EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

JUNE 30, 2014 AND 2013

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 (Taiwan) Ltd.

We have reviewed the accompanying consolidated balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. and subsidiaries as of June 30, 2014 and 2013, and the related consolidated statements of comprehensive income for the three-month periods covering April 1 to June 30, 2014 and 2013, and six-month periods ended June 30, 2014 and 2013, and statement of changes in equity and of cash flows for six-month periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews. We did not review the financial statements of certain consolidated subsidiaries. Those financial statements and the information disclosed in Note 13 were reviewed by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the review reports of other independent accountants. The statements reflect total assets of NT$68,578,196 and NT$61,480,506, constituting 38.06% and 36.54% of total consolidated assets as of June 30, 2014 and 2013, respectively, and net operating revenues of NT$14,534,953 and NT$11,114,201, NT$27,078,772 and NT$21,755,867, constituting 41.32% and 30.45%, 38.96% and 31.13% of the consolidated net operating revenues for the three-month periods covering April 1 to June 30, 2014 and 2013, and six-month periods ended June 30, 2014 and 2013, respectively. In addition, we did not review the financial statements of all the investee companies accounted for using the equity method. Those statements were reviewed by other auditors, whose reports thereon have been furnished to us, and our review expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using the equity method and information disclosed in Note 13 relating to these long-term equity investments, is based solely on the review reports of other independent accountants. Long-term investments in these investee companies amounted to NT$14,338,127 and NT$14,439,488, constituting 7.96% and 8.58% of total consolidated assets as of June 30, 2014 and 2013, respectively, and comprehensive loss (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for using equity method) was NT$167,977 and NT$373,800, NT$896,675 and NT$681,515, for the three-month periods covering April 1 to June 30, 2014 and 2013, and six-month periods ended June 30, 2014 and 2013.

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

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

PricewaterhouseCoopers, Taiwan
August 14, 2014
Taipei, Taiwan
Republic of China

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan Dollars)
(The consolidated balance sheets as of June 30, 2014 and 2013 are reviewed, not audited)

	Assets	Notes	June 30, 2014 Amount	%	December 31, 2013 Amount	%	June 30, 2013 Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 30,642,903	17	$ 33,502,442	19	$ 29,024,961	17
1110	Financial assets at fair value through profit or loss - current	6(2)	57	-	5,172	-	1,283,910	1
1150	Notes receivable, net		77,478	-	102,378	-	110,307	-
1170	Accounts receivable, net	6(5)	12,613,639	7	12,873,750	7	13,157,430	8
1180	Accounts receivable, net - related parties	7	308,364	-	351,973	-	313,144	-
1200	Other receivables		693,653	-	366,713	-	865,307	1
1210	Other receivables - related parties	7	515,801	-	344,493	-	461,313	-
1220	Current income tax assets		13,944	-	9,225	-	22,280	-
130X	Inventories	6(6)	5,151,855	3	5,181,840	3	5,568,730	3
1410	Prepayments		758,592	1	924,452	1	831,886	1
1470	Other current assets	6(7), 7 and 8	2,744,995	2	2,421,816	2	2,454,693	1
11XX	**Current assets**		53,521,281	30	56,084,254	32	54,093,961	32
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2)	-	-	-	-	90,272	-
1523	Available-for-sale financial assets - non-current	6(3)	2,003,520	1	1,933,369	1	1,526,223	1
1527	Held-to-maturity financial assets - non-current	6(4)	370,000	-	370,000	-	370,000	-
1550	Investments accounted for using equity method	6(8)	23,834,038	13	23,900,852	14	23,942,728	14
1600	Property, plant and equipment	6(9) and 8	91,603,828	51	76,169,083	44	72,512,715	43
1760	Investment property - net	6(10) and 8	1,996,658	1	2,012,006	1	2,028,130	1
1780	Intangible assets		8,973	-	9,658	-	4,461	-
1840	Deferred income tax assets		484,497	-	487,294	-	623,558	1
1900	Other non-current assets	6(11) and 8	6,341,193	4	13,385,937	8	13,069,306	8
15XX	**Non-current assets**		126,642,707	70	118,268,199	68	114,167,393	68
1XXX	**Total assets**		$ 180,163,988	100	$ 174,352,453	100	$ 168,261,354	100

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan Dollars)
(The consolidated balance sheets as of June 30, 2014 and 2013 are reviewed, not audited)

			June 30, 2014		December 31, 2013		June 30, 2013	
	Liabilities and Equity	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term loans	6(12)	$ 1,194,540	1	$ 596,860	-	$ 600,130	1
2170	Accounts payable		11,672,669	7	12,246,167	7	14,942,179	9
2180	Accounts payable - related parties	7	258,001	-	747,356	1	278,299	-
2200	Other payables		1,858,923	1	1,870,280	1	1,690,014	1
2220	Other payables - related parties	7	81,194	-	81,125	-	99,312	-
2230	Current income tax liabilities		295,889	-	192,053	-	163,837	-
2300	Other current liabilities	6(13) and 7	22,300,666	12	17,885,707	10	17,413,590	10
21XX	**Current liabilities**		37,661,882	21	33,619,548	19	35,187,361	21
	Non-current liabilities							
2530	Corporate bonds payable	6(14)	3,000,000	2	3,000,000	2	3,554,776	2
2540	Long-term loans	6(15)	61,116,056	34	56,930,059	32	48,913,095	29
2570	Deferred income tax liabilities		1,173,920	-	1,248,772	1	1,282,924	1
2600	Other non-current liabilities	6(16)(17)	18,238,205	10	19,384,485	11	19,547,103	11
25XX	**Non-current liabilities**		83,528,181	46	80,563,316	46	73,297,898	43
2XXX	**Total liabilities**		121,190,063	67	114,182,864	65	108,485,259	64
	Equity attributable to owners of the parent							
	Capital	6(19)						
3110	Common stock		34,749,523	19	34,749,523	20	34,749,523	21
	Capital surplus	6(20)						
3200	Capital surplus		7,271,957	4	7,271,957	4	7,271,957	4
	Retained earnings	6(21)						
3310	Legal reserve		9,115,638	5	9,115,638	5	9,115,638	5
3320	Special reserve		828,940	-	5,814,993	3	5,814,993	4
3350	Unappropriated retained earnings		4,561,013	3	1,118,877	1	647,918	-
	Other equity interest	6(22)						
3400	Other equity interest		(634,399)	-	(828,940)	-	(1,112,236)	-
31XX	**Equity attributable to owners of the parent**		55,892,672	31	57,242,048	33	56,487,793	34
36XX	**Non-controlling interest**		3,081,253	2	2,927,541	2	3,288,302	2
3XXX	**Total equity**		58,973,925	33	60,169,589	35	59,776,095	36
	Significant Contingent Liabilities And Unrecognized Contract Commitments	9						
	Total liabilities and equity		$ 180,163,988	100	$ 174,352,453	100	$ 168,261,354	100

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 14, 2014.

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

			Three months ended June 30				Six months ended June 30			
			2014		2013		2014		2013	
	Items	Notes	Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue**	6(23) and 7	$ 35,178,947	100	$ 36,495,731	100	$ 69,499,661	100	$ 69,877,430	100
5000	**Operating costs**	6(28)(29) and 7	(33,277,945)	(94)	(35,642,834)	(98)	(67,774,142)	(97)	(69,935,999)	(100)
5900	**Gross profit (loss)**		1,901,002	6	852,897	2	1,725,519	3	(58,569)	-
6000	**Operating expenses**	6(28)(29) and 7	(1,431,189)	(4)	(1,388,617)	(4)	(2,830,717)	(4)	(2,702,742)	(4)
6500	**Other gains - net**	6(24)	136,759	-	288,074	1	330,343	-	468,116	1
6900	**Operating profit (loss)**		606,572	2	(247,646)	(1)	(774,855)	(1)	(2,293,195)	(3)
	Non-operating income and expenses									
7010	Other income	6(25)	539,494	1	152,225	1	765,348	1	310,708	1
7020	Other gains and losses	6(26)	(231,271)	(1)	(1,273)	-	(167,710)	-	267,672	-
7050	Finance costs	6(27)	(147,778)	-	(99,259)	-	(275,865)	(1)	(191,148)	-
7060	Share of loss of associates and joint ventures accounted for using equity method		(141,298)	-	(250,277)	(1)	(827,947)	(1)	(517,161)	(1)
7000	**Total non-operating income and expenses**		19,147	-	(198,584)	-	(506,174)	(1)	(129,929)	-
7900	**Profit (loss) before income tax**		625,719	2	(446,230)	(1)	(1,281,029)	(2)	(2,423,124)	(3)
7950	Income tax expense	6(30)	(213,689)	(1)	(123,070)	(1)	(233,449)	-	(103,031)	-
8200	**Profit (loss) for the period**		$ 412,030	1	($ 569,300)	(2)	($ 1,514,478)	(2)	($ 2,526,155)	(3)
	Other comprehensive income (loss)									
8310	Exchange differences on translating the financial statements of foreign operations		($ 518,137)	(1)	$ 500,794	1	$ 195,081	-	$ 1,491,768	2
8325	Unrealized gain (loss) on valuation of available-for-sale financial assets		65,324	-	(100,562)	-	70,471	-	(14,199)	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		(27,941)	-	(60,585)	-	57,162	-	65,503	-
8399	Income tax relating to the components of other comprehensive income (loss)		(2,756)	-	39	-	(3,900)	-	39	-
8300	**Other comprehensive (loss) income for the period, net of income tax**		($ 483,510)	(1)	$ 339,686	1	$ 318,814	-	$ 1,543,111	2
8500	**Total comprehensive loss for the period**		($ 71,480)	-	($ 229,614)	(1)	($ 1,195,664)	(2)	($ 983,044)	(1)
	Profit (loss), attributable to:									
8610	Owners of the parent		$ 150,175	-	($ 400,537)	(1)	($ 1,543,917)	(2)	($ 2,239,212)	(3)
8620	Non-controlling interest		$ 261,855	1	($ 168,763)	-	$ 29,439	-	($ 286,943)	-
	Comprehensive income (loss) attributable to:									
8710	Owners of the parent		($ 582,353)	(2)	($ 438,986)	(1)	($ 1,349,376)	(2)	($ 1,004,372)	(1)
8720	Non-controlling interest		$ 510,873	1	$ 209,372	1	$ 153,712	-	$ 21,328	-
	Earnings (loss) per share (in dollars)	6(31)								
9750	**Basic (loss) earnings per share**		$ 0.04		($ 0.12)		($ 0.44)		($ 0.64)	
9850	**Diluted (loss) earnings per share**		$ 0.04		($ 0.12)		($ 0.44)		($ 0.64)	

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 14, 2014.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013
(Expressed in thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

		Equity attributable to owners of the parent										
				Retained Earnings			Other equity interest					
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain or loss on available-for -sale financial assets	Hedging instrument gain (loss) on effective hedge of cash flow hedges	Total	Non-controlling interest	Total equity
Year 2013												
Balance at January 1, 2013		$ 34,749,407	$ 7,271,879	$ 9,102,785	$ 3,593,280	$ 5,121,929	($ 1,867,363)	($ 490,002)	$ 10,289	$ 57,492,204	$ 3,267,045	$ 60,759,249
Appropriations of 2012 earnings												
Legal reserve		-	-	12,853	-	(12,853)	-	-	-	-	-	-
Special reserve		-	-	-	2,221,713	(2,221,713)	-	-	-	-	-	-
Conversion of convertible bonds into common stock	6(19)	116	99	-	-	-	-	-	-	215	-	215
Stock warrants of convertible bonds		-	(21)	-	-	-	-	-	-	(21)	-	(21)
Adjustments to share of changes in equity of associates and joint ventures		-	-	-	-	(233)	-	-	-	(233)	(71)	(304)
Net loss for the period		-	-	-	-	(2,239,212)	-	-	-	(2,239,212)	(286,943)	(2,526,155)
Other comprehensive income (loss) for the period	6(22)	-	-	-	-	-	1,303,523	(54,323)	(14,360)	1,234,840	308,271	1,543,111
Balance at June 30, 2013		$ 34,749,523	$ 7,271,957	$ 9,115,638	$ 5,814,993	$ 647,918	($ 563,840)	($ 544,325)	($ 4,071)	$ 56,487,793	$ 3,288,302	$ 59,776,095
Year 2014												
Balance at January 1, 2014		$ 34,749,523	$ 7,271,957	$ 9,115,638	$ 5,814,993	$ 1,118,877	($ 804,815)	($ 36,456)	$ 12,331	$ 57,242,048	$ 2,927,541	$ 60,169,589
Appropriations of 2013 earnings												
Reversal of special reserve		-	-	-	(4,986,053)	4,986,053	-	-	-	-	-	-
Net loss for the period		-	-	-	-	(1,543,917)	-	-	-	(1,543,917)	29,439	(1,514,478)
Other comprehensive income for the period	6(22)	-	-	-	-	-	80,183	97,623	16,735	194,541	124,273	318,814
Balance at June 30, 2014		$ 34,749,523	$ 7,271,957	$ 9,115,638	$ 828,940	$ 4,561,013	($ 724,632)	$ 61,167	$ 29,066	$ 55,892,672	$ 3,081,253	$ 58,973,925

