	"	3,535	USD 866,571	100.00	USD 866,571	(Note)
	Vigor Enterprise S.A.	"	"	5	USD 505	100.00	USD 505	(Note)
	Evergreen Shipping Agency (India) Pvt. Ltd.	"	"	100	USD 3,402	99.99	USD 3,402	(Note)
	Evergreen Argentina S.A.	"	"	150	USD 81	95.00	USD 81	(Note)
	Evergreen Shipping Agency France S.A.S.	"	"	5	USD 1,572	100.00	USD 1,572	(Note)
	PT Multi Bina Pura International	"	"	17	USD 8,875	95.03	USD 8,875	(Note)
	PT Multi Bina Transport	"	"	2	USD 427	17.39	USD 427	(Note)
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	"	"	42,120	USD 47,093	84.44	USD 47,093	(Note)
	Armand Investment (Netherlands) N.V.	"	"	4	USD 8,742	70.00	USD 8,742	(Note)
	Evergreen Shipping (Spain) S.L.	"	"	3	USD 2,338	55.00	USD 2,338	(Note)
	Evergreen Shipping Agency (Italy) S.p.A.	"	"	0.55	USD 1,641	55.00	USD 1,641	(Note)
	Evergreen Marine (UK) Ltd.	"	"	765	USD 74,689	51.00	USD 74,689	(Note)
	Evergreen Shipping Agency (Australia) Pty Ltd.	"	"	0.675	USD 351	67.50	USD 351	(Note)
	Evergreen Shipping Agency (Russia) Limited	"	"	-	USD 793	51.00	USD 793	(Note)
	Evergreen Shipping Agency (Singapore) Pte. Ltd.	"	"	765	USD 4,831	51.00	USD 4,831	(Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	"	"	408	USD 2,053	51.00	USD 2,053	(Note)
	Evergreen Shipping Agency (Vietnam) Corp.	"	"	-	USD 838	51.00	USD 838	(Note)
PT. Evergreen Shipping Agency Indonesia	"	"	0.459	USD 2,582	51.00	USD 2,582	(Note)	
Evergreen Agency (South Africa) (PTY) Ltd.	"	"	5,500	USD 3,102	55.00	USD 3,102	(Note)	

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	June 30, 2012				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Investee of Peony Investment S.A. accounted for under the equity method	Long-term equity investment accounted for under the equity method	460	USD 82,365	50.00	USD 82,365	
	Balsam Investment (Netherlands) N.V.	"	"	0.451	USD 45,654	49.00	USD 45,654	
	Evergreen Shipping Agency Co. (U.A.E) LLC	"	"	-	USD 1,615	49.00	USD 1,615	
	Ningbo Victory Container Co., Ltd.	"	"	-	USD 2,174	40.00	USD 2,174	
	Qingdao Evergreen Container Storage & Transportation Co., Ltd.	"	"	-	USD 7,205	40.00	USD 7,205	
	Green Peninsula Agencies SDN. BHD.	"	"	1,500	USD 6,984	30.00	USD 6,984	
	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Indirect subsidiary of the Company	"	-	USD 2,637	20.00	USD 2,637	(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		
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indirect subsidiary of the Peony	Long-term equity investment accounted for under the equity method	8	IDR 16,961,666	72.95	IDR 16,961,666	(Note)
Clove Holding Ltd.	Ample Holding LTD.	"	"	9	USD 38,340	90.00	USD 38,340	(Note)
	Island Equipment LLC.	"	"	-	USD 2,160	36.00	USD 2,160	(Note)
Ample Holding Ltd.	Colon Container Terminal S. A.	Investee of Ample accounted for under the equity method	"	22,860	USD 75,349	40.00	USD 75,349	
Island Equipment LLC.	Whitney Equipment LLC.	Investee of Island accounted for under the equity method	"	-	USD 1,857	100.00	USD 1,857	(Note)
	Hemlock Equipment LLC.	"	"	-	USD 4,096	100.00	USD 4,096	(Note)
Evergreen Marine (UK) Ltd.	Island Equipment LLC.	Investee of EMU accounted for under the equity method	"	-	USD 900	15.00	USD 900	(Note)

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	June 30, 2012				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Evergreen Marine (UK) Ltd.	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Indirect subsidiary of the Peony	Long-term equity investment accounted for under the equity method	-	USD 2,637	20.00	USD 2,637	(Note)
	Evergreen Shipping Agency (UK) Limited	"	"	-	USD 4,035	100.00	USD 4,035	(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	
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Indirect subsidiary of the Peony	Long-term equity investment accounted for under the equity method	0.045	USD 12,468	100.00	USD 12,468	(Note)
Armand Estate B.V.	Taipei Port Container Terminal Corporation	Investee of Armand Estate B.V. accounted for under the equity method	"	41,000	USD 12,381	9.76	USD 12,381	
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 458	100.00	EUR 458	(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 168	100.00	EUR 168	(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 six-month periods ended June 30, 2012: None.

F.Acquisition of real estate properties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month periods ended June 30, 2012: None.

G.Disposal of real estate properties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month periods ended June 30, 2012: None.

