EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

MARCH 31, 2019 AND 2018

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.

Introduction

We have reviewed the accompanying consolidated balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. and subsidiaries (the "Group") as at March 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 6(7), we did not review the financial statements of certain investments accounted for under the equity method, which statements reflect investments accounted for under the equity method of NT$2,462,728 thousand and NT$2,312,817 thousand, constituting 0.84% and 1.18% of the consolidated total assets as of March 31, 2019 and 2018, respectively, and comprehensive income and loss under the equity method of NT$49,173 thousand and NT$43,989 thousand, constituting 7.79% and (7.65%) of the consolidated total comprehensive income and loss for the three-month periods then ended, respectively. These amounts and the related information disclosed in Note 13 were based on the unreviewed financial statements of such investee companies.

Qualified Conclusion

Based on our reviews and the reports of other independent accountants, except for the possible effects on the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain investments accounted for under the equity method and the related information disclosed in Note 13 been reviewed by independent accountants as explained in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2019 and 2018, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Other Matter – Review Reports by Other Independent Accountants

We did not review the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method. Those financial statements were reviewed by other independent accountants, whose reports thereon have been furnished to us, and our report expressed herein, insofar as it relates to the amounts included in the financial statements and the information disclosed in Note 13 was based solely on the review reports of other independent accountants. These consolidated subsidiaries reflect total assets of NT$62,721,225 thousand and NT$56,072,402 thousand, constituting 21.51% and 28.52% of the consolidated total assets as at March 31, 2019 and 2018, and total operating revenues of NT$10,716,946 thousand and NT$12,866,123 thousand, constituting 23.45% and 34.92% of the consolidated total operating revenues for the three-month periods then ended, respectively. The investments accounted for under the equity method amounted to NT$17,183,003 thousand and NT$16,012,773 thousand, constituting 5.89% and 8.14% of the consolidated total assets as at March 31, 2019 and 2018, and the comprehensive income and loss under equity method was NT$168,822 thousand and NT$104,251 thousand, constituting 26.74% and (18.12%) of the consolidated total comprehensive income and loss for the three-month periods then ended, respectively.

Lee, Hsiu-Ling
Chih, Ping-Chiun
For and on behalf of PricewaterhouseCoopers, Taiwan
May 13, 2019

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

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2019 and 2018 are reviewed, not audited)

	Assets	Notes	March 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%	March 31, 2018 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 37,532,124	13	$ 38,230,522	17	$ 34,118,269	17
1140	Current contract assets	6(22)	2,183,660	1	2,244,065	1	1,577,169	1
1150	Notes receivable, net	6(4)	86,594	-	154,295	-	54,734	-
1170	Accounts receivable, net	6(4)	11,671,332	4	15,013,211	7	10,647,014	5
1180	Accounts receivable, net - related parties	7	1,144,334	-	503,638	-	881,511	1
1200	Other receivables		271,617	-	882,521	1	1,798,686	1
1210	Other receivables - related parties	7	523,829	-	598,931	-	536,445	-
1220	Current income tax assets		186,313	-	221,601	-	86,698	-
130X	Inventories	6(5)	4,543,317	2	5,100,897	2	3,984,946	2
1410	Prepayments		1,523,731	-	1,824,053	1	1,180,253	1
1470	Other current assets	6(6) and 8	4,597,779	2	3,124,774	1	2,523,952	1
11XX	**Current assets**		64,264,630	22	67,898,508	30	57,389,677	29
	Non-current assets							
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	1,662,374	1	1,650,372	1	2,237,010	1
1535	Non-current financial assets at amortised cost, net	6(3)	100,000	-	100,000	-	100,000	-
1550	Investments accounted for using equity method	6(7)	29,177,274	10	28,265,168	12	27,281,191	14
1600	Property, plant and equipment, net	6(8), 8 and 9	102,991,874	35	117,219,185	51	97,213,831	50
1755	Right-of-use assets	6(9)	76,081,781	26	-	-	-	-
1760	Investment property, net	6(10) and 8	5,877,531	2	5,835,074	3	4,930,310	3
1780	Intangible assets		2,199,342	1	2,266,526	1	157,514	-
1840	Deferred income tax assets	6(29)	877,269	-	835,979	-	873,763	-
1900	Other non-current assets	6(11)(16) and 8	8,338,087	3	4,941,143	2	6,416,061	3
15XX	**Non-current assets**		227,305,532	78	161,113,447	70	139,209,680	71
1XXX	**Total assets**		$ 291,570,162	100	$ 229,011,955	100	$ 196,599,357	100

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2019 and 2018 are reviewed, not audited)

	Liabilities and Equity	Notes	March 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%	March 31, 2018 AMOUNT	%
	Current liabilities							
2126	Current financial liabilities for hedging		$ 914,318	-	$ -	-	$ -	-
2130	Current contract liabilities	6(22)	663,608	-	1,774,392	1	1,821,590	1
2170	Accounts payable		17,339,010	6	19,813,190	9	14,750,750	7
2180	Accounts payable - related parties	7	430,130	-	253,172	-	282,111	-
2200	Other payables		4,699,863	2	3,622,892	2	3,766,608	2
2220	Other payables - related parties	7	1,026,203	-	1,184,484	-	1,376,261	1
2230	Current income tax liabilities		933,914	-	797,877	-	359,265	-
2280	Current lease liabilities	6(9)	9,913,589	4	-	-	-	-
2300	Other current liabilities	6(12)	21,203,619	7	22,615,978	10	22,664,466	12
21XX	**Current liabilities**		57,124,254	19	50,061,985	22	45,021,051	23
	Non-current liabilities							
2511	Non-current financial liabilities for hedging		10,538,046	4	-	-	-	-
2530	Corporate bonds payable	6(13)	10,000,000	3	10,000,000	4	8,000,000	4
2540	Long-term loans	6(14)	84,315,413	29	83,010,375	36	63,200,117	32
2570	Deferred income tax liabilities	6(29)	1,948,122	1	1,970,567	1	1,855,253	1
2580	Non-current lease liabilities	6(9)	52,743,154	18	-	-	-	-
2600	Other non-current liabilities	6(15)(16)	3,302,328	1	13,001,192	6	12,677,639	7
25XX	**Non-current liabilities**		162,847,063	56	107,982,134	47	85,733,009	44
2XXX	**Total liabilities**		219,971,317	75	158,044,119	69	130,754,060	67
	Equity attributable to owners of the parent							
	Capital	6(18)						
3110	Common stock		45,129,738	15	45,129,738	20	40,123,560	20
	Capital surplus	6(19)						
3200	Capital surplus		11,058,716	4	11,059,145	5	10,798,548	5
	Retained earnings	6(20)						
3310	Legal reserve		5,685,548	2	5,685,548	2	4,985,031	3
3350	Unappropriated retained earnings		4,336,215	2	3,776,643	2	7,197,891	4
	Other equity interest	6(21)						
3400	Other equity interest		1,357,641	-	1,193,156	-	(183,390)	-
31XX	**Equity attributable to owners of the parent**		67,567,858	23	66,844,230	29	62,921,640	32
36XX	**Non-controlling interest**		4,030,987	2	4,123,606	2	2,923,657	1
3XXX	**Total equity**		71,598,845	25	70,967,836	31	65,845,297	33
	Significant Contingent Liabilities And Unrecognized Contract Commitments	9						
	Significant Events After The Balance Sheet Date	11						
3X2X	**Total liabilities and equity**		$ 291,570,162	100	$ 229,011,955	100	$ 196,599,357	100