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 14, 2014.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30
(Expressed in thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated loss before tax for the period		($ 1,281,029)	($ 2,423,124)
Adjustments			
Income and expenses having no effect on cash flows			
Financial assets at fair value through profit or loss	6(26)	5,115	(15,605)
Depreciation	6(9)(10)	3,758,946	3,138,105
Amortization	6(28)	6,239	8,704
Bad debts expense	6(5)	2,643	827
Amortization of bond discounts		6,317	6,179
Interest income	6(25)	(181,989)	(114,310)
Interest expense	6(27)	275,865	191,148
Dividend income	6(25)	(89,510)	(29,740)
Share of loss of associates and joint ventures accounted for using equity method		827,947	517,161
Net gain on disposal of property, plant and equipment	6(24)	(330,343)	(468,116)
Gain on disposal of investments		(69,585)	-
Realized income with affiliated companies		(4,466)	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		-	126,062
Notes receivable, net		24,845	25,138
Accounts receivable		113,918	227,633
Accounts receivable, net - related parties		29,566	(139,126)
Other receivables		(326,694)	(255,359)
Other receivables - related parties		(171,115)	(231,993)
Inventories		33,131	(178,397)
Prepayments		148,046	(31,754)
Other current assets		(324,435)	(379,300)
Other non-current assets		4,984	18,749
Net changes in liabilities relating to operating activities			
Accounts payable		(550,656)	1,295,546
Accounts payable - related parties		(472,248)	(430,718)
Other payables		(77,820)	(460,239)
Other current liabilities		267,512	1,122,535
Other non-current liabilities		8,982	(22,805)
Cash generated from operations		1,634,166	1,497,201
Interest received		181,989	114,310
Interest paid		(363,082)	(308,966)
Income tax paid		(212,842)	(133,971)
Net cash provided by operating activities		1,240,231	1,168,574

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30
(Expressed in thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Notes	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investments accounted for using equity method	6(8)	($ 894,871)	($ 1,727,348)
Proceeds from disposal of investments accounted for using equity method		5,759	-
Disposal of subsidiaries		(151,429)	-
Acquisition of property, plant and equipment	6(32)	(3,293,546)	(10,373,563)
Proceeds from disposal of property, plant and equipment		397,344	1,079,400
Acquisition of intangible assets		(3,954)	(4,260)
Increase in other non-current assets	6(32)	(8,603,371)	(5,206,068)
Dividends received		381,214	284,418
Net cash used in investing activities		(12,162,854)	(15,947,421)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		1,075,086	2,744,474
Decrease in short-term loans		(477,816)	(3,644,669)
Increase (decrease) in other payables	7	147	(10,696)
Increase in long-term loans		13,718,951	14,111,992
Decrease in long-term loans		(5,305,231)	(3,823,651)
(Decrease) increase other non-current liabilities		(1,125,026)	1,342,274
Net cash provided by financing activities		7,886,111	10,719,724
Effect of exchange rate changes		176,973	1,099,376
Decrease in cash and cash equivalents		(2,859,539)	(2,959,747)
Cash and cash equivalents at beginning of period		33,502,442	31,984,708
Cash and cash equivalents at end of period		$ 30,642,903	$ 29,024,961

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 14, 2014.

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

1. HISTORY AND ORGANIZATION

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

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

These consolidated financial statements were authorized by the Board of Directors on August 14, 2014.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

None.

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

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taiwan GreTai Securities Market or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, 'Financial instruments') as endorsed by the FSC in preparing the consolidated financial statements. The related new standards, interpretations and amendments are listed below：

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment to IFRS 1)	July 1, 2010
Severe hyperinflation and removal of fixed dates for first-time adopters (amendment to IFRS 1)	July 1, 2011
Government loans (amendment to IFRS 1)	January 1, 2013
Disclosures－Transfers of financial assets (amendment to IFRS 7)	July 1, 2011
Disclosures－Offsetting financial assets and financial liabilities	January 1, 2013

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 10, 'Consolidated financial statements'	January 1, 2013 (Investment entities: January 1, 2014)
IFRS 11,'Joint arrangements'	January 1, 2013
IFRS 12,'Disclosure of interests in other entities'	January 1, 2013
IFRS 13, 'Fair value measurement'	January 1, 2013
Presentation of items of other comprehensive income (amendment to IAS 1)	July 1, 2012
Deferred tax: recovery of underlying assets (amendment to IAS 12)	January 1, 2012
IAS 19 (revised), 'Employee benefits'	January 1, 2013
IAS 27,'Separate financial statements' (as amended in 2011)	January 1, 2013
IAS 28,'Investments in associates and joint ventures' (as amended in 2011)	January 1, 2013
Offsetting financial assets and financial liabilities (amendment to IAS 32)	January 1, 2014
IFRIC 20, 'Stripping costs in the production phase of a surface mine'	January 1, 2013
Improvements to IFRSs 2010	January 1, 2011
Improvements to IFRSs 2009－2011	January 1, 2013

Based on the Group's assessment, the adoption of the 2013 version of IFRS has no significant impact on the consolidated financial statements of the Group, except for the following：

A.IAS 1, 'Presentation of financial statements'

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

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

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

C.IFRS 13, 'Fair value measurement'

The standard defines fair value, sets out a framework for measuring fair value, and requires disclosures about fair value measurements. Based on the Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

For the above items, the Group is assessing their impact on the consolidated financial statements and will disclose the affected amounts accordingly.

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

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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, 'Financial instruments'	January 1, 2018
Accounting for acquisition of interests in joint operations (amendment to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2017
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendment to IAS 19R)	July 1, 2014
Recoverable amount disclosures for non-financial assets (amendment to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendment to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

These consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34, 'Interim Financial Reporting' as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Available-for-sale financial assets measured at fair value.

(c) Liabilities on cash-settled share-based payment arrangements measured at fair value.

(d) Defined benefit liabilities recognised based on the net amount of pension fund assets plus unrecognised past period's service cost and unrecognised actuarial losses, and less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies. In general, control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible have been considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)			
Name of Investor	Name of Subsidiary	Main business activities	June 30, 2014	December 31, 2013	June 30, 2013	Description
The Company	TTSC	Cargo loading and discharging	55.00	55.00	55.00	
The Company	Peony	Investments in transport-related business	100.00	100.00	100.00	
The Company	ETS	Terminal Services	100.00	100.00	100.00	
Peony	GMS	Container Shipping	100.00	100.00	100.00	
Peony	Clove	Investments in container yards and port terminals	100.00	100.00	100.00	
Peony	Vigor	Investment activities	100.00	100.00	100.00	
Peony	EMU	Container shipping	51.00	51.00	51.00	
Peony	EHIC(M)	Manufacturing of dry steel containers and container parts	84.44	84.44	84.44	
Peony	Armand N.V.	Investments in container yards and port terminals	70.00	70.00	70.00	
Peony	KTIL	Loading, discharging, storage, repairs and cleaning	20.00	20.00	20.00	(a)

			Ownership (%)			
Name of Investor	Name of Subsidiary	Main business activities	June 30, 2014	December 31, 2013	June 30, 2013	Description
Peony	MBPI	Containers storage and inspections of containers at the customs house	95.03	95.03	95.03	
Peony	MBT	Inland transportation, repairs and cleaning of containers	17.39	17.39	17.39	
Peony	EGS	Agency services dealing with port formalities	51.00	51.00	51.00	
Peony	EGK	〃	100.00	100.00	100.00	
Peony	EMI	〃	49.00	51.00	51.00	(b)
Peony	EGT	〃	51.00	51.00	51.00	
Peony	EGI	〃	99.99	99.99	99.99	
Peony	EMA	〃	67.50	67.50	67.50	
Peony	EIT	〃	55.00	55.00	55.00	
Peony	EES	〃	55.00	55.00	55.00	
Peony	ERU	〃	51.00	51.00	51.00	
Peony	EGD	〃	100.00	100.00	100.00	
Peony	EGUD	〃	100.00	100.00	100.00	
Peony	EGD-WWX	〃	100.00	100.00	100.00	
Peony	EGF	〃	100.00	100.00	100.00	
Peony	EGN	〃	100.00	100.00	100.00	
Peony	EGV	〃	51.00	51.00	51.00	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%) June 30, 2014	December 31, 2013	June 30, 2013	Description
Peony	ESA	Agency services dealing with port formalities	55.00	55.00	55.00	
Peony	EGB	Real estate leasing	95.00	95.00	95.00	
EMU	Island	Investments in operating machinery and equipment of port terminals	15.00	15.00	15.00	
EMU	KTIL	Loading, discharging, storage, repairs and cleaning	20.00	20.00	20.00	(a)
EMU	EGU	Agency services dealing with port formalities	100.00	100.00	100.00	
EGD	EGDL	〃	100.00	100.00	100.00	
EGD	EGDV	〃	100.00	100.00	100.00	
Clove	Island	Investments in operating machinery and equipment of port terminals	36.00	36.00	36.00	
Armand N.V.	Armand B.V.	Investments in container yards and port terminals	100.00	100.00	100.00	
Island	Whitney	Investments and leases of operating machinery and equipment of port terminals	100.00	100.00	100.00	
Island	Hemlock	〃	100.00	100.00	100.00	
MBPI	MBT	Inland transportation, repairs and cleaning of containers	72.95	72.95	72.95	

(a)The Group shall present consolidated financial statements in which it consolidates its investments in KTIL since control is presumed to exist when the Group merely owns 40% interests of the entity and when there is power to cast the majority of votes at meetings of the Board of Directors.

(b)On December 27, 2013, the Board of Directors has resolved that, on January 1, 2014, the subsidiary PEONY Investment S.A. would sell 2 % of shares in the indirect subsidiary EMI at USD$11 per share. The sale amounted to USD$193. The shareholding ratio was 49% after the sale, and the Group has lost the majority voting rights in the Board of Directors. Therefore, the Group has determined that it has lost control in the indirect subsidiary and the investment is accounted for using the equity method.

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

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

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

(4) Foreign currency translation

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

A.Foreign currency transactions and balances

(a)Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

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

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

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

B.Translation of foreign operations

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

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b)When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group still retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c)When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) <u>Classification of current and non-current items</u>

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 realised, or are intended to be sold or consumed within the normal operating cycle;

(b)Assets held mainly for trading purposes;

(c)Assets that are expected to be realised within twelve months from the balance sheet date;

(d)Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B.Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a)Liabilities that are expected to be paid off within the normal operating cycle;

(b)Liabilities arising mainly from trading activities;

(c)Liabilities that are to be paid off within twelve months from the balance sheet date;

(d)Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

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

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

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

a)Hybrid (combined) contracts; or

b)They eliminate or significantly reduce a measurement or recognition inconsistency; or

c)They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

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

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

(8) Available-for-sale financial assets

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

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

C.Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are presented in ‘financial assets carried at cost’.

(9) Held-to-maturity financial assets

A. Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity date that the Group has the positive intention and ability to hold to maturity other than those that meet the definition of loans and receivables and those that are designated as at fair value through profit or loss or as available-for-sale on initial recognition.

B. On a regular way purchase or sale basis, held-to-maturity financial assets are recognised and derecognised using trade date accounting.

C. Held-to-maturity financial assets are initially recognised at fair value on the trade date plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Amortisation of a premium or a discount on such assets is recognised in profit or loss.

(10) Notes, accounts and other receivables

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

(11) Impairment of financial assets

A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:

(a) Significant financial difficulty of the issuer or debtor;

(b) A breach of contract, such as a default or delinquency in interest or principal payments;

(c) The Group, for economic or legal reasons relating to the borrower’s financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(d) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) The disappearance of an active market for that financial asset because of financial difficulties;

(f) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;

(g)Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or

(h)A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

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

(a)Financial assets measured at cost

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

(b)Available-for-sale financial assets

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

(12) Derecognition of financial assets

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

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

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

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

(13) Leases (lessor)

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

(14) Inventories

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

The perpetual inventory system is adopted for steel inventory recognition. Steel inventories are stated at cost. The cost is determined using the weighted-average method. At the end of period, inventories are evaluated at the lower of cost or net realisable value, and the individual item approach is used in the comparison of cost and net realisable value. The calculation of net realisable 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.

(15) Investments accounted for using equity method / associates

A.Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

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

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

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

E.In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

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

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

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

(16) Property, plant and equipment

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

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

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

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

Buildings	20 ~ 55 years
Loading and unloading equipment	2 ~ 20 years
Ships	18 ~ 25 years
Transportation equipment	6 ~ 10 years
Lease assets	3 ~ 90 years
Other equipment	2 ~ 15 years

(17) Leased assets/ leases (lessee)

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

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

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

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

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

C.The accounting treatment of sale and leaseback transactions depends on the substance of the transaction. If sale and finance leaseback is in substance a financing transaction, the difference between the sales proceeds and the carrying value of the asset is deferred and amortised to the income statement over the lease term. If the sale price is below the fair value, the difference between sale price and carrying amount should be recognised immediately except that, if a loss arising is compensated by future rent at below market price, it should be deferred and amortised in proportion to the rent payments over the period for which the asset is expected to be used. If the sale price is above the fair value, the excess of proceeds over fair value should be deferred and amortised over the period for which the asset is expected to be used.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 ~ 55 years.

(19) Intangible assets

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

(20) Impairment of non-financial assets

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

(21) Loans

A.Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

(22) Accounts payable

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

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

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

(a)Hybrid (combined) contracts; or

(b)They eliminate or significantly reduce a measurement or recognition inconsistency; or

(c)They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B.Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss. Derivative liabilities that are linked to equity instruments which do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and that must be settled by delivery of such unquoted equity instruments are presented in 'financial liabilities measured at cost'.

(24) Derecognition of financial liabilities

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

(25) Offsetting financial instruments

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

(26) Financial liabilities and equity instruments

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

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

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

(b)Bonds payable of convertible corporate bonds is initially recognised at fair value and subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

(c)Conversion options embedded in convertible corporate bonds issued by the Group, which meet the definition of an equity instrument, are initially recognised in 'capital surplus—stock warrants' at the residual amount of total issue price less amounts of 'financial assets or financial liabilities at fair value through profit or loss' and 'bonds payable—net' as stated above. Conversion options are not subsequently remeasured.

(d)Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.

(e)When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable' and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the above-mentioned liability component plus the book value of capital surplus - stock warrants.

(27) Derivative financial instruments and hedging activities

A.Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Any changes in the fair value are recognised in profit or loss.

B.The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

C.The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

D.The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

E.Cash flow hedge

(a)The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within 'other gains and losses'.