H.Purchases from or sales to related parties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month periods ended June 30, 2012:

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transactions term compared to a third party transactions		Notes/accounts receivable (payable)		Remark
			Purchases/Sales	Amount	% of total purchases/sales	Credit term	Unit price	Credit term	Balance	% of total notes/accounts receivable (payable)	
Taiwan Terminal Services Co., Ltd.	Evergreen Marine Corp.	The parent	Sales	\$ 357,045	100%	30~60 days	\$ -	-	\$ 53,628	65%	(Note)
Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	Related party	Sales	USD 6,153	1%	15~30 days	-	-	USD 276	-	
		Related party	Purchases	USD 16,618	1%	15~30 days	-	-	USD 553	1%	
	Evergreen International S.A.	Related party	Purchases	USD 13,997	1%	15~30 days	-	-	USD 360	1%	
	Evergreen Marine (UK) Ltd.	Related party	Sales	USD 8,102	1%	15~30 days	-	-	USD 206	-	(Note)
		Related party	Purchases	USD 4,494	-	15~30 days	-	-	-	-	(Note)
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Greencompass Marine S.A.	Related party	Sales	MYR 27,932	21%	45 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Related party	Sales	MYR 51,376	38%	45 days	-	-	-	-	
Evergreen Marine (UK) Ltd.	Greencompass Marine S.A.	Related party	Purchases	USD 8,102	1%	30~60 days	-	-	-	-	(Note)
		Related party	Sales	USD 4,494	1%	30~60 days	-	-	USD 1,043	-	(Note)
	Evergreen International Corporation	Related party	Purchases	USD 3,918	1%	30~60 days	-	-	-	-	

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

I. Receivables from related parties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month periods ended June 30, 2012 :

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		
Greencompass Marine S.A.	Evergreen Marine Corp.	The Parent (Note)	USD 6,575		USD -	-	USD -	USD -
Evergreen Marine (UK) Ltd.	"	" (Note)	USD 5,267		USD -	-	USD 8	USD -

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

J. Derivative financial instrument 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, 2011	Amount remitted		Accumulated amount of remittance to Mainland China as of June 30, 2012	Ownership held by the Company (direct/indirect)	Investment income (loss) recognized by the Company for the six-month periods ended June 30, 2012 (Notes 2(b)and(c))	Book value of investment in Mainland China as of June 30, 2012	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2012
					to Mainland China	back to Taiwan					
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, discharging, and repair of brackets	CNY 24,119	(2)	\$ 30,437 (USD 1,018)	\$ -	\$ -	\$ 30,437 (USD 1,018)	40.00	\$ 3,601 (USD 121)	\$ 65,033 (USD 2,174)	\$ -
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container loading, discharging, restore, repair, clearing, and related activities	CNY 92,500	(2)	\$ 133,025 (USD 4,447)	-	-	\$ 133,025 (USD 4,447)	40.00	\$ 23,859 (USD 805)	\$ 215,527 (USD 7,205)	-
Shenzhen Greentrans Transportation Co., Ltd.	Inland container loading, discharging, restore, repair, clearing, and transportation	CNY 44,960	(2)	\$ 93,758 (USD 3,134)	-	Note 4	\$ 93,758 (USD 3,134)	Note 4	Note 4	Note 4	-
Shenzhen Hutchison Inland Container Depots Co., Ltd.	Inland container yards	HKD 92,000	(2)	\$ 24,305 (HKD 6,304)	-	-	\$ 24,305 (HKD 6,304)	6.85	\$ -	\$ 24,305 (HKD 6,304)	-

Investee in Mainland 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 June 30, 2012	Ownership held by the Company (direct/ indirect)	Investment income (loss) recognized by the Company for the six-month periods ended June 30, 2012 (Note 2(b)and(c))	Book value of investment in Mainland China as of June 30, 2012	Accumulated amount of investment income remitted back to Taiwan as of June 30, 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)	\$ 119,656 (USD 4,000)	\$ -	\$ -	\$ 119,656 (USD 4,000)	40.00	\$ 5,880 (USD 198)	\$ 157,744 (USD 5,274)	\$ -

Balance of investments in Mainland China as of June 30, 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)
\$401,181 (USD 12,599) (HKD 6,304)	\$1,079,665 (USD 36,092)	\$34,254,151

(Net worth of the Company: \$57,090,251)

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

- (1) Remitting the funds to Mainland China via a third country
- (2) Via a new investee to be set up in a third country
- (3) Via an existing investee set up in a third country
- (4) Investing directly in Mainland China
- (5) Others

Note 2: Investment income (loss) for the year

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

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

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

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

(c) Others

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

Note 4: Shenzhen Greentrans Transportation Co., Ltd. completed its liquidation procedure on May 31, 2012. The amount assigned will be collected after it has been approved by the Mainland China officials.

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
June 30, 2012

Number Note (1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			Ratio of total revenue or total assets (%)
				Account	Amount	Trade condition	
0	Evergreen Marine Cooperation	Taiwan Terminal Service Co., Ltd	1	Accounts payable	\$ 53,628	Note 3	0.04
		"	1	Operating revenue	1,488	"	-
		"	1	Operating cost	357,045	"	0.56
		Greencompass Marine S.A.	1	Accounts receivable	8,653	"	0.01
		"	1	Other receivables	17	"	-
		"	1	Agency reciprocal accounts - credit	527,672	"	0.35
		"	1	Operating revenue	51,491	"	0.08
		"	1	Operating cost	36	"	-
		Evergreen Marine (UK) Ltd.	1	Accounts receivable	3,580	"	-
		"	1	Other receivables	1,070	"	-
		"	1	Agency reciprocal accounts - credit	152,939	"	0.10
		"	1	Operating revenue	18,634	"	0.03
		Peony Investment S.A.	1	Other receivables	35	"	-
		Whitney Equipment LLC.	1	Other receivables	10	"	-
		Evergreen Shipping Agency (India) Pvt. Ltd.	1	Operating cost	934	"	-
		"	1	Agency accounts - debit	67,850	"	0.04
		"	1	Other receivables	2	"	-
		Evergreen Shipping Agency (Thailand) Co., Ltd.	1	Operating cost	12,033	"	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 (Thailand) Co., Ltd.	1	Agency accounts - debit	\$ 6,874	Note 3	-
		PT. Evergreen Shipping Agency Indonesia	1	Agency accounts - debit	16,689	"	0.01
		"	1	Operating cost	12,442	"	0.02
		Evergreen Shipping Agency (Singapore) Pte. Ltd.	1	Agency accounts - debit	957	"	-
		"	1	Operating cost	5,732	"	0.01
		Evergreen Shipping Agency (Korea) Corporation	1	Operating cost	528	"	-
		"	1	Agency accounts - credit	1,059	"	-
		Evergreen Shipping Agency (Deutschland) GmbH	1	Agency accounts - debit	612	"	-
		"	1	Operating cost	3,178	"	0.01
		Evergreen Shipping Agency (Ireland) Ltd.	1	Agency accounts - credit	4	"	-
		"	1	Operating cost	180	"	-
		Evergreen Shipping Agency (Netherlands) B.V.	1	Accounts payable	3	"	-
		"	1	Agency accounts - credit	1,289	"	-
		"	1	Operating cost	5,371	"	0.01
Evergreen Shipping Agency (Poland) SP.ZO.O	1	Agency accounts - credit	969	"	-		
"	1	Accounts payable	1	"	-		
"	1	Operating cost	458	"	-		