The accompanying notes are an integral part of these consolidated financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(Reviewed, not audited)

	Items	Notes	Three-month periods ended March 31 2019 AMOUNT	2019 %	2018 AMOUNT	2018 %
4000	**Operating revenue**	6(22) and 7	$ 45,697,052	100	$ 36,840,688	100
5000	**Operating costs**	6(27)(28) and 7	(42,284,130)	(93)	(35,926,725)	(98)
5900	**Gross profit**		3,412,922	7	913,963	2
5910	Unrealized loss (profit) from sales		8,554	-	(8,131)	-
5920	Realized profit on from sales		3,282	-	3,313	-
5950	**Gross profit**		3,424,758	7	909,145	2
	Operating expenses	6(27)(28) and 7				
6100	Selling expenses		(368,422)	(1)	(436,070)	(1)
6200	General and administrative expenses		(2,113,839)	(4)	(1,571,835)	(4)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		13,189	-	26,161	-
6000	**Operating expenses**		(2,469,072)	(5)	(1,981,744)	(5)
6500	**Other gains - net**	6(23)	347,391	1	1,050,002	3
6900	**Operating profit (loss)**		1,303,077	3	(22,597)	-
	Other non-operating revenue and expenses					
7010	Other income	6(24)	298,279	1	453,074	1
7020	Other gains and losses	6(25)	37,029	-	(155,469)	(1)
7050	Finance costs	6(26)	(1,334,684)	(3)	(380,014)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method		404,828	1	218,088	1
7000	**Total non-operating income and expenses**		(594,548)	(1)	135,679	-
7900	**Profit before income tax**		708,529	2	113,082	-
7950	Income tax expense	6(29)	(244,623)	(1)	(97,206)	-
8200	**Profit for the period**		$ 463,906	1	$ 15,876	-

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(Reviewed, not audited)

	Items	Notes	2019 AMOUNT	2019 %	2018 AMOUNT	2018 %
			Three-month periods ended March 31			
	Other comprehensive income (loss)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(2)	$ 10,250	-	($ 26,111)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		66,125	-	57,977	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	1,842	-	4,744	-
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**		78,217	-	36,610	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translating the financial statements of foreign operations		233,810	-	(540,845)	(2)
8368	Gains (losses) on hedging instrument		(64,904)	-	-	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method		(97,458)	-	(87,672)	-
8399	Income tax relating to the components of other comprehensive income	6(29)	17,867	-	797	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**		89,315	-	(627,720)	(2)
8300	**Other comprehensive (loss) incomefor the period, net of income tax**		$ 167,532	-	($ 591,110)	(2)
8500	**Total comprehensive income (loss) for the period**		$ 631,438	1	($ 575,234)	(2)
	Profit (loss), attributable to:					
8610	Owners of the parent		$ 559,572	1	$ 137,263	-
8620	Non-controlling interest		($ 95,666)	-	($ 121,387)	-
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 724,057	1	($ 432,892)	(2)
8720	Non-controlling interest		($ 92,619)	-	($ 142,342)	-
	Earnings per share (in dollars)	6(29)				
9750	**Basic earnings per share**		$ 0.12		$ 0.03	
9850	**Diluted earnings per share**		$ 0.12		$ 0.03	

The accompanying notes are an integral part of these consolidated financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(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, additional paid-in capital	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Gains (losses) on effective portion of cash flow hedges	Total gains (losses) on hedging instruments	Total	Non-controlling interest	Total equity
Three-month period ended March 31, 2018													
Balance at January 1, 2018		$ 40,123,560	$ 10,838,075	$ 4,985,031	$ 6,769,575	($ 1,135,114)	$ -	$ 1,833,339	($ 15,912)	$ -	$ 63,398,554	$ 3,290,236	$ 66,688,790
Retrospective application		-	-	-	275,029	-	1,553,662	(1,833,339)	15,912	(15,912)	(4,648)	(1,231)	(5,879)
Balance at 1 January after adjustments		40,123,560	10,838,075	4,985,031	7,044,604	(1,135,114)	1,553,662	-	-	(15,912)	63,393,906	3,289,005	66,682,911
Profit (loss) for the period		-	-	-	137,263	-	-	-	-	-	137,263	(121,387)	15,876
Other comprehensive income (loss) for the period	6(21)	-	-	-	15,871	(602,277)	20,066	-	-	(3,815)	(570,155)	(20,955)	(591,110)
Total comprehensive income (loss)		-	-	-	153,134	(602,277)	20,066	-	-	(3,815)	(432,892)	(142,342)	(575,234)
Adjustments to share of changes in equity of associates and joint ventures	6(19)	-	394	-	153	-	-	-	-	-	547	-	547
Decrease in non-controlling interests	6(31)	-	(39,921)	-	-	-	-	-	-	-	(39,921)	(223,006)	(262,927)
Balance at March 31, 2018		$ 40,123,560	$ 10,798,548	$ 4,985,031	$ 7,197,891	($ 1,737,391)	$ 1,573,728	$ -	$ -	($ 19,727)	$ 62,921,640	$ 2,923,657	$ 65,845,297
Three-month period ended March 31, 2019													
Balance at January 1, 2019		$ 45,129,738	$ 11,059,145	$ 5,685,548	$ 3,776,643	$ 17,580	$ 1,234,225	$ -	$ -	($ 58,649)	$ 66,844,230	$ 4,123,606	$ 70,967,836
Profit (loss) for the period		-	-	-	559,572	-	-	-	-	-	559,572	(95,666)	463,906
Other comprehensive income (loss) for the period	6(21)	-	-	-	-	245,922	75,211	-	-	(156,648)	164,485	3,047	167,532
Total comprehensive income (loss)		-	-	-	559,572	245,922	75,211	-	-	(156,648)	724,057	(92,619)	631,438
Adjustments to share of changes in equity of associates and joint ventures	6(19)	-	(429)	-	-	-	-	-	-	-	(429)	-	(429)
Balance at March 31, 2019		$ 45,129,738	$ 11,058,716	$ 5,685,548	$ 4,336,215	$ 263,502	$ 1,309,436	$ -	$ -	($ 215,297)	$ 67,567,858	$ 4,030,987	$ 71,598,845