(b)Amounts accumulated in other comprehensive income are reclassified into profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the statement of comprehensive income within 'finance costs'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or financial liability, the gains and losses previously deferred in other comprehensive income are reclassified into profit or loss in the periods when the asset acquired or the liability assumed affects profit or loss. The deferred amounts are ultimately recognised in operating costs.

(c)When a hedging instrument expires, or is sold, cancelled or executed, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income. When a forecast transaction occurs or is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is transferred to profit or loss in the periods when the hedged forecast cash flow affects profit or loss.

(28) Employee benefits

A.Short-term employee benefits

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

B.Pensions

(a)Defined contribution plans

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

(b)Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past service costs. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Actuarial gains and losses arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and adjust to undistributed earnings.

iii. Past service costs are recognised immediately in profit or loss if vested immediately; if not, the past service costs are amortised on a straight-line basis over the vesting period.

iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

C.Termination benefits

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

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

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

(29) Income tax

A.The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B.The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures, employees' training costs and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

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

(30) <u>Dividends</u>

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

(31) <u>Revenue recognition</u>

A. Sales of goods

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

B.Sales of services

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

(32) Operating segments

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

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

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

Financial assets—impairment of equity investments

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

If the decline of the fair value of an individual equity investment below cost was considered significant or prolonged, the Group would transfer the accumulated fair value adjustments recognised in other comprehensive income on the impaired available-for-sale financial assets to profit or loss or being the recognition of the impairment loss on the impaired financial assets measured at cost in profit or loss. For the six-month period ended June 30, 2014, the Group did not recognise any impairment loss on financial assets-equity investment.

(2) Critical accounting estimates and assumptions

A.Revenue recognition

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

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

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

C.Impairment assessment of investments accounted for using equity method

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

As of June 30, 2014, the Group's investments accounted for under the equity method, amounted to $23,834,038.

D.Realisability of deferred income tax assets

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

As of June 30, 2014, the Group recognised deferred income tax assets amounting to $484,497.

E.Calculation of accrued pension obligations

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

As of June 30, 2014, the carrying amount of accrued pension obligations was $2,859,541.

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

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

As of June 30, 2014, the carrying amount of unlisted stocks was $635,509.

G.Impairment assessment of financial assets without active markets

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2014	December 31, 2013
Cash on hand and petty cash	$ 18,191	$ 19,343
Checking accounts and demand deposits	5,408,287	6,123,427
Time deposits	25,216,425	27,269,759
Cash equivalents	-	89,913
	$ 30,642,903	$ 33,502,442

	June 30, 2013
Cash on hand and petty cash	$ 26,315
Checking accounts and demand deposits	5,435,825
Time deposits	23,562,821
Cash equivalents	-
	$ 29,024,961

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

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

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

Items	June 30, 2014	December 31, 2013	June 30, 2013
Current items:			
Financial assets held for trading			
Listed (TSE and OTC) stocks	$ -	$ -	$ 290
Beneficiary certificates	-	-	1,272,076
Embedded derivatives	57	5,172	4,434
	57	5,172	1,276,800
Valuation adjustment	-	-	7,110
	$ 57	$ 5,172	$ 1,283,910

Items	June 30, 2014	December 31, 2013	June 30, 2013
Non-current items:			
Financial assets designated as at fair value through profit or loss			
Corporate bonds	$ -	$ -	$ 100,000
Valuation adjustment	-	-	(9,728)
	$ -	$ -	$ 90,272

A.The Group recognised net loss of $2,155, net loss of $13,310, net loss of $5,115 and net gain of $1,981 on financial assets held for trading for the three-month and six-month periods ended June 30, 2014 and 2013, respectively, and recognised net loss of $214 and net gain of $13,624 on financial assets designated as at fair value through profit or loss on initial recognition for the three-month and six-month periods ended June 30, 2013, respectively.

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

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

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

(3) Available-for-sale financial assets

Items	June 30, 2014	December 31, 2013
Non-current items:		
Listed (TSE and OTC) stocks	$ 490,801	$ 490,801
Emerging stocks	1,250,000	1,250,000
Unlisted stocks	258,986	258,845
	1,999,787	1,999,646
Valuation adjustment	5,577	(64,433)
Accumulated impairment	(1,844)	(1,844)
	$ 2,003,520	$ 1,933,369

Items	June 30, 2013
Non-current items:	
Listed (TSE and OTC) stocks	$ 490,801
Emerging stocks	1,250,000
Unlisted stocks	259,764
	2,000,565
Valuation adjustment	(472,498)
Accumulated impairment	(1,844)
	$ 1,526,223

A.The Group recognised net gain of $58,762, net loss of $100,923, net gain of $70,010 and net loss of $14,651 in other comprehensive income for fair value change for the three-month and six-month periods ended June 30, 2014 and 2013, respectively.

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

(4) Held-to-maturity financial assets

Items	June 30, 2014	December 31, 2013
Non-current items:		
Financial bonds	$ 370,000	$ 370,000

Items	June 30, 2013
Non-current items:	
Financial bonds	$ 370,000

A.The Group recognised interest income of $2,571, $2,578, $5,110 and $5,112 for amortised cost in profit or loss for the three-month and six-month periods ended June 30, 2014 and 2013, respectively.

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

C.The Group has no held-to-maturity financial assets held by the Group pledged to others.

(5) Accounts receivable, net

	June 30, 2014	December 31, 2013
Accounts receivable	$ 12,636,794	$ 12,908,034
Less: allowance for bad debts	(23,155)	(34,284)
	$ 12,613,639	$ 12,873,750

	June 30, 2013
Accounts receivable	$ 13,178,599
Less: allowance for bad debts	(21,169)
	$ 13,157,430

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

	June 30, 2014	December 31, 2013
Group 1	$ 681,786	$ 871,232
Group 2	10,859,464	9,179,953
	$ 11,541,250	$ 10,051,185

	June 30, 2013
Group 1	$ 923,946
Group 2	9,259,305
	$ 10,183,251

Note:

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

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

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

	June 30, 2014	December 31, 2013
Up to 30 days	$ 892,837	$ 2,426,023
31 to 180 days	179,552	396,542
	$ 1,072,389	$ 2,822,565

	June 30, 2013
Up to 30 days	$ 2,610,851
31 to 180 days	363,328
	$ 2,974,179

The above ageing analysis was based on past due date.

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

(a)As of June 30, 2014, December 31, 2013 and June 30, 2013, the Group's accounts receivable that were impaired amounted to $23,155, $34,284, and $21,169, respectively.

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

	2014		
	Individual provision	Group provision	Total
At January 1	($ 34,284)	$ -	($ 34,284)
Provision for impairment	(2,643)	-	(2,643)
Reversal of impairment	13,657	-	13,657
Net exchange differences	115	-	115
At June 30	($ 23,155)	$ -	($ 23,155)

	2013		
	Individual provision	Group provision	Total
At January 1	($ 35,713)	$ -	($ 35,713)
Provision for impairment	(827)	-	(827)
Reversal of impairment	12,858	-	12,858
Write-offs during the period	1,153	-	1,153
Net exchange differences	1,360	-	1,360
At June 30	($ 21,169)	$ -	($ 21,169)

D.The maximum exposure to credit risk at June 30, 2014, December 31, 2013 and June 30, 2013 was the carrying amount of each class of accounts receivable.

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

(6) Inventories

	June 30, 2014		
	Cost	Allowance for valuation loss	Book value
Ship fuel	$ 4,560,526	$ -	$ 4,560,526
Steel and others	591,329	-	591,329
	$ 5,151,855	$ -	$ 5,151,855

	December 31, 2013		
	Cost	Allowance for valuation loss	Book value
Ship fuel	$ 4,573,991	$ -	$ 4,573,991
Steel and others	607,849	-	607,849
	$ 5,181,840	$ -	$ 5,181,840

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

(7) Other current assets

	June 30, 2014	December 31, 2013	June 30, 2013
Shipowner's accounts	$ 1,339,053	$ 1,300,821	$ 1,092,559
Agency accounts	766,092	210,509	513,400
Other financial assets	274,431	498,664	490,339
Temporary debits	365,419	411,822	358,395
	$ 2,744,995	$ 2,421,816	$ 2,454,693

(8) Investments accounted for using equity method

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

	June 30, 2014	December 31, 2013
Charng Yang Development Co., Ltd.	$ 451,837	$ 448,138
Evergreen International Storage and Transport Corporation	7,742,509	7,775,737
EVA Airways Corporation	6,823,215	6,922,314
Taipei Port Container Terminal Corporation	1,455,619	1,461,922
Luanta Investment (Netherlands) N.V.	2,451,243	2,464,517
Balsam Investment (Netherlands) N.V.	1,589,404	1,663,148
Colon Container Terminal S.A.	2,482,578	2,424,893
Others	837,633	740,183
	$ 23,834,038	$ 23,900,852

	June 30, 2013
Charng Yang Development Co., Ltd.	$ 416,718
Evergreen International Storage and Transport Corporation	7,711,492
EVA Airways Corporation	6,580,545
Taipei Port Container Terminal Corporation	1,484,549
Luanta Investment (Netherlands) N.V.	2,540,757
Balsam Investment (Netherlands) N.V.	2,133,225
Colon Container Terminal S.A.	2,362,074
Others	713,368
	$ 23,942,728

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

	June 30, 2014	December 31, 2013
Evergreen International Storage and Transport Corporation	$ 7,823,950	$ 8,820,496
EVA Airways Corporation	9,033,084	10,449,422
	$ 16,857,034	$ 19,269,918

		June 30, 2013
Evergreen International Storage and Transport Corporation	$	7,887,559
EVA Airways Corporation		10,795,637
	$	18,683,196

C.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. according to its original ownership stake as an original shareholder. The capital increase amounted to EUR 19,600 on March 26, 2014. The shareholding ratio remained at 49% after the capital increase and Balsam Investment (Netherlands) N.V. is accounted for using equity method.

D.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. according to its original ownership stake as an original shareholder. The capital increase amounted to EUR 1,600 for the six-month period ended June 30, 2014. The shareholding ratio remained at 50% after the capital increase and Luanta Investment (Netherlands) N.V. is accounted for using equity method.

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. according to its original ownership stake as an original shareholder. The capital increase amounted to EUR 14,700 for the year ended December 31, 2013.

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

G.The financial information of the Group’s principal associates is summarized below:

	Assets	Liabilities	Revenue	Profit/(Loss)	% Interest held
June 30, 2014					
Charng Yang Development Co., Ltd.	$ 1,912,390	$ 199,133	$ 125,699	$ 81,347	40.00%
Evergreen International Storage and Transport Corporation	23,675,902	4,138,469	2,260,695	222,261	39.74%
EVA Airways Corporation	147,087,116	111,762,136	55,523,453	(789,351)	19.32%
Taipei Port Container Terminal Corporation	13,273,854	8,547,357	663,029	(20,488)	27.85%
Luanta Investment (Netherlands) N.V.	5,510,090	607,604	-	(177,569)	50.00%
Balsam Investment (Netherlands) N.V.	3,243,681	-	-	(1,801,369)	49.00%
Colon Container Terminal S.A.	8,214,168	1,780,668	780,208	141,390	40.00%
Others	3,711,798	1,500,944	1,710,907	320,515	-
	$ 206,628,999	$ 128,536,311	$ 61,063,991	($ 2,023,264)	

	Assets	Liabilities	Revenue	Profit/(Loss)	% Interest held
December 31, 2013					
Charng Yang Development Co., Ltd.	$ 1,920,841	$ 216,830	$ 250,456	$ 160,227	40.00%
Evergreen International Storage and Transport Corporation	23,254,491	3,628,722	4,498,773	580,653	39.74%
EVA Airways Corporation	139,394,778	103,556,745	110,747,462	747,450	19.32%
Taipei Port Container Terminal Corporation	13,323,400	8,576,415	1,186,358	(131,256)	27.85%
Luanta Investment (Netherlands) N.V.	5,498,152	569,119	-	(362,518)	50.00%
Balsam Investment (Netherlands) N.V.	3,394,180	-	-	(3,424,827)	49.00%
Colon Container Terminal S.A.	8,249,729	1,960,440	1,703,424	399,205	40.00%
Others	2,998,878	938,860	3,070,346	512,527	-
	$ 198,034,449	$ 119,447,131	$ 121,456,819	($ 1,518,539)	

	Assets	Liabilities	Revenue	Profit/(Loss)	% Interest held
June 30, 2013					
Charng Yang Development Co., Ltd.	$ 1,746,259	$ 120,798	$ 125,261	$ 81,677	40.00%
Evergreen International Storage and Transport Corporation	23,365,531	3,896,713	2,233,895	265,809	39.74%
EVA Airways Corporation	142,653,084	108,584,451	52,971,482	(1,095,715)	19.32%
Taipei Port Container Terminal Corporation	13,990,480	9,169,944	617,585	(57,704)	27.85%
Luanta Investment (Netherlands) N.V.	5,590,799	508,373	-	(145,832)	50.00%
Balsam Investment (Netherlands) N.V.	4,353,520	-	-	(1,101,941)	49.00%
Colon Container Terminal S.A.	8,085,786	1,953,546	869,876	209,562	40.00%
Others	2,919,598	886,398	1,549,542	272,376	-
	$ 202,705,057	$ 125,120,223	$ 58,367,641	($ 1,571,768)	