Number Note (1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			Ratio of total revenue or total assets (%)
				Account	Amount	Trade condition	
0	Evergreen Marine Coorporation	Evergreen Shipping Agency France S.A.S.	1	Agency accounts - credit	\$ 596	Note 3	-
		"	1	Operating cost	62	"	-
		Evergreen Shipping (Spain) S.L.	1	Operating cost	752	"	-
		"	1	Agency accounts - credit	488	"	-
		Evergreen Shipping Agency (Italy) S.p.A.	1	Agency accounts - debit	232	"	-
		"	1	Operating cost	1,576	"	-
		Evergreen Shipping Agency (Russia) Limited	1	Agency accounts - credit	69	"	-
		Evergreen Shipping Agency (Vietnam) Corp.	1	Operating cost	8,847	"	0.01
		"	1	Agency accounts - credit	8,317	"	0.01
		Evergreen Shipping Agency (Australia) Pty. Ltd.	1	Agency accounts - debit	854	"	-
		"	1	Operating cost	5	"	-
		Kingstrans International Logistics (Tianjing) Co., Ltd	1	Other receivables	56	"	-
		Evergreen Shipping Agency (UK) Limited	1	Operating cost	1,928	"	-
		"	1	Agency accounts - credit	828	"	-
		Everport Terminal Services Inc.	1	Short-term advances	2,955	"	-
		Evergreen Shipping Agency (Switzerland) S.A.	1	Agency accounts - debit	43	"	-
		Evergreen Shipping Agency (Austria) GmbH	1	Agency accounts - debit	3	"	-
"	1	Operating cost	411	"	-		
Evergreen Shipping Agency (South Africa) (PTY) Ltd.	1	Agency accounts - credit	60	"	-		
1	Peony Investment S.A.	PT. Evergreen Shipping Agency Indonesia	3	Other receivables	24,637	"	0.02
		Evergreen Shipping Agency (Deutschland) GmbH	3	Other receivables	72,904	"	0.05
		Evergreen Argentina S.A.	3	Other receivables	8	"	-
		Kingstrans International Logistics (Tianjing) Co., Ltd	3	Other receivables	44,960	"	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	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Operating revenue	\$ 240,211	Note 3	0.38
		"	3	Operating cost	116,546	"	0.18
		"	3	Accounts receivable	6,165	"	-
		"	3	Agency reciprocal accounts - debit	760,579	"	0.50
		"	3	Accounts payable	31,212	"	0.02
		Evergreen Shipping Agency (India) Pvt. Ltd.	3	Agency accounts - debit	28	"	-
		"	3	Operating cost	12,771	"	0.02
		Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Agency accounts - debit	24,107	"	0.02
		"	3	Operating cost	27,550	"	0.04
		PT. Evergreen Shipping Agency Indonesia	3	Agency accounts - debit	64	"	-
		"	3	Operating cost	20,785	"	0.03
		Evergreen Shipping Agency (Singapore) Pte. Ltd.	3	Agency accounts - debit	5,750	"	-
		"	3	Operating cost	17,197	"	0.03
		Evergreen Shipping Agency (Korea) Corporation	3	Agency accounts - credit	14,800	"	0.01
		"	3	Operating cost	25,936	"	0.04
		Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts receivable	3,372	"	-
		"	3	Accounts payable	8,125	"	0.01
		"	3	Operating cost	39,848	"	0.06
Evergreen Shipping Agency (Ireland) Ltd.	3	Agency accounts - debit	1,648	"	-		
"	3	Operating cost	2,072	"	-		