The accompanying notes are an integral part of these consolidated financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	Three-month periods ended March 31 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 708,529	$ 113,082
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6(8)(9)(10)(25)(27)	4,941,932	1,962,287
Amortization	6(27)	77,644	10,733
Expected credit loss	12(2)	(13,189)	(26,161)
Interest income	6(24)	(193,373)	(124,562)
Interest expense	6(26)	1,334,684	380,014
Dividend income	6(24)	(32,112)	-
Loss on disposal of investments accounted for using equity method	6(25)	-	119,908
Share of (profit) loss of associates and joint ventures accounted for using equity method		(404,828)	(218,088)
Gain from bargain purchase	6(24)	-	(125,991)
Net gain on disposal of property, plant and equipment	6(23)	(347,391)	(1,050,002)
Net gain on disposal of right-of-use assets	6(25)	(3,558)	-
Gain on disposal of investments	6(25)	(228)	-
Realized income with affliated companies		(3,282)	(3,313)
Unrealized income with affliated companies		(8,554)	8,131
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Financial assets at fair value through profit or loss		130	-
Current contract assets		64,775	312,844
Notes receivable, net		68,135	10,323
Accounts receivable		3,397,775	299,978
Accounts receivable, net - related parties		(639,603)	(63,743)
Other receivables		613,223	40,568
Other receivables - related parties		82,900	(57,148)
Inventories		569,373	(327,352)
Prepayments		122,026	374,635
Other current assets		(1,457,440)	118,785
Other non-current assets		(2,846)	(6,397)
Net changes in liabilities relating to operating activities			
Current contract liabilities		(1,114,562)	(701,510)
Accounts payable		(2,515,983)	(408,375)
Accounts payable - related parties		175,765	87,516
Other payables		208,045	(105,588)
Other payables - related parties		(13,333)	(813,232)
Other current liabilities		(1,409,042)	747,147
Other non-current liabilities		(39,990)	(79,939)
Cash inflow generated from operations		4,165,622	474,550
Interest received		193,373	124,562
Interest paid		(1,364,804)	(389,202)
Income tax paid		(121,217)	(70,851)
Net cash flows from operating activities		2,872,974	139,059

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	Three-month periods ended March 31 2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investments accounted for using equity method	6(33)	($ 512,682)	($ 430,708)
Acquisition of property, plant and equipment	6(33)	(605,993)	(282,354)
Proceeds from disposal of property, plant and equipment	6(33)	873,800	109
Proceeds from disposal of right-of-use assets		29,843	-
Acquisition of intangible assets		(4,091)	(4,540)
Increase in guarantee deposits paid		(3,362)	(12,572)
Increase in other non-current assets	6(33)	(3,489,206)	(2,342,666)
Effect of initial consolidation of subsidiaries	6(33)	-	140,277
Cash dividend received		32,112	73,076
Net cash flows used in investing activities		(3,679,579)	(2,859,378)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		100,000	-
Decrease in short-term loans		(100,000)	-
(Decrease) increase in other payables -related parties		(149,340)	1,206,996
Increase in long-term loans	6(34)	5,643,786	5,015,686
Decrease in long-term loans	6(34)	(2,571,952)	(6,460,121)
Payments of lease liabilities	6(9)	(2,869,053)	-
Net change in non-controlling interest		-	(262,927)
Decrease in other non-current liabilities		-	(511,934)
Increase (decrease) in guarantee deposits received		38,121	(1,475)
Net cash flows from (used in) financing activities		91,562	(1,013,775)
Effect of exchange rate changes		16,645	(255,900)
Net decrease in cash and cash equivalents		(698,398)	(3,989,994)
Cash and cash equivalents at beginning of period		38,230,522	38,108,263
Cash and cash equivalents at end of period		$ 37,532,124	$ 34,118,269

The accompanying notes are an integral part of these consolidated financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of New Taiwan Dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

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 AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised by the Board of Directors on May 13, 2019.

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")

New standards, interpretations and amendments endorsed by the FSC effective from 2019 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, 'Prepayment features with negative compensation'	January 1, 2019
IFRS 16, 'Leases'	January 1, 2019
Amendments to IAS 19, 'Plan amendment, curtailment or settlement'	January 1, 2019
Amendments to IAS 28, 'Long-term interests in associates and joint ventures'	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. IFRS 16, ‘Leases’

(a) IFRS 16, ‘Leases’, replaces IAS 17, ‘Leases’ and related interpretations and SICs. The standard requires lessees to recognise a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

(b) The Group has elected to apply IFRS 16 by not restating the comparative information (referred herein as the ‘modified retrospective approach’) when applying “IFRSs” effective in 2019 as endorsed by the FSC. Accordingly, the Group increased ‘right-of-use asset’ by $74,284,901 and ‘lease liability’ by $72,202,776, and decreased prepayments by $182,711, lease assets by $13,539,111 and lease payable (including current portion) by $11,639,697 with respect to the lease contracts of lessees on January 1, 2019.