(9) Property, plant and equipment

	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Lease assets	Leasehold improvements	Total
At January 1, 2014											
Cost	$ 732,621	$ 1,860,505	$ 767,850	$ 6,496,491	$ 313,365	$ 19,892,061	$ 72,704,920	$ 542,631	$ 21,665,751	$ 215,363	$ 125,191,558
Accumulated depreciation	-	(1,018,845)	(545,501)	(4,987,724)	(264,008)	(9,800,923)	(29,338,110)	(449,761)	(2,516,746)	(100,857)	(49,022,475)
	$ 732,621	$ 841,660	$ 222,349	$ 1,508,767	$ 49,357	$ 10,091,138	$ 43,366,810	$ 92,870	$ 19,149,005	$ 114,506	$ 76,169,083
2014											
Opening net book amount	$ 732,621	$ 841,660	$ 222,349	$ 1,508,767	$ 49,357	$ 10,091,138	$ 43,366,810	$ 92,870	$ 19,149,005	$ 114,506	$ 76,169,083
Additions	-	-	10	99,043	7,006	3,232,632	158,429	8,911	-	6,173	3,512,204
Disposals	-	-	-	(2,738)	(12)	(87,479)	-	(353)	(12,507)	-	(103,089)
Reclassifications	-	-	-	-	(1,605)	-	15,743,909	-	-	-	15,742,304
Depreciation charge	-	(30,550)	(15,743)	(132,627)	(10,707)	(906,567)	(1,700,194)	(16,179)	(922,192)	(14,308)	(3,749,067)
Effect of consolidated entity's movement	-	-	-	-	-	-	(14,675)	(3,959)	-	-	(18,634)
Net exchange differences	1,143	(392)	5,418	40	228	(9,035)	35,403	432	17,495	295	51,027
Closing net book amount	$ 733,764	$ 810,718	$ 212,034	$ 1,472,485	$ 44,267	$ 12,320,689	$ 57,589,682	$ 81,722	$ 18,231,801	$ 106,666	$ 91,603,828
At June 30, 2014											
Cost	$ 733,764	$ 1,859,143	$ 786,887	$ 6,199,308	$ 309,842	$ 22,261,054	$ 88,634,916	$ 514,481	$ 21,658,785	$ 221,995	$ 143,180,175
Accumulated depreciation	-	(1,048,425)	(574,853)	(4,726,823)	(265,575)	(9,940,365)	(31,045,234)	(432,759)	(3,426,984)	(115,329)	(51,576,347)
	$ 733,764	$ 810,718	$ 212,034	$ 1,472,485	$ 44,267	$ 12,320,689	$ 57,589,682	$ 81,722	$ 18,231,801	$ 106,666	$ 91,603,828

	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Lease assets	Leasehold improvements	Total
At January 1, 2013											
Cost	$749,419	$ 1,840,389	$ 706,861	$ 6,408,130	$ 333,742	$ 22,581,661	$ 55,425,994	$ 551,708	$ 17,253,977	$ 304,995	$106,156,876
Accumulated depreciation	-	(936,919)	(578,148)	(4,788,983)	(272,993)	(14,062,342)	(25,986,103)	(441,122)	(1,088,739)	(106,446)	(48,261,795)
	$749,419	$ 903,470	$ 128,713	$ 1,619,147	$ 60,749	$ 8,519,319	$ 29,439,891	$ 110,586	$ 16,165,238	$ 198,549	$ 57,895,081
2013											
Opening net book amount	$749,419	$ 903,470	$ 128,713	$ 1,619,147	$ 60,749	$ 8,519,319	$ 29,439,891	$ 110,586	$ 16,165,238	$ 198,549	$ 57,895,081
Additions	-	2,715	330	124,500	9,023	4,323,496	3,230,819	5,214	2,672,295	4,128	10,372,520
Disposals	-	-	-	(356)	(527)	(598,172)	-	(200)	(7,610)	-	(606,865)
Reclassifications	-	-	-	1,071	(624)	-	6,323,658	(11)	68,034	(69,105)	6,323,023
Depreciation charge	-	(31,558)	(10,018)	(136,193)	(12,458)	(1,155,382)	(1,259,237)	(17,943)	(492,643)	(12,605)	(3,128,037)
Net exchange differences	2,165	7,874	(561)	44,028	(344)	191,243	849,647	601	562,882	(542)	1,656,993
Closing net book amount	$751,584	$ 882,501	$ 118,464	$ 1,652,197	$ 55,819	$ 11,280,504	$ 38,584,778	$ 98,247	$ 18,968,196	$ 120,425	$ 72,512,715
At June 30, 2013											
Cost	$751,584	$ 1,861,901	$ 697,833	$ 6,542,567	$ 330,121	$ 26,108,672	$ 66,636,453	$ 539,239	$ 20,617,186	$ 209,654	$124,295,210
Accumulated depreciation	-	(979,400)	(579,369)	(4,890,370)	(274,302)	(14,828,168)	(28,051,675)	(440,992)	(1,648,990)	(89,229)	(51,782,495)
	$751,584	$ 882,501	$ 118,464	$ 1,652,197	$ 55,819	$ 11,280,504	$ 38,584,778	$ 98,247	$ 18,968,196	$ 120,425	$ 72,512,715

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

(10) Investment property – net

	Land		Buildings		Total
At January 1, 2014					
Cost	$ 1,414,008		$ 1,012,695		$ 2,426,703
Accumulated depreciation	-	(	414,697)	(	414,697)
	$ 1,414,008		$ 597,998		$ 2,012,006
2014					
Opening net book amount	$ 1,414,008		$ 597,998		$ 2,012,006
Depreciation charge	-	(	9,879)	(	9,879)
Net exchange differences	-	(	5,469)	(	5,469)
Closing net book amount	$ 1,414,008		$ 582,650		$ 1,996,658
At June 30, 2014					
Cost	$ 1,414,008		$ 1,005,275		$ 2,419,283
Accumulated depreciation	-	(	422,625)	(	422,625)
	$ 1,414,008		$ 582,650		$ 1,996,658

	Land		Buildings		Total
At January 1, 2013					
Cost	$ 1,414,008		$ 1,023,648		$ 2,437,656
Accumulated depreciation	-	(	397,401)	(	397,401)
	$ 1,414,008		$ 626,247		$ 2,040,255
2013					
Opening net book amount	$ 1,414,008		$ 626,247		$ 2,040,255
Depreciation charge	-	(	10,068)	(	10,068)
Net exchange differences	-	(	2,057)	(	2,057)
Closing net book amount	$ 1,414,008		$ 614,122		$ 2,028,130
At June 30, 2013					
Cost	$ 1,414,008		$ 1,020,919		$ 2,434,927
Accumulated depreciation	-	(	406,797)	(	406,797)
	$ 1,414,008		$ 614,122		$ 2,028,130

Information about the investment property that were pledged to others as collaterals is provided in Note 8.

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

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Rental revenue from the lease of the investment property	$ 26,033	$ 28,081
Direct operating expenses arising from the investment property that generated rental income in the period	$ 5,169	$ 5,848
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ 217	$ 393

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Rental revenue from the lease of the investment property	$ 52,043	$ 52,215
Direct operating expenses arising from the investment property that generated rental income in the period	$ 10,487	$ 11,110
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ 457	$ 768

B.The fair value of the investment property held by the Group as at June 30, 2014, December 31, 2013 and June 30, 2013 was $3,200,132, $3,293,534 and $3,302,584, respectively. The fair value measurements were based on the market prices of recently sold properties in the immediate vicinity of a certain property.

(11) Other non-current assets

	June 30, 2014	December 31, 2013	June 30, 2013
Prepayments for equipment	$ 6,228,978	$ 13,267,118	$ 12,952,196
Refundable deposits	111,777	109,727	106,981
Others	438	9,092	10,129
	$ 6,341,193	$ 13,385,937	$ 13,069,306

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

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Amount capitalised	$ 81,062	$ 98,344
Interest rate	1.07%~2.18%	1.21%~2.31%

(12) Short-term loans

	June 30, 2014	December 31, 2013	June 30, 2013
Secured loans	$ 1,194,540	$ 596,860	$ 600,130
Interest rate	1.73%~2.23%	1.63%~2.35%	1.37%

(13) Other current liabilities

	June 30, 2014	December 31, 2013
Receipt in advance	$ 33,617	$ 200,564
Long-term liabilities - current	15,221,968	10,963,222
Shipowner's accounts	1,856,897	1,580,331
Agency accounts	2,845,684	2,909,828
Long-term leases payable - current	2,319,028	2,208,331
Others	23,472	23,431
	$ 22,300,666	$ 17,885,707

	June 30, 2013
Receipt in advance	$ 25,893
Long-term liabilities - current	10,112,371
Shipowner's accounts	1,672,308
Agency accounts	3,745,089
Long-term leases payable - current	1,839,801
Others	18,128
	$ 17,413,590

(14) Corporate bonds payable

	June 30, 2014	December 31, 2013
Domestic unsecured convertible bonds	$ 568,400	$ 568,400
Domestic secured corporate bonds	3,000,000	3,000,000
Less: discount on corporate bonds	(1,060)	(7,377)
	3,567,340	3,561,023
Less: current portion or exercise of put options	(567,340)	(561,023)
	$ 3,000,000	$ 3,000,000

		June 30, 2013
Domestic unsecured convertible bonds	$	568,400
Domestic secured exchangeable bonds		3,000,000
Less: discount on corporate bonds	(	13,624)
		3,554,776
Less: current portion or exercise of put options		-
	$	3,554,776

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

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

b) Coupon rate: 0% per annum

c) Principal repayment and interest payment

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

d) Collaterals

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

e) Redemption at the Company's option

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

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

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

f) Redemption at the bondholders' option

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

g) Terms of conversion

(a)Conversion period

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

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

(b)Conversion price

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

h) Entitlement to cash dividends or stock dividends

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

i) As of June 30, 2014, for the Third Bond holders who requested conversion of convertible bonds to the Company's common stock, their total convertible bonds' face value was $1,931,600. The conversion of the Third Bonds increased conversion transaction capital surplus - paid-in capital in excess of par value of common stock by $1,017,095, and reduced the capital reserves from stock warrants by $197,954.

B.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 is guaranteed by Bank Sinopac, and Bond B is guaranteed by Far Eastern International Bank.

C.The conversion rights and debt component of the Third Bonds are recognised separately in accordance with IAS 39. The issuance cost of the Third Bonds is allocated to debt and equity components by the amount initially recognised. 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 recognised in "financial liabilities at fair value through profit or loss" in accordance with IAS 39.

(15) Long-term loans

	June 30, 2014	December 31, 2013
Secured bank loans	$ 56,148,086	$ 48,650,416
Unsecured bank loans	19,591,652	18,641,071
Add : unrealised foreign exchange loss	65,944	72,021
Less: hosting fee credit	(34,998)	(31,250)
	75,770,684	67,332,258
Less: current portion	(14,654,628)	(10,402,199)
	$ 61,116,056	$ 56,930,059
Interest rate	0.80%~5.22%	0.82%~5.22%

	June 30, 2013
Secured bank loans	$ 39,223,869
Unsecured bank loans	19,720,030
Add: unrealised foreign exchange loss	115,259
Less: hosting fee credit	(33,692)
	59,025,466
Less: current portion	(10,112,371)
	$ 48,913,095
Interest rate	0.84%~5.20%

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

(16) Other non-current liabilities

	June 30, 2014	December 31, 2013
Long-term leases payable - non-current	$ 15,243,516	$ 16,362,553
Accrued pension liabilities	2,859,541	2,883,965
Guarantee deposits received	39,819	34,545
Unrealised gain on sale and leaseback	95,329	103,422
	$ 18,238,205	$ 19,384,485

	June 30, 2013
Long-term leases payable - non-current	$ 16,600,331
Accrued pension liabilities	2,783,594
Guarantee deposits received	42,848
Unrealised gain on sale and leaseback	120,330
	$ 19,547,103

(17) Finance lease liabilities

The Group leases in loading and unloading equipment, ships and transportation equipment under finance lease, based on the terms of the lease contracts. Future minimum lease payments and their present values as at June 30, 2014, December 31, 2013 and June 30, 2013 are as follows:

	June 30, 2014		
	Total finance lease liabilities	Future finance charges	Present value of finance lease liabilities
Current			
Not later than one year	$ 2,912,437	($ 593,409)	$ 2,319,028
Non-current			
Later than one year but not later than five years	8,101,076	(1,739,824)	6,361,252
Over five years	9,736,608	(854,344)	8,882,264
	17,837,684	(2,594,168)	15,243,516
	$ 20,750,121	($ 3,187,577)	$ 17,562,544

	December 31, 2013		
	Total finance lease liabilities	Future finance charges	Present value of finance lease liabilities
Current			
Not later than one year	$ 2,830,137	($ 621,806)	$ 2,208,331
Non-current			
Later than one year but not later than five years	8,315,472	(1,821,809)	6,493,663
Over five years	10,880,266	(1,011,376)	9,868,890
	19,195,738	(2,833,185)	16,362,553
	$ 22,025,875	($ 3,454,991)	$ 18,570,884

	June 30, 2013		
	Total finance lease liabilities	Future finance charges	Present value of finance lease liabilities
Current			
Not later than one year	$ 2,481,100	($ 641,299)	$ 1,839,801
Non-current			
Later than one year but not later than five years	8,688,621	(1,932,883)	6,755,738
Over five years	11,038,120	(1,193,527)	9,844,593
	19,726,741	(3,126,410)	16,600,331
	$ 22,207,841	($ 3,767,709)	$ 18,440,132

(18) Pension

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

(b)The employees with R.O.C. nationality of the Group's subsidiaries, Greencompass Marine S. A. and Evergreen Marine (UK) Limited, adopted the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement.

(c)For the aforementioned pension plan, the Group recognised pension costs of $55,368, $52,896, $119,132 and $103,174 for the three-month and six-month periods ended June 30, 2014 and 2013, respectively.

Details of cost and expenses recognised in comprehensive income statements are as follows:

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Operating costs	$ 31,049	$ 23,011
Operating expenses	24,319	29,885
	$ 55,368	$ 52,896

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Operating costs	$ 62,219	$ 45,087
Operating expenses	56,913	58,087
	$ 119,132	$ 103,174

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

(b)The pension costs under defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2014 and 2013 were $53,821, $46,760, $91,784 and $83,638, respectively.