Number Note (1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
2	Greencompass Marine S.A.	Evergreen Shipping Agency (Netherlands) B.V.	3	Accounts receivable	\$ 2,065	Note 3	-
		"	3	Agency accounts - credit	8,779	"	0.01
		"	3	Operating cost	27,655	"	0.04
		Evergreen Shipping Agency (Poland) SP.ZO.O	3	Accounts receivable	635	"	-
		"	3	Operating cost	2,044	"	-
		"	3	Accounts payable	1	"	-
		Evergreen Shipping Agency France S.A.S.	3	Agency accounts - credit	1,032	"	-
		"	3	Agency accounts - debit	22,797	"	0.02
		"	3	Operating cost	23,817	"	0.04
		Evergreen Shipping (Spain) S.L.	3	Agency accounts - debit	7,096	"	-
		"	3	Operating cost	16,742	"	0.03
		Evergreen Shipping Agency (Italy) S.p.A.	3	Agency accounts - debit	22,991	"	0.02
		"	3	Agency accounts - credit	25,646	"	0.02
		"	3	Operating cost	18,631	"	0.03
		Evergreen Shipping Agency (Vietnam) Corp.	3	Agency accounts - credit	2,680	"	-
		"	3	Agency accounts - debit	66	"	-
"	3	Operating cost	15,389	"	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	Greencompass Marine S.A.	Evergreen Shipping Agency (Australia) Pty. Ltd.	3	Agency accounts - credit	\$ 653	Note 3	-		
		"	3	Agency accounts - debit	2,462	"	-		
		"	3	Operating cost	2,685	"	-		
		Evergreen Shipping Agency (South Africa) (PTY) Ltd.	3	Agency accounts - debit	6,299	"	-		
		"	3	Operating cost	7,340	"	0.01		
		Evergreen Shipping Agency (UK) Limited	3	Operating cost	39,590	"	0.06		
		"	3	Agency accounts - credit	5,370	"	-		
		Evergreen Shipping Agency (Austria) GmbH	3	Operating cost	598	"	-		
		"	3	Agency accounts - debit	7	"	-		
		Evergreen Shipping Agency (Switzerland) S.A.	3	Agency accounts - debit	12	"	-		
		"	3	Operating cost	170	"	-		
		3	Evergreen Marine (UK) Ltd.	Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Agency accounts - debit	4,470	"	-
				"	3	Agency accounts - credit	3,774	"	-
				"	3	Operating cost	20,053	"	0.03
Evergreen Shipping Agency (India) Pvt. Ltd.	3			Agency accounts - debit	8,861	"	0.01		
"	3			Operating cost	12,662	"	0.02		
PT. Evergreen Shipping Agency Indonesia	3			Agency accounts - credit	888	"	-		
"	3			Agency accounts - debit	8,321	"	0.01		
"	3			Operating cost	14,800	"	0.02		
Evergreen Shipping Agency (Singapore) Pte. Ltd.	3			Agency accounts - debit	280	"	-		
"	3			Operating cost	6,909	"	0.01		
3	Evergreen Shipping Agency (Korea) Corporation	Evergreen Shipping Agency (Korea) Corporation	3	Agency accounts - credit	729	"	-		
		"	3	Agency accounts - debit	11,100	"	0.01		
		"	3	Operating cost	5,391	"	0.01		
		"	3	Operating cost	5,391	"	0.01		

Number Note (1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
3	Evergreen Marine (UK) Ltd.	Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts receivable	\$ 2,397	Note 3	-
		"	3	Accounts payable	20,832	"	0.01
		"	3	Operating cost	83,784	"	0.13
		Evergreen Shipping Agency (Ireland) Ltd.	3	Other receivables	126	"	-
		"	3	Agency accounts - credit	477	"	-
		"	3	Agency accounts - debit	12,663	"	0.01
		"	3	Operating revenue	1,361	"	-
		"	3	Operating cost	5,851	"	0.01
		Evergreen Shipping Agency (Netherlands) B.V.	3	Accounts receivable	7,615	"	0.01
		"	3	Operating cost	99,202	"	0.16
		Evergreen Shipping Agency (Poland) SP.ZO.O	3	Accounts receivable	1,838	"	-
		"	3	Agency accounts - credit	1,319	"	-
		"	3	Operating cost	4,786	"	0.01
		Evergreen Shipping Agency France S.A.S.	3	Agency accounts - debit	24,771	"	0.02
		"	3	Operating cost	67,785	"	0.11
		Evergreen Shipping (Spain) S.L.	3	Agency accounts - debit	880	"	-
		"	3	Operating cost	18,769	"	0.03
		Evergreen Shipping Agency (Italy) S.p.A.	3	Agency accounts - debit	14,954	"	0.01
		"	3	Agency accounts - credit	1,667	"	-
		"	3	Operating cost	7,933	"	0.01

Number Note (1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
3	Evergreen Marine (UK) Ltd.	Evergreen Shipping Agency (Russia) Limited	3	Accounts payable	\$ 8	Note 3	-
		"	3	Agency accounts - debit	18,683	"	0.01
		"	3	Operating cost	1,492	"	-
		Evergreen Shipping Agency (Vietnam) Corp.	3	Agency accounts - credit	1,829	"	-
		"	3	Agency accounts - debit	2,119	"	-
		"	3	Operating cost	16,361	"	0.03
		Evergreen Shipping Agency (Australia) Pty. Ltd.	3	Operating cost	156	"	-
		"	3	Agency accounts - debit	428	"	-
		Evergreen Shipping Agency (South Africa) (PTY) Ltd.	3	Agency accounts - debit	16	"	-
		"	3	Agency accounts - credit	514	"	-
		"	3	Operating cost	423	"	-
		Evergreen Shipping Agency (UK) Limited	3	Agency accounts - credit	5,252	"	-
		Kingstrans International Logistics (Tianjing) Co., Ltd	3	Other receivables	44,871	"	0.03
		Evergreen Shipping Agency (Switzerland) S.A.	3	Operating cost	6,879	"	0.01
		"	3	Agency accounts - credit	52	"	-
Evergreen Shipping Agency (Austria) GmbH	3	Operating cost	6,226	"	0.01		
"	3	Agency accounts - credit	146	"	-		
4	PT.Multi Bina Pura International	PT.Multi Bina Transport	3	Accounts receivable	421	"	-
		"	3	Accounts payable	180	"	-
		"	3	Other payables	241	"	-
		"	3	Operating revenue	3,006	"	-
		"	3	Operating cost	1,649	"	-
		PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	669	"	-
		"	3	Operating cost		"	

Number Note (1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
5	Island Equipment LLC.	Everport Terminal Services Inc.	3	Other receivables	\$ 6,253	Note 3	-
6	Clove Holding Ltd.	Whitney Equipment LLC.	3	Other receivables	29,951	"	0.02
7	Evergreen Shipping Agency (Russia) Limited	Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts receivable	8,098	"	0.01
		"	3	Accounts payable	8,510	"	0.01
		"	3	Operating revenue	37,983	"	0.06
8	Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Austria) GmbH	3	Accounts payable	4	"	-
9	Evergreen Heavy Industrial Co., (Malaysia) Berhad	Greencompass Marine S.A.	3	Operating revenue	268,023	"	0.42
10	PT.Multi Bina Transport	PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	1,314	"	-