(c) The Group has used the following practical expedients permitted by the standard at the date of initial application of IFRS 16:

i. Reassessment as to whether a contract is, or contains, a lease is not required, instead, the application of IFRS 16 depends on whether or not the contracts were previously identified as leases applying IAS 17 and IFRIC 4.

ii. The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

iii. The accounting for operating leases whose period will end before December 31, 2019 as short-term leases and accordingly, rent expense of $1,735,233 was recognised in the 1st quarter of 2019.

iv. The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(d) The Group calculated the present value of lease liabilities by using the weighted average incremental borrowing interest rate range from 1% to 10%.

(e) The Group recognised lease liabilities which had previously been classified as ‘operating leases’ under the principles of IAS 17, ‘Leases’. The reconciliation between operating lease commitments under IAS 17 measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate and lease liabilities recognised as of January 1, 2019 is as follows:

Operating lease commitments disclosed by applying IAS 17 as at December 31, 2018	$	130,964,797
Add: Lease payable recognised under finance lease by applying IAS 17 as at December 31, 2018		11,639,698
Less: Short-term leases	(	3,550,755)
Less: Low-value assets	(	49,970)
Less: Contracts reassessed as service agreements	(	22,715,097)
Less: Lease contracts contracted but the construction not yet finished	(	33,049,430)
Add: Adjustments as a result of a different treatment of extension and termination options		24,432
Total lease contracts amount recognised as lease liabilities by applying IFRS 16 on January 1, 2019		83,263,675
Incremental borrowing interest rate at the date of initial application		1%~10%
Lease liabilities recognised as at January 1, 2019 by applying IFRS 16	$	72,202,776

B. Amendments to IAS 19, 'Plan amendment, curtailment or settlement'

When a change to a plan take place, the amendments require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.

C. Annual improvements to IFRSs 2015-2017 cycle

(a) Amendments to IFRS 3, 'Business combinations'

The amendments clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should remeasure its previously held interest in the joint operation at fair value at of the acquisition date.

(b) Amendments to IAS 12, 'Income taxes'

The amendment clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

(c) Amendments to IAS 23, 'Borrowing costs'

The amendments clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

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

None.

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

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendment to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2021

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. Amendment to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'

The amendments clarify the definition of material that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

B. Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'

The amendments resolve a current inconsistency between IFRS 10 and IAS 28. The gain or loss resulting from a transaction that involves sales or contribution of assets between an investor and its associates or joint ventures is recognised either in full or partially depending on the nature of the assets sold or contributed:

(a) If sales or contributions of assets constitute a 'business' , the full gain or loss is recognized;

(b) If sales or contributions of assets do not constitute a 'business' , the partial gain or loss is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

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, the 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) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets 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 judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement 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 structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(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. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. 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	March 31, 2019	December 31, 2018	March 31, 2018	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	94.43	94.43	94.43	
The Company	EGH	Container shipping and agency services dealing with port formalities	79.00	79.00	79.00	
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	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 of containers	20.00	20.00	20.00	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%) March 31, 2019	December 31, 2018	March 31, 2018	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	(i)
Peony	EGK	Agency services dealing with port formalities	100.00	100.00	100.00	
Peony	EGT	Agency services dealing with port formalities	85.00	85.00	85.00	
Peony	EGI	Agency services dealing with port formalities	99.99	99.99	99.99	
Peony	EMA	Agency services dealing with port formalities	100.00	100.00	67.50	(a)
Peony	EIT	Agency services dealing with port formalities	55.00	55.00	55.00	
Peony	EES	Agency services dealing with port formalities	100.00	100.00	100.00	
Peony	ERU	Agency services dealing with port formalities	51.00	51.00	51.00	
Peony	EEU	Agency services dealing with port formalities	100.00	100.00	100.00	(b)(c)
Peony	EGD-WWX	Agency services dealing with port formalities	-	-	0.00	(b)
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	
Peony	EGM	Agency services dealing with port formalities	100.00	100.00	100.00	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%) March 31, 2019	December 31, 2018	March 31, 2018	Description
Peony	EGH	Container shipping and agency services dealing with port formalities	1.00	1.00	1.00	
Peony	EGV	Agency services dealing with port formalities	100.00	100.00	100.00	
EGH	Ever shine (Shanghai)	Management consultancy and self-owned property leasing	100.00	100.00	100.00	
EGH	Ever shine (Ningbo)	Management consultancy and self-owned property leasing	100.00	100.00	100.00	
EGH	EKH	Agency services dealing with port formalities	100.00	100.00	100.00	
EGH	EPE	Agency services dealing with port formalities	60.00	60.00	-	(d)
EGH	ECO	Agency services dealing with port formalities	100.00	100.00	-	(e)
EGH	ECL	Agency services dealing with port formalities	60.00	60.00	-	(f)
EGH	EMX	Agency services dealing with port formalities	60.00	60.00	-	(g)
EGH	HMH	Agency services dealing with port formalities	-	-	-	(h)
EGH	Ever shine (Shenzhen)	Management consultancy and self-owned property leasing	100.00	100.00	-	(h)
EGH	Ever shine (Qingdao)	Management consultancy and self-owned property leasing	100.00	100.00	-	(h)
EGH	MAC	Agency services dealing with port formalities	49.00	49.00	-	(h)
EGH	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	-	(h)

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%) March 31, 2019	December 31, 2018	March 31, 2018	Description
ETS	Whitney	Investments and leases of operating machinery and equipment of port terminals	100.00	100.00	100.00	
EMU	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	20.00	
EEU	EGDL	Agency services dealing with port formalities	-	-	100.00	(c)
Clove	ETS	Terminal Services	5.57	5.57	5.57	
Armand N.V.	Armand B.V.	Investments in container yards and port terminals	100.00	100.00	100.00	
MBPI	MBT	Inland transportation, repairs and cleaning of containers	72.95	72.95	72.95	

(a) On December 21, 2018, the Board of Directors resolved to have the subsidiary Peony Investment acquire 32.5% of the shares of EMA from the original shareholders of the joint venture. The effective date of ownership transfer was December 28, 2018.

(b) The proposal of reorganisation of the subsidiary, Peony, has been approved by the Board of Directors on May 12, 2017 to transfer EGDW's business to the sub-subsidiary, EEU, beginning on August 1, 2017. The liquidation process of EGDW was completed by June 12, 2018.