(19) Capital

A.As of June 30, 2014, the Company's authorized capital was $36,000,000, and the paid-in capital was $ 34,749,523, consisting of 3,474,952 thousand shares of common stocks with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

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, 2014 and 2013 are set forth below:

	For the six-month periods ended June 30,			
	2014		2013	
	No. of Shares (in 000's)	Amount	No. of Shares (in 000's)	Amount
Third unsecured convertible bonds	-	$ -	12	$ 116

(20) Capital surplus

A.Pursuant to the R.O.C. Company Act, capital surplus 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 surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2013				
	Share premium	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Stock warrants of convertible bonds	Others
At January 1, 2013	$ 5,817,899	$ 1,388,550	$ 446	$ 58,271	$ 6,713
Conversion of convertible bonds into common stock	99	-	-	(21)	-
At June 30, 2013	$ 5,817,998	$ 1,388,550	$ 446	$ 58,250	$ 6,713

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

(21) Retained earnings

A.According to the Company's Articles of Incorporation, if there is any profit for a fiscal year, the Company shall first make provision for all taxes and cover prior years' losses and 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 distribution of the reserve is limited to the portion in excess of 25% of the Company’s paid-in capital.

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

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

E.As of June 30, 2014 and 2013, the Company distributed no dividends to shareholders, bonus to employees, or remuneration to the directors and supervisors in order to facilitate future expansion plans.

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

(22) Other equity items

	Hedging reserve	Available-for-sale investment	Currency translation	Total
At January 1, 2014	$ 12,331	($ 36,456)	($ 804,815)	($ 828,940)
Revaluation – gross	-	70,471	-	70,471
Revaluation – tax	-	(3,900)	-	(3,900)
Revaluation – associates	-	31,052	-	31,052
Cash flow hedges:				
– Fair value gains in the period				
– associates	16,735	-	-	16,735
Currency translation differences:				
–Group	-	-	70,808	70,808
–Associates	-	-	9,375	9,375
At June 30, 2014	$ 29,066	$ 61,167	($ 724,632)	($ 634,399)

	Hedging reserve	Available-for-sale investment	Currency translation	Total
At January 1, 2013	$ 10,289	($ 490,002)	($ 1,867,363)	($ 2,347,076)
Revaluation – gross	-	(14,199)	-	(14,199)
Revaluation – tax	-	39	-	39
Revaluation – associates	-	(40,163)	-	(40,163)
Cash flow hedges:				
– Fair value gains in the period – associates	(14,360)	-	-	(14,360)
Currency translation differences:				
–Group	-	-	1,183,497	1,183,497
–Associates	-	-	120,026	120,026
At June 30, 2013	($ 4,071)	($ 544,325)	($ 563,840)	($ 1,112,236)

(23) Operating revenue

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Marine freight income	$ 32,373,232	$ 33,608,067
Container manufacturing income	589,205	777,785
Ship rental income and slottage income	370,927	677,331
Commission income and agency service income	433,580	417,633
Container income and others	1,412,003	1,014,915
	$ 35,178,947	$ 36,495,731

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Marine freight income	$ 64,226,277	$ 64,438,372
Container manufacturing income	1,228,186	1,511,727
Ship rental income and slottage income	580,656	978,390
Commission income and agency service income	763,164	797,027
Container income and others	2,701,378	2,151,914
	$ 69,499,661	$ 69,877,430

(24) Other gains – net

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Gains on disposal of property, plant and equipment	$ 136,759	$ 288,074

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Gains on disposal of property, plant and equipment	$ 330,343	$ 468,116

(25) Other income

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Rental revenue	$ 28,525	$ 24,319
Dividend income	57,980	29,740
Interest income:		
Interest income from bank deposits	82,573	54,305
Interest income from financial assets other than financial assets at fair value through profit or loss	2,571	2,578
Other interest income	-	998
Other income - other	367,845	40,285
	$ 539,494	$ 152,225

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Rental revenue	$ 56,875	$ 57,548
Dividend income	89,510	29,740
Interest income:		
Interest income from bank deposits	176,879	107,214
Interest income from financial assets other than financial assets at fair value through profit or loss	5,110	5,112
Other interest income	-	1,984
Other income - other	436,974	109,110
	$ 765,348	$ 310,708

(26) Other gains and losses

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Net losses on financial assets at fair value through profit or loss	($ 2,155)	($ 13,524)
Net currency exchange gains (losses)	(174,528)	27,623
Gains on disposal of investments	675	5,929
Other non-operating expenses	(55,263)	(21,301)
	($ 231,271)	($ 1,273)

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Net gains (losses) on financial assets at fair value through profit or loss	($ 5,115)	$ 15,605
Net currency exchange gains (losses)	(162,228)	285,622
Gains on disposal of investments	71,181	6,645
Other non-operating expenses	(71,548)	(40,200)
	($ 167,710)	$ 267,672

(27) Finance costs

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Interest expense:		
Bank loans	$ 168,938	$ 147,726
Corporate bonds	12,742	12,672
	181,680	160,398
Less: capitalisation of qualifying assets	(33,902)	(61,139)
Finance costs	$ 147,778	$ 99,259

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Interest expense:		
Bank loans	$ 331,567	$ 264,271
Corporate bonds	25,360	25,221
	356,927	289,492
Less: capitalisation of qualifying assets	(81,062)	(98,344)
Finance costs	$ 275,865	$ 191,148

(28) Expenses by nature

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Employee benefit expense	$ 1,604,673	$ 1,437,435
Depreciation charges on property, plant and equipment	1,916,693	1,633,427
Amortisation charges on intangible assets	3,329	5,251
Other operating costs and expenses	31,184,439	33,955,338
	$ 34,709,134	$ 37,031,451

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Employee benefit expense	$ 3,124,062	$ 2,842,866
Depreciation charges on property, plant and equipment	3,749,067	3,128,037
Amortisation charges on intangible assets	6,239	8,704
Other operating costs and expenses	63,725,491	66,659,134
	$ 70,604,859	$ 72,638,741

(29) Employee benefit expense

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Wages and salaries	$ 1,325,144	$ 1,187,200
Labor and health insurance fees	89,587	79,414
Pension costs	109,189	99,656
Other personnel expenses	80,753	71,165
	$ 1,604,673	$ 1,437,435

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Wages and salaries	$ 2,580,057	$ 2,354,214
Labor and health insurance fees	177,447	158,847
Pension costs	210,916	186,812
Other personnel expenses	155,642	142,993
	$ 3,124,062	$ 2,842,866

(30) Income tax

A.Income tax expense

(a)Components of income tax expense:

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Current tax:		
Current tax on profits for the period	$ 196,473	$ 64,503
Adjustments in respect of prior years	14,245	38,492
Total current tax	210,718	102,995
Deferred tax:		
Origination and reversal of temporary differences	2,971	20,075
Total deferred tax	2,971	20,075
Income tax expense	$ 213,689	$ 123,070

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Current tax:		
Current tax on profits for the period	$ 303,114	$ 277,375
Adjustments in respect of prior years	1,112	(68,084)
Total current tax	304,226	209,291
Deferred tax:		
Origination and reversal of temporary differences	(70,777)	(106,260)
Total deferred tax	(70,777)	(106,260)
Income tax expense	$ 233,449	$ 103,031

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

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Fair value gains/losses on available-for-sale financial assets	($ 2,768)	$ 39
Exchange differences on translating the financial statements of foreign operations	12	-
	($ 2,756)	$ 39

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Fair value gains/losses on available-for-sale financial assets	($ 3,900)	$ 39
Exchange differences on translating the financial statements of foreign operations	-	-
	($ 3,900)	$ 39

B.As of June 30, 2014, the Company's income tax returns through 2012 have been assessed and approved by the Tax Authority.

C.Unappropriated retained earnings:

	June 30, 2014	December 31, 2013
Earnings generated in and before 1997	$ 1,673,273	$ 1,118,877
Earnings generated in and after 1998	2,887,740	-
	$ 4,561,013	$ 1,118,877

	June 30, 2013
Earnings generated in and before 1997	$ 647,918
Earnings generated in and after 1998	-
	$ 647,918

D.As of June 30, 2014, December 31, 2013 and June 30, 2013, the balance of the imputation tax credit account was $1,561,263, $438,661 and $1,069,389, respectively. The creditable tax rate was 12.72% for 2012 and is estimated to be 0% for 2013.

(31) Earnings (loss) per share

	Three-month period ended June 30, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Net income attributable to ordinary shareholders of the parent	$ 150,175	3,474,952	$ 0.04
Diluted earnings per share			
Net income attributable to ordinary shareholders of the parent	150,175	3,474,952	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	Note 1	Note 1	
Net income attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 150,175	3,474,952	$ 0.04

	Three-month period ended June 30, 2013		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Net loss attributable to ordinary shareholders of the parent	($ 400,537)	3,474,946	($ 0.12)
Diluted loss per share			
Net loss attributable to ordinary shareholders of the parent	(400,537)	3,474,946	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	Note 2	Note 2	
Net loss attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	($ 400,537)	3,474,946	($ 0.12)

	Six-month period ended June 30, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Net loss attributable to ordinary shareholders of the parent	($ 1,543,917)	3,474,952	($ 0.44)
Diluted loss per share			
Net loss attributable to ordinary shareholders of the parent	(1,543,917)	3,474,952	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	Note 2	Note 2	
Net loss attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	($ 1,543,917)	3,474,952	($ 0.44)

	Six-month period ended June 30, 2013		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Net loss attributable to ordinary shareholders of the parent	($ 2,239,212)	3,474,944	($ 0.64)
Diluted loss per share			
Net loss attributable to ordinary shareholders of the parent	(2,239,212)	3,474,944	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	Note 2	Note 2	
Net loss attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	($ 2,239,212)	3,474,944	($ 0.64)

Note 1:

According to IAS 33 "Earnings per share", the potential common stock should not be considered in calculation of basic earnings per share, due to net income from continuing operation the three-month period ended June 30, 2014, which leads to anti-dilutive effect.

Note 2:

According to IAS 33 "Earnings per share", the potential common stock should not be considered in calculation of basic loss per share, due to net loss from continuing operation for the three-month period ended June 30, 2013, and the six-month periods ended June 30, 2014 and 2013, which leads to anti-dilutive effect.

(32) Non-cash transactions

A.Investing activities with partial cash payments

(a)Property, plant and equipment

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Purchase of property, plant and equipment	$ 3,512,204	$ 10,372,520
Add: opening balance of payable on equipment	1,119	1,750
Less: ending balance of payable on equipment	(219,777)	(707)
Cash paid during the period	$ 3,293,546	$ 10,373,563

(b)Prepayments for equipment

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Purchase of prepayments for equipment	$ 8,700,257	$ 5,295,924
Add: opening balance of payable on prepayments for equipment	4,597	8,488
Less: ending balance of payable on prepayments for equipment	(20,421)	-
capitalisation of qualifying assets	(81,062)	(98,344)
Cash paid during the period	$ 8,603,371	$ 5,206,068

B.Financing activities with no cash flow effects

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Convertible bonds converted to common stocks	$ -	$ 200

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

A.Operating revenue:

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Sales of services:		
Associates	$ 783,973	$ 735,914
Other related parties	2,078,678	1,991,575
	$ 2,862,651	$ 2,727,489

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Sales of services:		
Associates	$ 1,550,462	$ 1,376,562
Other related parties	3,973,934	3,873,057
	$ 5,524,396	$ 5,249,619

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

B.Purchases:

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Purchases of services:		
Associates	$ 1,033,560	$ 908,752
Other related parties	1,646,983	1,673,554
	$ 2,680,543	$ 2,582,306

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Purchases of services:		
Associates	$ 2,223,756	$ 1,996,820
Other related parties	3,319,286	3,564,548
	$ 5,543,042	$ 5,561,368

Goods and services are purchased from associates and other related parties on normal commercial terms and conditions.

C.Receivables from related parties :

	June 30, 2014	December 31, 2013	June 30, 2013
Accounts receivable:			
Associates	$ 89,761	$ 114,273	$ 79,521
Other related parties	218,603	237,700	233,623
Subtotal	$ 308,364	$ 351,973	$ 313,144
Other receivables:			
Associates	$ 170,870	$ 4,889	$ 163,473
Other related parties	51,711	65,141	51,619
Subtotal	222,581	70,030	215,092
Total	$ 530,945	$ 422,003	$ 528,236

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

D.Payables to related parties:

	June 30, 2014	December 31, 2013	June 30, 2013
Accounts payable:			
Associates	$ 104,004	$ 135,559	$ 104,184
Other related parties	153,997	611,797	174,115
Subtotal	$ 258,001	$ 747,356	$ 278,299
Other payables:			
Other related parties	$ 146	$ 223	$ 190
Total	$ 258,147	$ 747,579	$ 278,489

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

E.Property transactions:

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Acquisition of property, plant and equipment:		
Associates	$ 28	$ -
Other related parties	1	-
	$ 29	$ -

	Six-month period ended June 30, 2014		Six-month period ended June 30, 2013	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Disposal of property, plant and equipment:				
Other related parties	$ 40,338	$ 40,137	$ -	$ -

F.Agency accounts:

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

(a)Debit balance of agency accounts

	June 30, 2014	December 31, 2013	June 30, 2013
Debit balance of agency accounts:			
Associates	$ -	$ -	$ 32,722
Other related parties	95,973	36,142	-
	$ 95,973	$ 36,142	$ 32,722

(b)Credit balance of agency accounts

	June 30, 2014	December 31, 2013	June 30, 2013
Credit balance of agency accounts:			
Associates	($ 16,254)	($ 1,169)	$ -
Other related parties	-	-	(43,220)
	($ 16,254)	($ 1,169)	($ 43,220)

G.Shipowner's accounts:

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

	June 30, 2014	December 31, 2013	June 30, 2013
Debit balance of shipowner's accounts			
Associates	$ -	$ 2,589	$ -
Other related parties	1,193,861	1,167,810	936,604
	$ 1,193,861	$ 1,170,399	$ 936,604

	June 30, 2014	December 31, 2013	June 30, 2013
Credit balance of shipowner's accounts			
Associates	($ 28,328)	$ -	($ 126,951)
Other related parties	(1,186,198)	(860,125)	(906,329)
	($ 1,214,526)	($ 860,125)	($ 1,033,280)

H.Loans to/from related parties:

(a)Loans to related parties:

i.Outstanding balance:

	June 30, 2014	December 31, 2013	June 30, 2013
Associates	$ 293,220	$ 274,463	$ 246,221

ii.Interest income

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Associates	$ 1,066	$ 815

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Associates	$ 2,109	$ 1,478

The loans to associates carry interest at floating rates for the three-month and six-month periods ended June 30, 2014 and 2013.