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			Ratio of total revenue or total assets (%)
				Account	Amount	Trade condition	
0	Evergreen Marine Corporation	Taiwan Terminal Service Co., Ltd.	1	Accounts payable	\$ 41,533	Note 3	0.03
		"	1	Other receivables	3	"	-
		"	1	Operating revenue	1,468	"	-
		"	1	Operating cost	360,473	"	0.67
		Greencompass Marine S.A.	1	Accounts receivable	7,367	"	0.01
		"	1	Other receivables	20	"	-
		"	1	Agency reciprocal accounts-debit	362,842	"	0.27
		"	1	Operating revenue	43,299	"	0.08
		"	1	Operating cost	41,749	"	0.08
		Evergreen Marine (UK) Ltd.	1	Accounts receivable	3,004	"	-
		"	1	Other receivables	600	"	-
		"	1	Agency reciprocal accounts- debit	34,447	"	0.03
		"	1	Operating revenue	16,799	"	0.03
		PT.Multi Bina Pura International	1	Other receivables	2	"	-
		Evergreen Shipping Agency (India) Pvt. Ltd.	1	Operating cost	1,360	"	-
		"	1	Other receivables	2	"	-
		"	1	Agency accounts-debit	25,541	"	0.02
		Evergreen Shipping Agency (Thailand) Co., Ltd.	1	Agency accounts-debit	10,542	"	0.01
		"	1	Operating cost	8,630	"	0.02
		PT. Evergreen Shipping Agency Indonesia	1	Agency accounts- debit	28,721	"	0.02
		"	1	Operating cost	13,607	"	0.03

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Singapore) Pte. Ltd.	1	Agency accounts- credit	\$ 812	Note 3	-
		"	1	Operating cost	6,295	"	0.01
		Evergreen Shipping Agency (Korea) Corporation	1	Operating cost	647	"	-
		"	1	Accounts payable	812	"	-
		"	1	Agency accounts- credit	257	"	-
		Evergreen Shipping Agency (Deutschland) GmbH	1	Agency accounts-debit	742	"	-
		"	1	Operating cost	5,214	"	0.01
		Evergreen Shipping Agency (Ireland) Ltd.	1	Agency accounts- debit	589	"	-
		"	1	Operating cost	277	"	-
		Evergreen Shipping Agency (Netherland) B.V.	1	Agency accounts- credit	1,618	"	-
		"	1	Operating cost	5,167	"	0.01
		Evergreen Shipping Agency (Poland) SP.ZO.O	1	Agency accounts- debit	1	"	-
		"	1	Operating cost	691	"	-
		Evergreen Shipping Agency France S.A.S.	1	Agency accounts- credit	155	"	-
"	1	Operating cost	471	"	-		
Evergreen Shipping (Spain) S.L.	1	Operating cost	465	"	-		
"	1	Other receivables	2	"	-		
"	1	Agency accounts- credit	26	"	-		

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	\$ 7,809	Note 3	0.01
		"	1	Operating cost	3,162	"	0.01
		Evergreen Shipping Agency (Russia) Ltd.	1	Agency accounts- credit	371	"	-
		Evergreen Shipping Agency (Vietnam) Corp.	1	Operating cost	4,693	"	0.01
		"	1	Other receivables	1	"	-
		"	1	Agency accounts- credit	5,637	"	-
		Evergreen Shipping Agency (Australia)Pty. Ltd.	1	Agency accounts- credit	24	"	-
		Evergreen Shipping Agency (South Africa)(PTY). Ltd.	1	Agency accounts- debit	412	"	-
1	Peony Investment S.A.	Shenzhen Greentrans Transportation Co., Ltd.	3	Accounts receivable	1,159	"	-
		Evergreen Shipping (Spain) S.L.	3	Other receivables	90,747	"	0.07
		Vigor Enterprise S.A.	3	Other receivables	1	"	-
		Clove Holding Ltd.	3	Other receivables	50	"	-
		Evergreen Heavy Industrial CO., (Malaysia)Berhad	3	Other receivables	141,256	"	0.11
		Evergreen Shipping Agency (Vietnam) Corp.	3	Other receivables	1,008	"	-
		Ample Holding Ltd.	3	Other receivables	2	"	-
		Evergreen Argentina S.A.	3	Other receivables	424	"	-
2	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Agency reciprocal accounts-debit	10,409	"	0.01
		Evergreen Heavy Industrial Co., (Malaysia)Berhad	3	Operating cost	278,076	"	0.52
		Evergreen Shipping Agency (India) Pvt. Ltd.	3	Agency accounts- debit	47	"	-
		"	3	Operating cost	6,034	"	0.01
		Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Agency accounts- debit	5,610	"	-
		"	3	Operating cost	14,960	"	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	Greencompass Marine S.A.	PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	\$ 4,825	Note 3	-
		"	3	Agency accounts- debit	22,887	"	0.02
		"	3	Operating cost	8,580	"	0.02
		Evergreen Shipping Agency (Singapore) Pte. Ltd.	3	Accounts receivable	5,889	"	-
		"	3	Agency accounts- debit	15,635	"	0.01
		"	3	Agency accounts- credit	4,599	"	-
		"	3	Operating cost	7,784	"	0.01
		Evergreen Shipping Agency (Korea) Corporation	3	Agency accounts- debit	11,449	"	0.01
		"	3	Operating cost	14,274	"	0.03
		Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts payable	9,217	"	0.01
		"	3	Agency accounts-debit	6,952	"	0.01
		"	3	Operating cost	28,685	"	0.05
		Evergreen Shipping Agency (Ireland) Ltd.	3	Accounts payable	12	"	-
		"	3	Agency accounts- debit	7	"	-
		"	3	Operating cost	1,419	"	-
		Evergreen Shipping Agency (Netherlands) B.V.	3	Accounts receivable	12,223	"	0.01
		"	3	Agency accounts- debit	10,059	"	0.01
		"	3	Operating cost	28,320	"	0.05
		Evergreen Shipping Agency (Poland) SP.ZO.O	3	Accounts receivable	9,040	"	0.01
		"	3	Agency accounts- debit	31	"	-
"	3	Operating cost	1,612	"	-		
Evergreen Shipping Agency France S.A.S.	3	Operating cost	38,722	"	0.07		
"	3	Agency accounts- debit	78,484	"	0.06		
"	3	Agency accounts- credit	4,580	"	-		