(c) The proposal of reorganisation of the sub-subsidiary, EEU, has been resolved at the shareholders' meeting on May 18, 2017, to transfer its business to its subsidiary, EGDL, effective on August 1, 2017. The liquidation process of EGDL was completed by May 14, 2018.

(d) On July 31, 2018, the Board of Directors of the subsidiary, EGH, resolved to establish a subsidiary, EPE, in Peru. The capital of establishment is PEN 1,500 (approx. USD462), and the subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.

(e) On August 14, 2018, the Board of Directors of the subsidiary, EGH, resolved to establish a subsidiary, ECO, in Columbia. The capital of establishment is COP 80,000 (approx. USD27), and the subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.

(f) On October 1, 2018, the Board of Directors of the subsidiary, EGH, resolved to establish a subsidiary, ECL, in Chile. The capital of establishment is CLP 350,000 (approx. USD531), and the subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.

(g) On October 15, 2018, the Board of Directors of the subsidiary, EGH, resolved to establish a subsidiary, EMX, in Mexico. The capital of establishment is MXN 7,400 (approx. USD382), and the subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.

(h) On August 13, 2018, shareholders of the subsidiary, EGH, during their meeting resolved to make an equity transaction. EGH acquired a 100% equity interest of HMH and its indirect investees, wholly-owned Ever shine (Shenzhen), wholly-owned Ever shine (Qingdao), 49% owned MAC and 20% owned KTIL from the joint ventures, Chestnut Estate B.V.. The transaction amount was US $105,808. The applicable transactions were approved by the Investment Commission of the Ministry of Economic Affairs. The acquisition date was December 14, 2018. On December 21, 2018, shareholders of EGH during their meeting resolved to merge its subsidiary, HMH. EGH will be the surviving companies and HMH will be dissolved after the merger. As of the date of issuance of the financial report, the merger procedure was still in process.

(i) The liquidation process of the sub-subsidiary, EGS was completed by December 19, 2018.

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of March 31, 2019, December 31, 2018 and March 31, 2018, the non-controlling interest amounted to $4,030,987, $4,123,606 and $2,923,657, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest				
		March 31, 2019		December 31, 2018		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
EMU	U.K.	$ 1,261,174	49%	$ 1,469,422	49%	
EGH	Hong Kong	2,002,173	20%	1,903,321	20%	

Name of subsidiary	Principal place of business	Non-controlling interest March 31, 2018 Amount	Ownership (%)	Description
EMU	U.K.	$ 368,172	49%	
EGH	Hong Kong	1,629,117	20%	

Summarised financial information of the subsidiaries:

Balance sheets

	EMU March 31, 2019	EMU December 31, 2018	EMU March 31, 2018
Current assets	$ 6,740,118	$ 9,362,266	$ 8,528,134
Non-current assets	49,529,240	37,184,025	36,737,984
Current liabilities	(16,238,076)	(17,239,612)	(21,043,729)
Non-current liabilities	(37,457,457)	(26,307,858)	(23,471,018)
Total net assets	$ 2,573,825	$ 2,998,821	$ 751,371

	EGH March 31, 2019	EGH December 31, 2018	EGH March 31, 2018
Current assets	$ 8,611,183	$ 9,396,355	$ 4,279,265
Non-current assets	25,427,829	21,515,148	9,698,379
Current liabilities	(9,437,461)	(8,315,106)	(3,083,682)
Non-current liabilities	(15,008,155)	(13,383,103)	(2,748,378)
Total net assets	$ 9,593,396	$ 9,213,294	$ 8,145,584

Statements of comprehensive income

	EMU Three-month period ended March 31, 2019	EMU Three-month period ended March 31, 2018
Revenue	$ 10,548,241	$ 12,424,853
Loss before income tax	($ 430,314)	($ 443,796)
Income tax expense	(4,608)	(7,562)
Loss for the period from continuing operations	(434,922)	(451,358)
Other comprehensive income, net of tax	1,738	5,515
Total comprehensive loss for the period	($ 433,184)	($ 445,843)
Comprehensive loss attributable to non-controlling interest	($ 212,260)	($ 218,463)

	EGH	
	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Revenue	$ 5,653,200	$ 1,153,897
Profit before income tax	$ 385,877	$ 281,837
Income tax expense	(111,748)	(14,325)
Profit for the period from continuing operations	274,129	267,512
Other comprehensive loss, net of tax	-	-
Total comprehensive income for the period	$ 274,129	$ 267,512
Comprehensive income attributable to non-controlling interest	$ 54,826	$ 53,502

Statements of cash flows

	EMU	
	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Net cash provided by (used in) operating activities	$ 262,787	($ 270,019)
Net cash (used in) provided by investing activities	(2,831)	1,158,083
Net cash used in financing activities	(650,713)	(1,618,212)
Effect of exchange rates on cash and cash equivalents	6,205	(31,978)
Decrease in cash and cash equivalents	(384,552)	(762,126)
Cash and cash equivalents, beginning of period	1,787,358	1,840,693
Cash and cash equivalents, end of period	$ 1,402,806	$ 1,078,567

	EGH	
	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Net cash provided by operating activities	$ 2,894,224	$ 849,005
Net cash used in investing activities	(4,140,118)	(1,125,982)
Net cash provided by financing activities	138,836	1,021,321
Effect of exchange rates on cash and cash equivalents	8,277	(25,766)
(Decrease) increase in cash and cash equivalents	(1,098,781)	718,578
Cash and cash equivalents, beginning of period	3,166,065	1,003,634
Cash and cash equivalents, end of period	$ 2,067,284	$ 1,722,212

(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 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 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.

(d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(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 settle 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 settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled 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 that are not measured at amortised cost or fair value through other comprehensive income.

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. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group’s business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets’ contractual cash flows represent solely payments of principal and interest.

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

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

(10) Notes, accounts and other receivables

A. Notes and account receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services. Receivables arising from transactions other than the sale of goods or service are classified as other receivables.