(b) Loans from related parties:

i.Outstanding balance:

	June 30, 2014	December 31, 2013	June 30, 2013
Associates	$ 44,795	$ 44,765	$ 45,010
Other related parties	36,253	36,137	54,112
	$ 81,048	$ 80,902	$ 99,122

ii.Interest expenses:

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Associates	$ 151	$ 168

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Associates	$ 305	$ 334

The loans from associates carry interest at floating rates for the three-month and six-month periods ended June 30, 2014 and 2013.

I.Endorsements and guarantees provided to related parties:

	June 30, 2014	December 31, 2013	June 30, 2013
Associates	$ 2,311,491	$ 2,311,343	$ 3,628,575

(2) Key management compensation

	Three-month period ended June 30, 2014	Three-month period ended June 30, 2013
Salaries and other short-term employee benefits	$ 37,969	$ 33,195
Post-employment benefits	2,529	1,454
	$ 40,498	$ 34,649

	Six-month period ended June 30, 2014	Six-month period ended June 30, 2013
Salaries and other short-term employee benefits	$ 77,754	$ 70,058
Post-employment benefits	3,166	1,454
	$ 80,920	$ 71,512

8. PLEDGED ASSETS

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

	Book value		
Pledged assets	June 30, 2014	December 31, 2013	Purpose
Other financial assets			
- Pledged time deposits	$ 274,431	$ 498,664	Performance guarantee
Refundable deposits			
- Pledged time deposits	2,000	2,000	〃
Property, plant and equipment			
-Land	514,312	514,312	Long-term loan
-Buildings	214,133	217,814	〃
-Loading and unloading equipment	1,085,630	1,076,030	〃
-Ships	48,539,963	30,597,599	〃
-Transportation equipment	1,101,733	1,172,702	〃
Investment property			
-Land	1,285,781	1,285,781	Long-term loan
-Buildings	535,332	544,536	〃
	$ 53,553,315	$ 35,909,438	

Pledged asset		Book value June 30, 2013	Purpose
Other financial assets			Performance
- Pledged time deposits	$	490,339	guarantee
Refundable deposits			
- Pledged time deposits		2,000	〃
Property, plant and equipment			
-Land		514,312	Long-term loan
-Buildings		221,496	〃
-Loading and unloading equipment		1,137,206	〃
-Ships		23,759,925	〃
-Transportation equipment		1,250,430	〃
Investment property			
-Land		1,285,781	Long-term loan
-Buildings		553,739	〃
	$	29,215,228	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A.As of June 30, 2014, the Company had delegated ANZ Bank to issue Standby Letter of Credit amounting to USD 5,000.

B.A former stockholder of the Company sold some of its shares through issuance of global depository receipts (GDRs). The issuance of GDRs was approved by the SEC on June 19, 1996 as per Letter (85) Tai-Cai-Zheng (1) No. 35410. On August 2, 1996, the GDRs were approved by the UK governing authority to be listed on the London Stock Exchange and were issued in Asia, Europe and the US. The initial number of units issued was 5,449,592, representing 54,495,920 shares of the Company's common stock at $50.50 (in dollars) per share, and the number of supplementary units issued was 817,438. In total, the number of units issued was 6,267,030, representing 62,670,300 shares of the Company's common stock at $50.50 (in dollars) per share, and the GDRs issued amounted to USD115,000. Another 2,085,856 units, representing 20,858,634 shares of the Company's common stock, were issued during the period from 1997 to June 30, 2014. As of June 30, 2014, 8,013,574 units were redeemed and 339,312 units were outstanding, representing 3,393,194 shares of the Company's common stock.

C. As of June 30, 2014, the long-term and medium-term loan facilities granted by the financial institutions with the resolution from the Board of Directors to finance the Group's purchase of new ships and general working capital requirement amounted to $89,065,807 and the unutilized credits was $13,260,125.

D. Operating lease

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

	June 30, 2014	
Within 1 year	USD	196,509
1~5 years		343,541
	USD	540,050

E. As of June 30, 2014, the amount of guaranteed notes issued by the Company for loans borrowed was $40,987,240.

F. To meet operational needs, the Group signed the shipbuilding contracts with Samsung Heavy Industries Co., Ltd. As of June 30, 2014, the total price of shipbuilding contracts for undelivered ships amounted to USD103,000, USD20,600 of which remain unpaid.

G. To meet operational needs, the Group signed the shipbuilding contracts with Taiwan Shipbuilding Co., Ltd. As of June 30, 2014, the total price of shipbuilding contracts for undelivered ships amounted to USD412,000, USD309,000 of which remain unpaid.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Fair value information of financial instruments

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

	June 30, 2014	
	Book value	Fair value
Financial liabilities:		
Bonds payable (including current portion)	$ 3,567,340	$ 3,681,516
Long-term loans (including current portion)	75,770,684	80,918,786
	$ 79,338,024	$ 84,600,302

	December 31, 2013	
	Book value	Fair value
Financial liabilities:		
Bonds payable (including current portion)	$ 3,561,023	$ 3,575,555
Long-term loans (including current portion)	67,332,258	72,987,809
	$ 70,893,281	$ 76,563,364

	June 30, 2013	
	Book value	Fair value
Financial liabilities:		
Bonds payable	$ 3,554,776	$ 3,582,364
Long-term loans (including current portion)	59,025,466	63,764,535
	$ 62,580,242	$ 67,346,899

B.Financial risk management policies

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

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

C.Significant financial risks and degrees of financial risks

(a)Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, RMB, GBP and EUR. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.

ii. The Group's management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group's Finance Department. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with Group's Finance Department. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a foreign currency that is not the entity's functional currency.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, EUR and others). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2014		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 324,073	29.8635	$ 9,677,954
EUR:USD	4,780	1.3646	194,793
RMB:USD	19,558	0.1608	93,919
Financial liabilities			
Monetary items			
USD:NTD	$ 331,419	29.8635	$ 9,897,331
GBP:USD	92,176	1.7030	4,687,845

	December 31, 2013		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 396,681	29.8430	$ 11,838,151
RMB:NTD	61,920	4.9231	304,838
RMB:USD	37,270	0.1650	183,521
EUR:USD	3,794	1.3791	156,148
Financial liabilities			
Monetary items			
USD:NTD	$ 328,556	29.8430	$ 9,805,097
RMB:NTD	17,948	4.9231	88,360
GBP:USD	92,429	1.6496	4,550,188
EUR:USD	4,930	1.3791	202,901

	June 30, 2013		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 151,493	30.0065	$ 4,545,775
RMB:NTD	37,307	4.8799	182,054
EUR:USD	3,675	1.3080	144,238
GBP:USD	748	1.5249	34,226
Financial liabilities			
Monetary items			
USD:NTD	$ 315,911	30.0065	$ 9,479,383
EUR:USD	160	1.3080	6,280
GBP:USD	95,326	1.5249	4,361,823

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

	Six-month period ended June 30, 2014		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 96,780	$ -
EUR:USD	1%	1,948	-
RMB:USD	1%	939	-
EUR:USD	0%	-	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 98,973	$ -
GBP:USD	1%	46,878	-

	Six-month period ended June 30, 2013		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 45,458	$ -
RMB:NTD	1%	1,821	-
EUR:USD	1%	1,442	-
GBP:USD	1%	342	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 94,794	$ -
EUR:USD	1%	63	-
GBP:USD	1%	43,618	-

Price risk

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

ii. The Group’s investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six-month period ended June 30, 2013 would have increased/decreased by $2, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $19,751 and $15,128 for the six-month periods ended June 30, 2014 and 2013, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

Interest rate risk

i. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the six-month periods ended June 30, 2014 and 2013, the Group's borrowings at floating rate were denominated in the NTD and USD.

ii. At June 30, 2014 and 2013, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2014 and 2013 would have been $577,881 and $487,068 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b)Credit risk

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

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

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

(c)Liquidity risk

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

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

Non-derivative financial liabilities:

June 30, 2014	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term loans	$ 1,194,540	$ -	$ -	$ -	$ -	$ 1,194,540
Accounts payable	11,657,438	15,231	-	-	-	11,672,669
Accounts payable - related parties	258,001	-	-	-	-	258,001
Other payables	1,417,003	437,914	1,045	1,661	1,300	1,858,923
Other payables - related parties	33,411	47,783	-	-	-	81,194
Bonds payable	567,340	38,400	38,400	3,038,400	-	3,682,540
Long-term loans (including current portion)	2,141,934	13,656,330	15,004,136	23,873,237	26,316,243	80,991,880
Long-term leases payable (including current portion)	668,943	1,650,085	2,016,813	4,344,439	8,882,264	17,562,544
Guarantee deposits received	6,370	8,196	24,449	804	-	39,819

Non-derivative financial liabilities:

December 31, 2013	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term loans	$ -	$ 596,860	$ -	$ -	$ -	$ 596,860
Accounts payable	12,202,811	43,356	-	-	-	12,246,167
Accounts payable - related parties	747,356	-	-	-	-	747,356
Other payables	1,499,325	365,752	3,432	762	1,009	1,870,280
Other payables - related parties	223	80,902	-	-	-	81,125
Bonds payable	-	573,121	38,400	3,076,800	-	3,688,321
Long-term loans (including current portion)	2,211,971	9,626,418	14,020,020	26,077,065	21,155,402	73,090,876
Long-term leases payable (including current portion)	657,796	1,550,535	2,164,460	4,329,203	9,868,890	18,570,884
Guarantee deposits received	380	5,408	27,865	788	104	34,545

Non-derivative financial liabilities:

June 30, 2013	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term loans	$ -	$ 600,130	$ -	$ -	$ -	$ 600,130
Accounts payable	14,940,052	1,997	22	9	99	14,942,179
Accounts payable - related parties	278,299	-	-	-	-	278,299
Other payables	1,440,009	235,606	8,947	774	4,678	1,690,014
Other payables - related parties	190	99,122	-	-	-	99,312
Bonds payable	-	38,400	593,176	3,076,800	-	3,708,376
Long-term loans (including current portion)	658,338	10,852,680	15,053,969	21,235,144	16,008,338	63,808,469
Long-term leases payable (including current portion)	369,810	1,469,991	2,122,200	4,633,538	9,844,593	18,440,132
Guarantee deposits received	525	5,333	6,393	857	29,740	42,848

iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value estimation

A.The table below analyses financial instruments measured at fair value, by valuation method. The different levels have been defined as follows:

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

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

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

The following table presents the Group's financial assets and liabilities that are measured at fair value at June 30, 2014, December 31, 2013 and June 30, 2013:

June 30, 2014	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Embedded derivatives	$ -	$ -	$ 57	$ 57
Available-for-sale financial assets				
Equity securities	1,368,011	-	635,509	2,003,520
	$ 1,368,011	$ -	$ 635,566	$ 2,003,577

December 31, 2013	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Embedded derivatives	$ -	$ -	$ 5,172	$ 5,172
Available-for-sale financial assets				
Equity securities	1,373,322	-	560,047	1,933,369
	$ 1,373,322	$ -	$ 565,219	$ 1,938,541

June 30, 2013	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 240	$ -	$ -	$ 240
Debt securities	-	-	90,272	90,272
Beneficiary certificates	1,279,236	-	-	1,279,236
Embedded derivatives	-	-	4,434	4,434
Available-for-sale financial assets				
Equity securities	1,261,390	-	264,833	1,526,223
	$ 2,540,866	$ -	$ 359,539	$ 2,900,405

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

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

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

E.Specific valuation techniques used to value financial instruments include:

(a)Quoted market prices or dealer quotes for similar instruments.

(b)The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

(c)The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

F.The following table presents the changes in level 3 instruments as at June 30, 2014, December 31, 2013 and June 30, 2013.

	Equity securities	Debt securities	Derivative financial instruments	Total
At January 1, 2014	$ 560,047	$ -	$ 5,172	$ 565,219
Gains and losses recognised in net income	-	-	(5,115)	(5,115)
Gains and losses recognised in other comprehensive income	75,462	-	-	75,462
At June 30, 2014	$ 635,509	$ -	$ 57	$ 635,566

	Equity securities	Debt securities	Derivative financial instruments	Total
At January 1, 2013	$ 264,248	$ 76,648	$ 3,923	$ 344,819
Gains and losses recognised in net income	-	13,624	511	14,135
Gains and losses recognised in other comprehensive income	585	-	-	585
At June 30, 2013	$ 264,833	$ 90,272	$ 4,434	$ 359,539

13. SUPPLEMENTARY DISCLOSURES

(1)Significant transactions information

A. Loans to others:

Unit：Thousands of New Taiwan Dollars

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the six-month period ended June 30, 2014 (Note 3)	Balance at June 30, 2014 (Note 8)	Actual amount drawn down	Interest rate (%)	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
1	Peony Investment S.A.	Kingtrans Intl.Logistics (Tianjin) Co., Ltd.	Receivables from related parties (Note 9)	Yes	$ 45,691	$ 44,795	$ 44,795	1.3253	2	$ -	Working capital requirement	$ -	-	$ -	$ 7,511,193	$ 18,777,982	
	Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Receivables from related parties	Yes	355,296	347,815	289,766	1.251~ 2.328	2	-	Working capital requirement	-	-	-	7,511,193	18,777,982	
	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties (Note 9)	Yes	335,066	328,499	313,567	1.250~ 1.254	2	-	Working capital requirement	-	-	-	15,022,385	18,777,982	
2	Clove Holding Ltd.	Whitney Equipment LLC.	Receivables from related parties (Note 9)	Yes	121,200	119,454	119,454	1.2281	2	-	Working capital requirement	-	-	-	1,007,087	1,258,859	
3	Evergreen Marine (UK) Ltd.	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Receivables from related parties (Note 9)	Yes	45,691	44,795	44,795	1.3253	2	-	Working capital requirement	-	-	-	694,309	1,388,619	

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

(1) The Company is ‘0’.