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
2	Greencompass Marine S.A.	Evergreen Shipping (Spain) S.L.	3	Operating cost	\$ 14,283	Note 3	0.03
		"	3	Agency accounts- debit	134,859	"	0.10
		"	3	Agency accounts- credit	9,215	"	0.01
		Evergreen Shipping Agency (Italy) S.p.A.	3	Agency accounts- debit	5,155	"	-
		"	3	Agency accounts- credit	175,007	"	0.13
		"	3	Operating cost	13,275	"	0.02
		Evergreen Shipping Agency (Vietnam) Corp.	3	Agency accounts- debit	4	"	-
		"	3	Agency accounts- credit	4,482	"	-
		"	3	Operating cost	7,412	"	0.01
		Evergreen Shipping Agency (Australia) Pty.	3	Accounts receivable	6,287	"	-
		"	3	Agency accounts- debit	1,491	"	-
		"	3	Agency accounts- credit	394	"	-
		"	3	Operating cost	1,838	"	-
		Evergreen Shipping Agency (South Africa)(PTY). Ltd.	3	Accounts receivable	1,641	"	-
		"	3	Agency accounts- debit	26	"	-
		"	3	Operating cost	138	"	-
		3	Evergreen Marine (UK) Ltd.	Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Agency accounts- debit	9,266	"	0.01
"	3			Operating cost	19,378	"	0.04
Evergreen Shipping Agency (India) Pvt. Ltd.	3			Operating cost	12,193	"	0.02
"	3			Agency accounts- debit	3,457	"	-
PT. Evergreen Shipping Agency Indonesia	3			Accounts receivable	2,252	"	-
"	3			Agency accounts- debit	8,143	"	0.01
"	3			Operating cost	21,303	"	0.04
Island Equipment LLC.	3	Other receivables	57,525	"	0.04		

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			Ratio of total revenue or total assets (%)
				Account	Amount	Trade condition	
3	Evergreen Marine (UK) Ltd.	Evergreen Shipping Agency (Singapore) Pte. Ltd.	3	Accounts receivable	\$ 2,632	Note 3	-
		"	3	Agency accounts- debit	4,303	"	-
		"	3	Agency accounts- credit	278	"	-
		"	3	Operating cost	6,928	"	0.01
		Evergreen Shipping Agency (Korea) Corporation	3	Operating cost	7,127	"	0.01
		"	3	Agency accounts- debit	24,628	"	0.02
		"	3	Agency accounts- credit	1,366	"	-
		Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts payable	5,321	"	-
		"	3	Agency accounts- debit	51,698	"	0.04
		"	3	Agency accounts- credit	13,253	"	0.01
		"	3	Operating cost	33,198	"	0.06
		Evergreen Shipping Agency (Ireland) Ltd.	3	Accounts receivable	140	"	-
		"	3	Agency accounts- debit	8,909	"	0.01
		"	3	Agency accounts- credit	416	"	-
		"	3	Operating cost	3,810	"	0.01
		Evergreen Shipping Agency (Netherlands) B.V.	3	Operating cost	47,064	"	0.09
		"	3	Accounts receivable	8,401	"	0.01
		"	3	Agency accounts- debit	32,399	"	0.02
		"	3	Agency accounts- credit	7,596	"	0.01
		Evergreen Shipping Agency (Poland) SP.ZO.O	3	Operating cost	2,071	"	-
		"	3	Accounts receivable	971	"	-
		"	3	Agency accounts- debit	436	"	-
		Evergreen Shipping Agency France S.A.S.	3	Agency accounts- debit	77	"	-
"	3	Operating cost	10,156	"	0.02		
Evergreen Shipping (Spain) S.L.	3	Operating cost	8,506	"	0.02		
"	3	Agency accounts- debit	13,252	"	0.01		
"	3	Agency accounts- credit	700	"	-		
Evergreen Shipping Agency (Italy) S.p.A.	3	Agency accounts- debit	2,804	"	-		
"	3	Operating cost	6,706	"	0.01		

Number (Note 1)	Name of party	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Trade condition	Ratio of total revenue or total assets (%)
3	Evergreen Marine (UK) Ltd.	Evergreen Shipping Agency (Russia) Ltd.	3	Accounts payable	\$ 9	Note 3	-
		"	3	Agency accounts- credit	148	"	-
		Evergreen Shipping Agency (Vietnam) Corp.	3	Operating cost	18,735	"	0.04
		"	3	Agency accounts- debit	7	"	-
		"	3	Agency accounts- credit	460	"	-
		Evergreen Shipping Agency (Australia) Pty. Ltd.	3	Operating cost	278	"	-
		"	3	Agency accounts- credit	192	"	-
		Evergreen Shipping Agency (South Africa) (PTY) Ltd.	3	Agency accounts- debit	167	"	-
		"	3	Accounts receivable	121	"	-
		"	3	Operating cost	558	"	-
4	PT. Multi Bina Pura International	PT. Multi Bina Transport	3	Accounts receivable	512	"	-
		"	3	Accounts payable	351	"	-
		"	3	Other payables	231	"	-
		"	3	Operating revenue	3,192	"	0.01
		"	3	Operating cost	1,748	"	-
		PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	909	"	-
5	Clove Holding Ltd.	Island Equipment LLC.	3	Other receivables	138,059	"	0.10
6	Evergreen Shipping Agency (Russia) Limited	Evergreen Shipping Agency (Deutschland) GmbH	3	Accounts receivable	7,320	"	0.01
		"	3	Accounts payable	4,786	"	-
		"	3	Operating revenue	25,218	"	0.05
7	PT. Multi Bina Transport	PT. Evergreen Shipping Agency Indonesia	3	Accounts receivable	6,505	"	-

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. OPERATING SEGMENT INFORMATION

(1) General Information

Financial information disclosure is not required in interim financial statements.