B. The Group initially measures accounts and notes receivable at fair value and subsequently recognises the amortised interest income over the period of circulation using the effective interest method and the impairment loss. A gain or loss is recognised in profit or loss.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(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) Operating 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 and 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 retains significant influence over this associate, 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 and 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 financial year-end. 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 ~ 135 years
Loading and unloading equipment	5 ~ 20 years
Ships	18 ~ 25 years
Transportation equipment	5 ~ 10 years
Lease assets	2 ~ 90 years
Other equipment	2 ~ 15 years

(17) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

Effective 2019

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Variable lease payments that depend on an index or a rate; and

(c) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(18) <u>Leased assets/ operating leases (lessee)</u>

<u>Prior to 2019</u>

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.

(19) 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 20 ~ 60 years.

(20) Intangible assets

A. Computer software

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

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Customer relationship

Customer relationship arises from the business combination is measured initially at their fair values at the acquisition date. Customer relationship has a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 8.05 to 10 years.

(21) 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.

(22) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. 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.

(23) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The Group initially measures accounts payable at fair value and subsequently amortises the interest expense in profit or loss over the period of circulation using the effective interest method.

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

A. 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 categorised as financial liabilities held for trading unless they are designated as hedges or financial liabilities at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at 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. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(25) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(26) Derecognition of financial liabilities

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

(27) 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.

(28) Hedge accounting

A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.

B. The Group designates the hedging relationship as follows:

Cash flow hedge:

A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

C. Cash flow hedges

(a)The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):

i. the cumulative gain or loss on the hedging instrument from inception of the hedge; and

ii. the cumulative change in fair value of the hedged item from inception of the hedge.

(b)The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The gain or loss on the hedging instrument relating to the ineffective portion is recognised in profit or loss.

(c)The amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:

i. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.

ii. For cash flow hedges other than those covered by item i. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

iii. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

(d) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(29) 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 expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense 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. The net defined benefit 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. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

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

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 expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(30) 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 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 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 utilised. 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 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 utilised.

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.

H. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(31) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved 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.

(32) Revenue recognition

A. Sales of goods

Revenue is measured at the fair value of the consideration received or receivable taking into account of business 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 is 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.

C. Rental revenue

The Group leases ships and shipping spaces under IAS 17, 'Leases' and IFRS 16, 'Leases'. Lease assets are classified as finance leases or operating leases based on the transferred proportion of the risks and rewards incidental to ownership of the leased asset, and recognised in revenue over the lease term.

(33) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(34) 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

None.

(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 assets

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.

As of March 31, 2019, the Group recognised property, plant, equipment and right-of-use asset amounting to $102,991,874 and $76,081,781, respectively.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2019	December 31, 2018	March 31, 2018
Cash on hand and petty cash	$ 23,310	$ 22,713	$ 17,876
Checking accounts and demand deposits	7,824,750	7,192,906	6,427,358
Time deposits	29,684,064	31,014,903	27,673,035
	$ 37,532,124	$ 38,230,522	$ 34,118,269

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 other comprehensive income

Items	March 31, 2019	December 31, 2018	March 31, 2018
Non-current items:			
Listed (TSE) stocks	$ 490,801	$ 490,801	$ 820,130
Unlisted stocks	211,808	211,476	205,929
	702,609	702,277	1,026,059
Valuation adjustment	959,765	948,095	1,210,951
	$ 1,662,374	$ 1,650,372	$ 2,237,010

A. The Group has elected to classify these investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $1,662,374, $1,650,372 and $2,237,010 at March 31, 2019, December 31, 2018 and March 31, 2018, respectively.

B. For the three-month period ended March 31, 2019, for the consideration of operations, the Group sold shares of unlisted stocks and listed stocks with a fair value of $34,055 and $342,661, respectively, of which a cumulative disposal gain of $111 and $13,332, respectively, was recognised.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 10,250	($ 26,111)
Income tax recognised in other comprehensive income	$ 1,842	$ 7,119

D. As at March 31, 2019, December 31, 2018 and March 31, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $1,662,374, $1,650,372 and $2,237,010, respectively.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(3).

(3) Financial assets at amortised cost

Items	March 31, 2019	December 31, 2018	March 31, 2018
Non-current items:			
Financial bonds	$ 100,000	$ 100,000	$ 100,000

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Interest income	$ 542	$ 542

B. As at March 31, 2019, December 31, 2018 and March 31, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $100,000, $100,000 and $100,000, respectively.

C. The Group has no financial assets at amortised cost held by the Group pledged to others.

(4) Notes and accounts receivable

	March 31, 2019	December 31, 2018	March 31, 2018
Notes receivable	$ 86,596	$ 154,299	$ 54,736
Less: Allowance for bad debts	(2)	(4)	(2)
	$ 86,594	$ 154,295	$ 54,734
Accounts receivable (including related parties)	$ 12,831,944	$ 15,613,317	$ 11,602,059
Less: Allowance for bad debts	(16,278)	(96,468)	(73,534)
	$ 12,815,666	$ 15,516,849	$ 11,528,525
Overdue receivables (recorded as other non-current assets)	$ 276,743	$ 202,654	$ 191,722
Less: Allowance for bad debts	(276,743)	(202,654)	(191,722)
	$ -	$ -	$ -

A. The ageing analysis of accounts receivable and notes receivable are as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
	Accounts receivable	Accounts receivable	Accounts receivable
Not impaired	$ 10,377,432	$ 12,352,224	$ 9,849,250
Up to 30 days	1,813,249	2,694,557	1,469,193
31 to 180 days	624,985	470,068	210,082
	$ 12,815,666	$ 15,516,849	$ 11,528,525

	March 31, 2019	December 31, 2018	March 31, 2018
	Notes receivable	Notes receivable	Notes receivable
Not impaired	$ 86,594	$ 154,295	$ 54,734
Up to 30 days	-	-	-
31 to 180 days	-	-	-
	$ 86,594	$ 154,295	$ 54,734

The above ageing analysis was based on past due date.