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

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

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

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

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

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

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

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

The calculation is as follows:

PEONY USD1,257,587*29.8635*20%=7,511,193

EMU USD116,247*29.8635*20%=694,309

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

The calculation is as follows:

PEONY USD1,257,587*29.8635*40%=15,022,385

CLOVE USD84,308*29.8635*40%=1,007,087

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

The calculation is as follows:

EMU USD116,247*29.8635*40%=1,388,619

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

The calculation is as follows:

PEONY USD1,257,587*29.8635*50%=18,777,982

CLOVE USD84,308*29.8635*50%=1,258,859

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

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

B. Provision of endorsements and guarantees to others:

Unit：Thousands of New Taiwan Dollars

Number (Note 1)	Endorser/guarantor	Party being endorsed / guaranteed		Limit on endorsements/ gurantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount during the six- month period ended June 30, 2014 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2014 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements / gurantees provided (Note 3)	Provision of endorsements / guarantees by parent company to subsidiary (Note 7)	Provision of endorsements / guarantees by subsidiary to parent company (Note 7)	Provision of endorsements / guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Evergreen Marine Corporation	Greencompass Marine S.A.	3	$ 111,785,344	$ 32,833,256	$ 32,189,752	$ 21,159,525	$ -	57.59	$ 139,731,680	Y	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	111,785,344	450,815	441,980	292,662	-	0.79	139,731,680	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Ltd.	3	111,785,344	43,402,231	42,958,762	37,632,526	-	76.86	139,731,680	Y	N	N	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	3	111,785,344	1,174,335	1,151,319	971,549	-	2.06	139,731,680	Y	N	N	
0	Evergreen Marine Corporation	Hemlock Equipment LLC.	3	111,785,344	649,367	636,640	572,601	-	1.14	139,731,680	Y	N	N	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	27,946,336	668,913	655,802	169,437	-	1.17	139,731,680	N	N	N	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	27,946,336	1,565,855	1,535,166	1,133,083	-	2.75	139,731,680	N	N	N	
1	Greencompass Marine S.A.	Taranto Container Terminal S.p.A.	1	139,182	123,969	120,523	120,523	-	0.52	57,888,197	N	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1) The Company is '0'
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
(5) Mutual guarantee of the trade as required by the construction contract.
(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", state each individual party to which the endorsements/guarantees have been provided, and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.
According to the Company's credit policy, the total amount of endorsements or gurantees provided by the company should not exceed 250% of the networth stated in the latest financial statement.
The calculation is as follows:
The Company: 55,892,672 x 250% = 139,731,680
Limit on endorsement or guarantees provided by the Company for a single entiey is $27,946,336 (amounting to 50% of its net worth)
When the company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantees provided by the Company should not exceed the 200% of its net worth, which equals to $111,785,344.
According to the GMS's credit policy, the total amount of endorsements or gurantees provided by the GMS should not exceed 250% of the net worth stated in the latest financial statement.
The calculation is as follows:
USD 775,371*29.8635*250%=57,888,197
The amount of endorsement or guarantees provided by the Company for a single entity should not exceed the transaction for the latest fiscal year with the entity.
The calculation is as follows:USD 4,661*29.8635=139,182

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

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities.
And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

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

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

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

Unit：Thousands of New Taiwan Dollars / Thousands of shares

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2014				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Evergreen Marine Corporation	Stock:							
	Power World Fund Inc.		Available-for-sale financial assets - non-current	1,017	$ 7,627	5.68	$ 7,627	
	Taiwan HSR Consortium		〃	126,735	567,773	1.95	567,773	
	Linden Technologies, Inc.		〃	50	15,321	2.49	15,321	
	TopLogis, Inc.		〃	2,464	24,000	17.48	24,000	
	Ever Accord Construction Corp.		〃	9,317	77,960	17.50	77,960	
	Central Reinsurance Corp.		〃	47,492	800,238	8.45	800,238	
	Financial bonds:							
	Bank of Taichung Unsecured Subordinated Financial Debentures		Held-to-maturity financial asset - non-current	-	220,000		220,000	
	Ta Chong Commercial Bank 1st Unsecured Subordinate Financial Debentures-B Issue in 2009		〃	-	100,000		100,000	
	Sunny Bank 1st Subordinate Financial Debentures- B Issue in 2010		〃	-	50,000		50,000	

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2014				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Peony Investment S.A.	Dongbu Pusan Container Terminal Co. Ltd.		Available-for-sale financial assets - non-current	300	USD 4,915	15.00	USD 4,915	
	Hutchison Inland Container Depots Ltd.		〃	0.75	USD 348	7.50	USD 348	
	South Asia Gateway Termainals (Private) Ltd.		〃	18,942	USD 11,752	5.00	USD 11,752	
Evergreen Shipping Agency (Singapore) Pte Ltd.	RTW Air Services (s) Pte Ltd.		〃	30	SGD 42	2.00	SGD 42	
Evergreen Shipping Agency (Thailand) Co., Ltd.	Green Siam Air Service Co., Ltd.		〃	4	THB 1,160	2.00	THB 1,160	
Evergreen Shipping Agency (Deutschland) GmbH	Zoll Pool Hafen hamburg AG		〃	10	EUR 10	2.86	EUR 10	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IAS 39 'Financial instruments : recognition and measurement.'

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

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

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

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital:

Unit：Thousands of New Taiwan Dollars / Thousands of shares

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1,2014		Addition (Note 3)		Disposal (Note 3)				Balance as at June 30,2014	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Evergreen Marine Corporation	Beneficiary Certificates:													
	PCAWell Pool Money Market Fund	Financial assets at fair value through profit or loss -current			-	$ -	22,569	$ 300,000	22,569	$ 300,191	$ 300,000	$ 191	-	$ -
	Taishin 1699 Money Market Fund	〃			-	-	22,699	300,000	22,699	300,272	300,000	272	-	-
	Mega Diamond Bond Fund	〃			-	-	24,510	300,000	24,510	300,729	300,000	729	-	-

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

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

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 dollars per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent.in the calculation.

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

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

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

Unit ：Thousands of New Taiwan Dollars

Purchaser/seller	Counterparty	Relationship with the Counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Evergreen International Corp.	Investee of the Company's major shareholder	Sales	$ 817,464	7%	30~60 Days	$ -	-	$ 38,879	2%	
			Purchases	185,163	2%	30~60 Days	-	-	(1,547)	-	
	Greencompass Marine S.A.	Indirect subsidiary of the Company	Sales	657,036	5%	30~60 Days	-	-	8,433	1%	(Note)
			Purchases	314,176	3%	30~60 Days	-	-	(3,763)	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Company's major shareholder	Sales	755,977	6%	30~60 Days	-	-	21,615	1%	
			Purchases	101,175	1%	30~60 Days	-		(3,700)	-	
	Evergreen Marine (UK) Ltd.	Indirect subsidiary of the Company	Sales	554,928	5%	30~60 Days	-	-	4,402	-	(Note)
			Purchases	204,294	2%	30~60 Days	-	-	-	-	(Note)
	Italia Marittima S.p.A.	Investee of Balsam	Sales	367,980	3%	30~60 Days	-	-	1,333	-	
			Purchases	368,361	3%	30~60 Days	-	-	-	-	
	Gaining Enterprise S.A.	Subsidiary of EITC accounted for using equity method	Purchases	776,434	7%	30~60 Days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Investee of the Company's major shareholder	Purchases	111,299	1%	30~60 Days	-	-	-	-	
	Evergreen International Storage and Transport Corp.	Investee accounted for using equity method	Purchases	199,381	2%	30~60 Days	-	-	(6,450)	-	
	Taiwan Terminal Services Co., Ltd.	Subsidiary of the Company	Purchases	370,517	3%	30~60 Days	-	-	(34,922)	2%	(Note)
Taiwan Terminal Services Co., Ltd.	Evergreen Marine Corp.	The parent	Sales	370,517	100%	30~60 Days	-	-	34,922	52%	(Note)

Purchaser/seller	Counterparty	Relationship with the Counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Everport Terminal Services Inc.	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 10,181	24%	10 Days	$ -	-	USD 820	30%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 7,938	19%	10 Days	-	-	USD 771	28%	(Note)
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 9,732	23%	10 Days	-	-	USD 850	31%	(Note)
	Seaside Transportation Service LLC.	Investee of the Parent Company's major shareholder	Sales	USD 10,276	24%	10 Days	-	-	-	-	
	Italia Marittima S.p.A.	Investee of Balsam	Sales	USD 3,950	9%	10 Days	-	-	USD 277	10%	
Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	Investee of the Parent Company's major shareholder	Purchases	USD 20,636	2%	15~30 Days	-	-	-	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 5,195	-	15~30 Days	-	-	-	-	
	Evergreen International S.A.	Major shareholder of the Parent Company	Purchases	USD 8,641	1%	15~30 Days	-	-	-	-	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 11,681	1%	15~30 Days	-	-	-	-	(Note)
			Purchases	USD 8,601	1%	15~30 Days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 22,759	2%	15~30 Days	-	-	USD 1,646	1%	
			Purchases	USD 15,407	1%	15~30 Days	-	-	-	-	
	Italia Marittima S.p.A.	Investee of Balsam	Sales	USD 15,710	1%	15~30 Days	-	-	-	-	
			Purchases	USD 21,987	2%	15~30 Days	-	-	-	-	
	Evergreen Marine Corp.	The Parent	Sales	USD 10,409	1%	15~30 Days	-	-	USD 126	-	(Note)
			Purchases	USD 21,768	2%	15~30 Days	-	-	(USD 282)	-	(Note)
	Eevrgreen Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 7,938	1%	15~30 Days	-	-	(USD 771)	1%	(Note)

Purchaser/seller	Counterparty	Relationship with the Counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (UK) Ltd.	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 8,601	1%	30~60 Days	$ -	-	-	-	(Note)
			Purchases	USD 11,681	1%	30~60 Days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 19,056	2%	30~60 Days	-	-	USD 295	-	
			Purchases	USD 8,711	1%	30~60 Days	-	-	(USD 293)	-	
	Italia Marittima S.p.A.	Investee of Balsam	Sales	USD 9,005	1%	30~60 Days	-	-	USD 84	-	
			Purchases	USD 27,452	3%	30~60 Days	-	-	-	-	
	Evergreen Marine Corp.	The Parent	Sales	USD 6,768	1%	30~60 Days	-	-	-	-	(Note)
			Purchases	USD 18,385	2%	30~60 Days	-	-	(USD 147)	-	(Note)
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 3,771	-	30~60 Days	-	-	-	-	
	Eevrgreen Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 9,732	1%	30~60 Days	-	-	(USD 850)	-	(Note)

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

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

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

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company.In the case that shares were issued with no par value or a par value other than NT$10 dollars per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

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

Unit：Thousands of New Taiwan Dollars

Creditor	Counterparty	Relationship with the Counterparty	Balance as at June 30, 2014 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action Taken		
Evergreen Marine Corp.	Evergreen International Stroage and Transport Corp.	Investee accounted for using equity method	$ 150,138	-	$ -	-	$ -	$ -
Peony Investment S.A	Luanta Investment (Netherlands) N.V.	Related Company of Peony Investment S.A	USD 9,819	-	-	-	-	-
	Clove Holding Ltd.	Subsidiary of the Company (Note)	USD 10,567	-	-	-	-	-

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

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

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company.In the case that shares were issued with no par value or a par value other than NT$10 dollars per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

I. Derivative financial instruments undertaken during the six-month period ended June 30, 2014: Please refer to Note 6(2).

J. Significant inter-company transactions during the six-month period ended June 30, 2014:

Unit：Thousands of New Taiwan Dollars

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note 3)
0	Evergreen Marine Corporation	Taiwan Terminal Service Co., Ltd.	1	Operating cost	$ 370,517	Note 3	0.53
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Shipowner's accounts - credit	285,463	"	0.16
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating revenue	657,036	"	0.95
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating cost	314,176	"	0.45
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Shipowner's accounts - credit	195,078	"	0.11
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating revenue	554,928	"	0.80
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating cost	204,294	"	0.29
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Operating revenue	352,588	"	0.51
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Operating cost	259,611	"	0.37
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Operating cost	239,594	"	0.34
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Operating cost	293,758	"	0.42
3	Peony Investment S.A	Clove Holding Ltd.	3	Other receivables	315,581	"	0.18
4	Clove Holding Ltd.	Whitney Equipment LLC.	3	Other receivables	119,454	"	0.07

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

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

Note 4: The Group may decide to disclose transaction details in this table or not based on the materiality principle.