(2) Measurement of segment information

Financial information disclosure is not required in interim financial statements.

(3) Segment profit and loss, assets and liabilities information

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

	For the six-month periods ended June 30, 2012			
	Transportation Department	Investing and Holding Department	Other Department	Total
Segments revenue	\$ 62,220,513	\$ 234,755	\$ 1,019,877	\$ 63,475,145
Interest income	95,826	14,542	268	110,636
Interest expense	(247,362)	-	(786)	(248,148)
Depreciation and amortization	(2,684,654)	(65,325)	(17,460)	(2,767,439)
Investment income (loss) accounted for under the equity method	(2,778)	(1,744,604)	-	(1,747,382)
Other items	(60,747,091)	(146,012)	(926,170)	(61,819,273)
Segments profit (loss)	<u>(\$ 1,365,546)</u>	<u>(\$ 1,706,644)</u>	<u>\$ 75,729</u>	<u>(\$ 2,996,461)</u>

	For the six-month periods ended June 30, 2011			
	Transportation Department	Investing and Holding Department	Other Department	Total
Segments revenue	\$ 52,761,261	\$ 252,218	\$ 102,183	\$ 53,115,662
Interest income	94,121	12,120	386	106,627
Interest expense	(161,103)	(14,741)	(9)	(175,853)
Depreciation and amortization	(2,694,219)	(116,934)	(18,788)	(2,829,941)
Investment income (loss) accounted for under the equity method	258,629	(883,757)	-	(625,128)
Other items	(49,040,935)	1,618,006	(40,422)	(47,463,351)
Segments profit	<u>\$ 1,217,754</u>	<u>\$ 866,912</u>	<u>\$ 43,350</u>	<u>\$ 2,128,016</u>

(4) Reconciliation for segment profit (loss), assets and liabilities

No adjustment information.

(5) Trade information

Financial information disclosure is not required in interim financial statements.

(6) Region information

Financial information disclosure is not required in interim financial statements.

(7) Information on major customers

Financial information disclosure is not required in interim financial statements.

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
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	In process

- (2) Material differences that may arise between current accounting policies used in the preparation of financial statements and IFRSs and “Rules Governing the Preparation of Financial Statements by Securities Issuers” that will be used in the preparation of financial statements in the future:

The 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)
Deferred income tax assets - current	253,930	(253,930)	-	(2)
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	(434,893)	64,327,948	(1)(6)
Deferred pension costs	61,058	(61,058)	-	(3)
Deferred income tax assets	-	568,435	568,435	(2)(3) (4)(7)
Deferred expenses	274,235	(34,757)	239,478	(3)
Others	42,720,800	-	42,720,800	
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	1,515,702	3,637,617	(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)
Other liabilities	1,104,217	(98,760)	1,005,457	(3)
Others	57,600,526	-	57,600,526	
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	(7)(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 increased "Property, plant and equipment" by \$1,587,691, "other current liabilities" by \$1,515,702, "prepaid expense" by \$1,483, "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 Group is the first time to adopt IFRS and is inapplicable in accordance with IAS 19, “Employee Benefits”.
- (c) In accordance with current accounting standards in R.O.C., the excess of the accumulated benefit obligation over the fair value of the pension plan (fund) assets 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.
- (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 \$3,361.

- (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 ‘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) In accordance with current accounting standards in R.O.C., when an equity method investee issues new shares and the Company does not subscribe or acquire the new shares proportionately but still retains significant influence, which results in a change in the Company’s holding percentage and its interest in the investee’s net assets, such difference shall be adjusted to the “Additional paid-in capital”. However, in accordance with IFRSs, a decrease in investment percentage is accounted for as a disposal of investment. Therefore, the Group reclassified to “Undistributed earnings” the amount of \$218,012 from “Capital reserve from long-term investments”.

(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”.

B. Major adjustments on the Income Statement and Balance Sheet items for the six-month periods ended in June 30, 2012:

	ROC GAAP	Effects	IFRSs	Note
Other accounts receivables	\$ 1,076,256	(\$ 6,987)	\$ 1,069,269	(3)
Prepaid expenses	492,839	(14,941)	477,898	(1)(3)
Deferred income tax assets - current	350,050	(350,050)	-	(2)
Other current assets - other	3,344,599	101,198	3,445,797	(3)
Available-for-sale financial assets - non-current	568,040	904,759	1,472,799	(5)
Financial assets accounted for under the equity method - non-current	1,509,889	(1,509,889)	-	(5)
Investments accounted for under the equity method	23,388,927	(539,388)	22,849,539	(7)
Investment property, net	-	2,059,548	2,059,548	(6)
Property, plant and equipment	70,317,543	(583,195)	69,734,348	(1)(6)
Deferred pension costs	416,318	(416,318)	-	(3)
Deferred income tax assets	-	663,420	663,420	(2)(3) (4)(7)
Deferred expenses	264,562	(29,954)	234,608	(3)
Others	49,238,444	-	49,238,444	
Total Assets	150,967,467	278,203	151,245,670	