B. The Group has no notes and accounts receivable held by the Group pledged to others.

C. As at March 31, 2019, December 31, 2018 and March 31, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were $86,594, $154,295 and $54,736, respectively; and the amount that best represents the Group's accounts receivable were $12,815,666, $15,516,849 and $11,528,525, respectively.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	March 31, 2019		
	Cost	Allowance for valuation loss	Book value
Ship fuel	$ 4,146,728	$ -	$ 4,146,728
Steel and others	396,589	-	396,589
	$ 4,543,317	$ -	$ 4,543,317

	December 31, 2018		
	Cost	Allowance for valuation loss	Book value
Ship fuel	$ 4,715,175	$ -	$ 4,715,175
Steel and others	385,722	-	385,722
	$ 5,100,897	$ -	$ 5,100,897

	March 31, 2018		
	Cost	Allowance for valuation loss	Book value
Ship fuel	$ 3,583,045	$ -	$ 3,583,045
Steel and others	401,901	-	401,901
	$ 3,984,946	$ -	$ 3,984,946

(6) Other current assets

	March 31, 2019	December 31, 2018	March 31, 2018
Shipowner's accounts	$ 1,643,830	$ 624,748	$ 1,028,071
Agency accounts	1,430,442	894,341	889,727
Temporary debits	1,243,199	1,333,964	338,521
Other financial assets	280,308	271,721	267,633
	$ 4,597,779	$ 3,124,774	$ 2,523,952

A. 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.

B. 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.

C. Temporary debits are mainly subject to the account of settlements between other carriers and the OCEAN Alliance, which the Group formed in response to market competition and enhancement of global transportation network to provide better logistics services to customers with Cosco Container Lines Co., Ltd., CMA CGM, Ltd., and the Orient Overseas Container Line, Ltd. on March 31, 2017 for trading of shipping space.

(7) Investments accounted for using equity method

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

	March 31, 2019	December 31, 2018	March 31, 2018
Evergreen International Storage and Transport Corporation	$ 9,030,743	$ 8,884,659	$ 8,466,054
EVA Airways Corporation	11,162,398	10,334,116	9,716,423
Taipei Port Container Terminal Corporation	1,521,667	1,500,384	1,441,094
Charng Yang Development Co., Ltd.	562,542	544,057	555,031
Luanta Investment (Netherlands) N.V.	1,942,126	1,933,828	1,826,825
Balsam Investment (Netherlands) N.V	478,793	658,599	1,137,555
Colon Container Terminal S.A.	3,257,408	3,261,433	3,057,198
Others	1,221,597	1,148,092	1,081,011
	$ 29,177,274	$ 28,265,168	$ 27,281,191

B. Associates

(a) The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Ownership(%)			Nature of relationship	Methods of measurement
		March 31, 2019	December 31, 2018	March 31, 2018		
Evergreen International Storage and Transport Corporation	TW	40.36%	40.36%	39.74%	With a right over 20% to vote	Equity method
EVA Airways Corporation	TW	16.10%	16.31%	16.31%	Have a right to vote in the Board of Directors	Equity method

(b) The summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

	Evergreen International Storage and Transport Corporation		
	March 31, 2019	December 31, 2018	March 31, 2018
Current assets	$ 6,291,165	$ 6,066,455	$ 5,018,430
Non-current assets	29,160,061	27,152,629	27,704,213
Current liabilities	(3,040,010)	(2,418,658)	(2,455,159)
Non-current liabilities	(9,547,882)	(8,269,749)	(8,531,376)
Total net assets	$ 22,863,334	$ 22,530,677	$ 21,736,108
Share in associate's net assets	$ 9,116,272	$ 8,982,546	$ 8,576,275
Unrealized income with affiliated companies	(85,529)	(97,887)	(110,221)
Carrying amount of the associate	$ 9,030,743	$ 8,884,659	$ 8,466,054

	EVA Airways Corporation		
	March 31, 2019	December 31, 2018	March 31, 2018
Current assets	$ 83,464,072	$ 75,996,433	$ 76,654,215
Non-current assets	269,405,164	165,197,470	157,985,054
Current liabilities	(71,693,295)	(60,922,876)	(61,778,175)
Non-current liabilities	(205,165,810)	(110,151,292)	(106,909,322)
Total net assets	$ 76,010,131	$ 70,119,735	$ 65,951,772
Share in associate's net assets	$ 11,162,398	$ 10,334,116	$ 9,716,423

Statement of comprehensive income

	Evergreen International Storage and Transport Corporation	
	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Revenue	$ 1,917,872	$ 1,871,529
Profit for the period	$ 193,918	$ 174,641
Other comprehensive income (loss), net of tax	138,578	(130,052)
Total comprehensive income	$ 332,496	$ 44,589

	EVA Airways Corporation	
	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Revenue	$ 44,312,727	$ 42,878,322
Profit for the period	$ 2,102,490	$ 1,621,679
Other comprehensive income, net of tax	66,014	121,676
Total comprehensive income	$ 2,168,504	$ 1,743,355

(c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of March 31, 2019, December 31, 2018 and March 31, 2018, the carrying amount of the Group's individually immaterial associates amounted to $8,984,133, $9,046,393 and $9,098,714, respectively.

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Gain for the period	$ 105,358	$ 586,463
Other comprehensive income, net of tax	-	-
Total comprehensive income	$ 105,358	$ 586,463

C. Above stated certain investments accounted for using equity method are based on the financial statements of associates which were reviewed by the associates' independent accountants.

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

	March 31, 2019	December 31, 2018	March 31, 2018
Evergreen International Storage and Transport Corporation	$ 5,792,810	$ 5,814,345	$ 5,597,634
EVA Airways Corporation	11,385,022	11,294,242	10,245,831
	$ 17,177,832	$ 17,108,587	$ 15,843,465

E. On December 21, 2017, the Board of Directors of the subsidiary, Evergreen Marine (Hong Kong) Ltd., during their meeting resolved to acquire a 9% equity interest of Colon Container Terminal S.A. from its original shareholder, Marubeni Corporation, in the amount of USD 15,600, and gain from bargain purchase amounted to USD4,300 thousand was recognised. The shareholding ratio will be increased to 49% when the transaction is completed.

F. On October 8, 2018, the Board of Directors during their meeting resolved to acquire 6,629 thousand shares of Evergreen International Storage and Transport Corporation's shares from the stock exchange market. The transaction price was $86,894, and the ownership percentage was increased to 40.36% after the purchase.

G. The Board of Directors of the Company during its meeting on December 21, 2018 adopted a resolution to participate in the capital increase raised by EVA Airways Corporation amounting to 39,150 thousand shares, subscription price of $13 (in dollars) per share, whose total price of $508,944. In addition, the effective date was set on January 24, 2019 and after the acquisition, the Company's share interest was decreased to 16.10%.