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

Unit：Thousands of shares/Thousands of New Taiwan Dollars

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2014			Net profit (loss) of the investee for the six-month period ended June 30, 2014 (Note 2(2))	Investment income (loss) recognised by the company for the six-month period ended June 30, 2014 (Note 2(3))	Footnote
				Balance as at June 30, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	$ 14,229,958	$ 14,229,958	4,765	100.00	$ 37,436,807	($ 2,560,014)	($ 2,551,404)	Subsidiary of the Company (Note)
	Taiwan Terminal Services Co., Ltd.	Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	18,687	(492)	(270)	〃 (Note)
	Everport Terminal Services Inc.	U.S.A	Terminal services	2,986	2,986	1	100.00	95,204	28,074	28,074	〃 (Note)
	Charng Yang Development Co., Ltd.	Taiwan	Development, rental, and sale of residential and commercial buildings	320,000	320,000	52,738	40.00	451,837	81,347	32,539	Investee accounted for using equity method
	Evergreen International Storage and Transport Corporation	Taiwan	Container transportation and gas stations	4,753,514	4,753,514	424,062	39.74	7,742,509	222,261	89,748	〃
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	75,782	28,855	9,017	〃
	EVA Airways Corporation	Taiwan	International passenger and cargo transportation	10,767,879	10,767,879	629,483	19.32	6,823,215	(789,351)	(152,467)	〃
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,094,073	1,094,073	109,378	21.03	995,731	(20,488)	(4,309)	〃

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2014			Net profit (loss) of the investee for the six-month period ended June 30, 2014 (Note 2(2))	Investment income (loss) recognised by the company for the six-month period ended June 30, 2014 (Note 2(3))	Footnote
				Balance as at June 30, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	$ 3,136	$ 3,136	105	17.50	$ 3,482	$ 642	$ 112	Investee accounted for using equity method
Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,569,305	1,569,305	10	100.00	2,517,719	66,019	66,019	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Deutschland) GmbH	Germany	Shipping agency	248,345	248,345	-	100.00	248,317	4,304	4,304	〃 (Note)
	Evergreen Shipping Agency (Ireland) Ltd.	Ireland	Shipping agency	2,837	2,837	0.1	100.00	8,264	414	414	〃 (Note)
	Evergreen Shipping Agency (Korea) Corporation	South Korea	Shipping agency	72,449	72,449	121	100.00	73,122	14,597	14,597	〃 (Note)
	Evergreen Shipping Agency (Netherlands) B.V.	Netherlands	Shipping agency	118,767	118,767	0.047	100.00	183,406	(3,660)	(3,660)	〃 (Note)
	Evergreen Shipping Agency (Poland) SP. ZO.O	Poland	Shipping agency	19,770	19,770	2	100.00	11,865	(731)	(731)	〃 (Note)

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2014			Net profit (loss) of the investee for the six-month period ended June 30, 2014 (Note 2(2))	Investment income (loss) recognised by the company for the six-month period ended June 30, 2014 (Note 2(3))	Footnote
				Balance as at June 30, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Greencompass Marine S.A.	Republic of Panama	Marine transportation	$ 10,556,747	$ 10,556,747	3,535	100.00	$ 23,155,279	($ 1,882,732)	($ 1,882,732)	Indirect subsidiary of the Company (Note)
	Vigor Enterprise S.A.	Republic of Panama	Investment holding company	14,932	14,932	5	100.00	13,903	(249)	(249)	〃 (Note)
	Evergreen Shipping Agency (India) Pvt. Ltd.	India	Shipping agency	35,142	35,142	100	99.99	136,730	35,501	35,501	〃 (Note)
	Evergreen Argentina S.A.	Argentina	Leasing	4,181	4,181	150	95.00	(3,412)	(7,090)	(6,735)	〃 (Note)
	Evergreen Shipping Agency France S.A.S.	France	Shipping agency	27,086	27,086	5	100.00	63,780	2,445	2,445	〃 (Note)
	PT. Multi Bina Pura International	Indonesia	Loading and discharging operations of container yards and inland transportation	234,158	234,158	17	95.03	342,111	43,575	41,409	〃 (Note)
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	24,019	24,019	2	17.39	12,438	2,879	501	〃 (Note)

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2014			Net profit (loss) of the investee for the six-month period ended June 30, 2014 (Note 2(2))	Investment income (loss) recognised by the company for the six-month period ended June 30, 2014 (Note 2(3))	Footnote
				Balance as at June 30, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Malaysia	Container manufacturing	$ 815,120	$ 815,120	42,120	84.44	$ 1,403,316	($ 52,006)	($ 43,914)	Indirect subsidiary of the Company (Note)
	Armand Investment (Netherlands) N.V.	Curacao	Investment holding company	343,804	343,804	4	70.00	322,758	(3,050)	(2,135)	〃 (Note)
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	115,572	115,572	3	55.00	80,213	52,753	29,014	〃 (Note)
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	70,239	70,239	0.55	55.00	74,799	24,034	13,219	〃 (Note)
	Evergreen Marine (UK) Ltd.	U.K.	Marine transportation	958,697	501,786	765	51.00	1,770,296	(243,612)	(124,242)	〃 (Note)
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	7,379	7,379	0.675	67.50	20,400	24,103	16,270	〃 (Note)

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2014			Net profit (loss) of the investee for the six-month period ended June 30, 2014 (Note 2(2))	Investment income (loss) recognised by the company for the six-month period ended June 30, 2014 (Note 2(3))	Footnote
				Balance as at June 30, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	$ 25,324	$ 25,324	-	51.00	$ 27,571	$ 47,502	$ 24,226	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Singapore) Pte. Ltd.	Singapore	Shipping agency	64,416	64,416	765	51.00	182,752	32,619	16,635	〃 (Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	44,019	44,019	408	51.00	46,597	45,317	23,112	〃 (Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	13,558	13,558	-	51.00	24,155	32,840	16,748	〃 (Note)
	Evergreen Agency (South Africa) (PTY) Ltd.	South Africa	Shipping agency	17,344	17,344	5,500	55.00	103,361	39,365	21,651	〃 (Note)
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	29,057	29,057	0.441	49.00	134,852	47,328	23,191	Investee company of Peony accounted for using equity method

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2014			Net profit (loss) of the investee for the six-month period ended June 30, 2014 (Note 2(2))	Investment income (loss) recognised by the company for the six-month period ended June 30, 2014 (Note 2(3))	Footnote
				Balance as at June 30, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Curagao	Investment holding company	$ 1,347,322	$ 1,281,393	460	50.00	$ 2,451,243	($ 177,569)	($ 88,784)	Investee company of Peony accounted for using equity method
	Balsam Investment (Netherlands) N.V.	Curagao	Investment holding company	7,730,510	6,911,056	0.451	49.00	1,589,404	(1,801,369)	(882,671)	〃
	Green Peninsula Agencies SDN. BHD.	Malaysia	Investment holding company	216,660	216,660	1,500	30.00	230,866	99,468	29,840	〃
	Evergreen Shipping Agency Co.(U.A.E.) LLC.	U.A.E	Shipping agency	62,176	62,176	-	49.00	55,564	43,365	21,248	〃
	Greenpen Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	2,707,480	2,707,480	300	30.00	36,020	4,230	1,269	〃

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2014			Net profit (loss) of the investee for the six-month period ended June 30, 2014 (Note 2(2))	Investment income (loss) recognised by the company for the six-month period ended June 30, 2014 (Note 2(3))	Footnote
				Balance as at June 30, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Netherlands	Investment holding company	$ 505,766	$ 505,766	0.045	100.00	$ 461,558	$ 2,761	$ 2,761	Indirect subsidiary of the Company (Note)
Armand Estate B.V.	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	506,019	506,019	50,602	9.73	459,888	(20,488)	(1,993)	Investee company of Armand Estate B.V. accounted for using equity method
Clove Holding Ltd.	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	682,680	682,680	22,860	40.00	2,482,578	141,390	56,556	Investee company of Clove Holding Ltd. accounted for using equity method
	Island Equipment LLC.	U.S.A	Investment holding company	4,300	4,300	-	36.00	125,125	20,100	7,236	Indirect subsidiary of the Company (Note)
Island Equipment LLC.	Whitney Equipment LLC.	U.S.A	Equipment leasing company	5,973	5,973	-	100.00	86,889	11,104	11,104	〃 (Note)
	Hemlock Equipment LLC.	U.S.A	Equipment leasing company	5,973	5,973	-	100.00	146,423	16,492	16,492	〃 (Note)

Investor	Investee (Note 1 and Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2014			Net profit (loss) of the investee for the six-month period ended June 30, 2014 (Note 2(2))	Investment income (loss) recognised by the company for the six-month period ended June 30, 2014 (Note 2(3))	Footnote
				Balance as at June 30, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Evergreen Marine (UK) Ltd.	Island Equipment LLC.	U.S.A	Investment holding company	1,792	1,792	-	15.00	$ 52,136	$ 20,100	$ 3,015	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (UK) Limited	U.K.	Shipping agency	0.06	0.06	-	100.00	102,319	5,064	5,064	〃 (Note)
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	2,956	2,956	99	16.50	3,284	642	106	Investee company of Evergreen Marine (UK) Ltd. accounted for using equity method
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	98,592	98,592	8	72.95	52,176	2,879	2,100	Indirect subsidiary of the Company (Note)
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Austria) GmbH	Austria	Shipping agency	741	741	-	100.00	21,314	227	227	〃 (Note)
	Evergreen Shipping Agency (Switzerland) S.A.	Switzerland	Shipping agency	2,809	2,809	0.1	100.00	8,595	578	578	〃 (Note)

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

Note 1: If a public company has an overseas holding company and uses the consolidated financial statements as the main financial report based on the local regulations, it can only disclose the information of the overseas holding company relating to the disclosure of related overseas investee information.

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

(1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at June 30, 2014' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2) The 'Net profit (loss) of the investee for the six-month period ended June 30, 2014' column should fill in amount of net profit (loss) of the investee for this period.

(3) The 'Investment income (loss) recognised by the Company for the six-month period ended June 30, 2014' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for using equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

(3)Information on investments in Mainland China

Unit：Thousands of New Taiwan Dollars

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six-month period ended June 30, 2014		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2014	Net profit (loss) of the investee for the six-month period ended June 30,2014	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2014 (Note 2(2)2)	Book value of investments in Mainland China as of June 30, 2014	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2014
					Remitted to Mainland China	Remitted back to Taiwan						
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, discharging, repair and related activities	$ 115,829	(2)	$ 30,386	$ -	$ -	$ 30,386	$ 7,982	40.00	$ 3,193	$ 65,069	$ -
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	444,222	(2)	132,801	-	-	132,801	88,645	40.00	35,458	232,714	-
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	374,248	(2)	119,454	-	-	119,454	14,067	40.00	5,627	187,980	-

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2014	Ivestment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 3)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Evergreen Marine Corp.	$ 282, 641	$ 1,077,843	$ 33,535,603

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

(1) Investing directly in Mainland China

(2) Through investing in an existing company, Peony Investment S.A., in the third area, which then invested in the investee in Mainland China.

(3) Others

Note 2: In the 'Investment income (loss) recognised by the Company for the six-month period ended June 30, 2014' column:

(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

1. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

2. The financial statements that are audited and attested by R.O.C. parent company's CPA.

3. Others.

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

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

14. SEGMENT INFORMATION

(1) General information

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

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

(2) Segment information

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

	Six-month period ended June 30, 2014				
	Transportation Department	Investing and holding Department	Other Departments	Adjustments and writted-off	Total
Revenue from external customers	$ 68,024,480	$ 246,995	$ 1,228,186	$ -	$ 69,499,661
Revenue from internal customers	5,965,523	-	-	(5,965,523)	-
Segment revenue	73,990,003	246,995	1,228,186	(5,965,523)	69,499,661
Interest income	172,178	8,761	1,050	-	181,989
Interest expense	(275,861)	-	(4)	-	(275,865)
Depreciation and amortisation	(3,586,114)	(156,629)	(22,442)	-	(3,765,185)
Investment loss accounted for using equity method	(25,254)	(802,693)	-	-	(827,947)
Other items	(64,786,396)	(36,478)	(1,270,808)	-	(66,093,682)
Segment profit (loss)	$ 5,488,556	($ 740,044)	($ 64,018)	($5,965,523)	($ 1,281,029)
Recognizable assets	$150,292,564	$ 3,992,977	$ 2,044,409	$ -	$ 156,329,950
Investments accounted for using equity method	16,095,839	7,738,199	-	-	23,834,038
Segment assets	$166,388,403	$11,731,176	$ 2,044,409	$ -	$ 180,163,988
Segment liabilities	$118,626,165	$ 2,177,646	$ 386,252	$ -	$ 121,190,063

	Six-month period ended June 30, 2013				
	Transportation Department	Investing and holding Department	Other Departments	Adjustments and writted-off	Total
Revenue from external customers	$ 68,131,736	$ 233,966	$ 1,511,728	$ -	$ 69,877,430
Revenue from internal customers	6,236,887	-	-	(6,236,887)	-
Segment revenue	74,368,623	233,966	1,511,728	(6,236,887)	69,877,430
Interest income	104,277	9,520	513	-	114,310
Interest expense	(191,125)	-	(23)	-	(191,148)
Depreciation and amortisation	(2,991,754)	(137,974)	(17,081)	-	(3,146,809)
Investment loss accounted for using equity method	(75,265)	(441,896)	-	-	(517,161)
Other items	(67,093,792)	(80,545)	(1,385,409)	-	(68,559,746)
Segment profit (loss)	$ 4,120,964	($ 416,929)	$ 109,728	($ 6,236,887)	($ 2,423,124)
Recognizable assets	$ 136,761,893	$ 5,413,162	$ 2,143,571	$ -	$ 144,318,626
Investments accounted for using equity method	15,802,202	8,140,526	-	-	23,942,728
Segment assets	$ 152,564,095	$ 13,553,688	$ 2,143,571	$ -	$ 168,261,354
Segment liabilities	$ 105,437,631	$ 2,634,031	$ 413,597	$ -	$ 108,485,259

(3) Reconciliation for segment income (loss)

A. Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

B. The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that in the balance sheet.

C. The amounts provided to the chief operating decision-maker with respect to total liabilities are measured in a manner consistent with that in the balance sheet.