	ROC GAAP	Effects	IFRSs	Note
Accounts payable	\$ 9,505,140	\$ 46,628	\$ 9,551,768	(1)(4)
Long-term liabilities - current portion	7,853,644	152,984	8,006,628	(1)
Long-term leases payable - non-current	2,302,219	1,232,534	3,534,753	(1)
Accrued pension liabilities	2,207,083	465,469	2,672,552	(3)
Deferred income tax liabilities	1,203,822	97,309	1,301,131	(2)(3) (4)(7)
Others	66,514,011	-	66,514,011	
Total Liabilities	89,585,919	1,994,924	91,580,843	
Common stock	34,749,407	-	34,749,407	
Capital reverse from long-term investments	1,606,562	(218,012)	1,388,550	(8)
Capital reverse - other	5,883,255	-	5,883,255	
Legal reserve	9,102,785	-	9,102,785	
Special reserve	3,593,280	-	3,593,280	
Undistributed earnings	7,447,559	(4,739,368)	2,708,191	(1)(3) (4)(7) (8)(9) (10)
Cumulative translation differences arising on the translation of the financial statements of foreign entities	(3,529,114)	2,812,052	(717,062)	(1)(3) (4)(9)
Unrecognized pension cost	(1,233,790)	1,233,790	-	(3)(7)
Unrealized gain or loss on financial instruments	204,491	(753,913)	(549,422)	(5)(7)
Minority interest	3,557,113	(51,270)	3,505,843	(3)(4) (7)
Total shareholders' equity	61,381,548	(1,716,721)	59,664,827	
	ROC GAAP	Effects	IFRSs	Note
Operating income	\$ 63,475,145	\$ 964	\$63,476,109	(3)(4)
Operating cost	(63,106,766)	89,434	(63,017,332)	(1)(3)
Operating expenses	(2,614,090)	17,507	(2,596,583)	(3)(4)
Operating loss	(2,245,711)	107,905	(2,137,806)	
Non-operating income and gains (expenses and losses)	(750,750)	(35,128)	(785,878)	(1)(7)
Loss before income tax	(2,996,461)	72,777	(2,923,684)	
Income tax expenses	76,284	(7,412)	68,872	(3)(4) (7)
Consolidated net loss	(2,920,177)	65,365	(2,854,812)	
Minority interest loss	519,669	(16,741)	502,928	(3)(4) (7)
Equity holder of the Company	(2,400,508)	48,624	(2,351,884)	

Notes to the reconciliation:

- (1)The Group increased “prepaid expenses” by \$1,411, “property, plant and equipment” by \$1,476,353, “long-term liabilities - current” by \$152,984, “long-term leases payable” by \$1,232,534, “undistributed earnings” by \$76,336, “Non-operating income and gains (expenses and losses)” by \$33,809, and decreased “Accounts payable” by \$2,898, “Operating cost” by \$53,356 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 \$739. For notes, please refer to footnote 13. B. 1(1).
- (2)The Group decreased “deferred income tax assets - current” by \$350,050, and increased “deferred income tax assets” by \$444,920, “deferred income tax liabilities” by \$94,870. For notes, please refer to footnote 13. B. 1(2).
- (3)The Group increased “other current assets - other” by \$101,198, “deferred income tax assets” by \$209,894, “accrued pension liabilities” by \$465,469, “deferred income tax liabilities” by \$806, “unrecognized pension cost” by \$910,098, “operating income” \$1,924, “income tax expense” by \$6,222, and decreased “minority interest loss” by \$21,872, “other accounts receivable” by \$6,987, “deferred pension cost” by \$416,318, “prepaid expenses” by \$16,352, “deferred expenses” by \$29,954, “undistributed earnings” by \$1,523,547, “minority interest” by \$90,879, “operating cost” by \$36,078, “operating expenses” by \$17,860, 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” \$8,022. For notes, please refer to footnote 13. B. 1(3).
- (4)The Group increased “deferred income tax assets” by \$8,363, “deferred income tax liabilities” by \$226, “accounts payable” by \$49,526, “operating expenses” by \$353, “minority interest loss” by \$32,417; the Group decreased “undistributed earnings” by \$3,361, “minority interest” by \$4,363, “operating income” by \$960 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” \$65. For notes, please refer to footnote 13. B. 1(4). And calculate differences that may arise between current accounting policies and IFRSs increased “deferred income tax assets” by \$217 and decreased “income tax expense” by \$217.
- (5)The Group designated “financial assets carried at cost - non-current” of \$1,509,889 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 \$650,130. For notes, please refer to footnote 13. B. 1(5).

- (6)The Group increased “investment property, net” and decreased “property, plant and equipment” by \$2,059,548. For notes, please refer to footnote 13. B. 1(6)
- (7)The Group increased “deferred income tax assets” by \$26, “minority interest” by \$43,972, “unrecognized pension cost” by \$323,692, “non-operating income and gains (expense and losses)” by \$1,319, “minority interest loss” by \$6,196, and decreased “investment accounted for under the equity method” by \$539,388, “unrealized gain or loss on financial assets” by 148,783, “undistributed earnings” by \$899,379, 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” \$148,165. For notes, please refer to footnote 13. B. 1(7). And calculate differences that may arise between current accounting policies and IFRSs increased “deferred income tax liabilities” by \$1,407 and “income tax expense” by \$1,407.
- (8)The adjustment notes, please refer to footnote 13. B. 1(8)
- (9)The Group decreased “cumulative translation differences arising on the translation of the financial statements of foreign entities” \$2,812,052 due to the decrease of \$2,656,053 on the opening IFRSs balance sheet date and the decrease of \$155,999 for the opening of foreign subsidiaries’ IFRSs balance sheets and foreign exchange effects of the current-period adjustments as stated above. For notes, please refer to footnote 13. B. 1(9).
- (10)The Group decreased “undistributed earnings” by \$4,739,368 due to the decrease of \$4,787,992 on the opening IFRSs balance sheet date as stated above and the increase of \$48,624 for the differences between the adoptions of current R.O.C. accounting standards and the IFRSs for the six-month periods ended June 30, 2012.
- (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 instrument

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 principal from the date of transition to IFRSs.

G. Extinguishing financial liabilities with equity instruments

The Company has elected to apply the transitional provisions in IFRIC 19, “Extinguishing Financial Liabilities with Equity Instruments”, from the opening IFRSs balance sheet date.

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.