(8) Property, plant and equipment, net

	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Lease assets	Leasehold improvements	Others	Total
At January 1, 2019												
Cost	$ 822,076	$7,436,436	$640,766	$ 10,823,844	$ 1,245,653	$ 22,567,926	$126,866,151	$ 543,931	$20,242,368	$ 605,782	$166,460	$ 191,961,393
Accumulated depreciation	-	(1,258,082)	(511,626)	(7,327,291)	(617,547)	(7,371,302)	(50,041,877)	(423,622)	(6,703,192)	(480,658)	(7,011)	(74,742,208)
	$ 822,076	$6,178,354	$129,140	$ 3,496,553	$ 628,106	$ 15,196,624	$ 76,824,274	$ 120,309	$13,539,176	$ 125,124	$159,449	$ 117,219,185
2019												
Opening net book amount	$ 822,076	$6,178,354	$129,140	$ 3,496,553	$ 628,106	$ 15,196,624	$ 76,824,274	$ 120,309	$13,539,176	$ 125,124	$159,449	$ 117,219,185
Additions	-	130,985	271	1,750	3,547	1,240,875	52,429	3,287	-	5,184	65	1,438,393
Disposals	-	-	-	-	(228)	(2,164)	(527,695)	(193)	-	-	-	(530,280)
Reclassifications	-	-	-	-	16,063	-	170,633	12,694	(13,539,176)	1,661	(30,353)	(13,368,478)
Depreciation	-	(38,441)	(3,465)	(126,140)	(57,150)	(474,451)	(1,272,226)	(10,187)	-	(22,067)	(1,062)	(2,005,189)
Net exchange differences	3,986	52,559	2,820	5,492	2,038	32,307	136,379	1,467	-	382	813	238,243
Closing net book amount	$ 826,062	$6,323,457	$128,766	$ 3,377,655	$ 592,376	$ 15,993,191	$ 75,383,794	$ 127,377	$ -	$ 110,284	$128,912	$ 102,991,874
At March 31, 2019												
Cost	$ 826,062	$7,632,400	$654,982	$ 10,841,388	$ 1,263,560	$ 23,852,127	$119,875,201	$ 561,707	$ -	$ 617,666	$136,986	$ 166,262,079
Accumulated depreciation	-	(1,308,943)	(526,216)	(7,463,733)	(671,184)	(7,858,936)	(44,491,407)	(434,330)	-	(507,382)	(8,074)	(63,270,205)
	$ 826,062	$6,323,457	$128,766	$ 3,377,655	$ 592,376	$ 15,993,191	$ 75,383,794	$ 127,377	$ -	$ 110,284	$128,912	$ 102,991,874

	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Lease assets	Leasehold improvements	Others	Total
At January 1, 2018												
Cost	$ 829,745	$7,194,260	$611,447	$ 9,600,294	$ 1,120,713	$ 16,325,955	$107,532,947	$ 533,874	$19,524,906	$ 574,438	$ 85,891	$ 163,934,470
Accumulated depreciation	-	(1,111,749)	(495,678)	(5,878,445)	(416,793)	(7,596,520)	(43,793,777)	(423,613)	(6,168,818)	(358,270)	(3,353)	(66,247,016)
	$ 829,745	$6,082,511	$115,769	$ 3,721,849	$ 703,920	$ 8,729,435	$ 63,739,170	$ 110,261	$13,356,088	$ 216,168	$ 82,538	$ 97,687,454
2018												
Opening net book amount	$ 829,745	$6,082,511	$115,769	$ 3,721,849	$ 703,920	$ 8,729,435	$ 63,739,170	$ 110,261	$13,356,088	$ 216,168	$ 82,538	$ 97,687,454
Additions	-	-	42	5,009	1,647	684,909	108,259	3,230	3,395	2,548	45,296	854,335
Disposals	-	-	-	-	(9)	(391,377)	-	(18)	(572)	-	-	(391,976)
Reclassifications	-	-	-	22,589	-	-	2,304,986	-	-	-	-	2,327,575
Depreciation	-	(35,583)	(2,692)	(120,285)	(48,484)	(316,728)	(1,106,877)	(10,094)	(255,737)	(32,892)	(712)	(1,930,084)
Acquired from business combinations	-	-	-	-	5	-	-	6,471	-	-	26,620	33,096
Net exchange differences	(6,494)	(69,870)	3,309	(36,380)	(13,258)	(110,889)	(871,857)	242	(259,914)	(53)	(1,405)	(1,366,569)
Closing net book amount	$ 823,251	$5,977,058	$116,428	$ 3,592,782	$ 643,821	$ 8,595,350	$ 64,173,681	$ 110,092	$12,843,260	$ 185,771	$152,337	$ 97,213,831
At March 31, 2018												
Cost	$ 823,251	$7,140,565	$629,220	$ 9,556,771	$ 1,100,542	$ 15,228,547	$108,268,080	$ 542,626	$19,143,201	$ 576,716	$156,401	$ 163,165,920
Accumulated depreciation	-	(1,163,507)	(512,792)	(5,963,989)	(456,721)	(6,633,197)	(44,094,399)	(432,534)	(6,299,941)	(390,945)	(4,064)	(65,952,089)
	$ 823,251	$5,977,058	$116,428	$ 3,592,782	$ 643,821	$ 8,595,350	$ 64,173,681	$ 110,092	$12,843,260	$ 185,771	$152,337	$ 97,213,831

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

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

(9) Leasing arrangements－lessee

Effective 2019

A. The Group leases various assets including land, buildings, loading and unloading equipment, transportation equipment, ships, and business vehicles. Rental contracts are typically made for periods of 1.3 to 90 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise buildings and ships. Low-value assets comprise office equipment and other equipment.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	March 31, 2019	Three-month period ended March 31, 2019
	Carrying amount	Depreciation charge
Land	$ 13,915,354	$ 481,137
Buildings	955,545	65,425
Loading and unloading equipment	466,628	38,404
Transportation equipment	3,557,966	267,143
Ships	57,100,707	2,032,991
Office equipment	44,354	4,051
Other equipment	41,227	5,873
	$ 76,081,781	$ 2,895,024

D. For three-month period ended March 31, 2019, the additions to right-of-use assets was $5,064,026.

E. The information on income and expense accounts relating to lease contracts is as follows:

	Three-month period ended March 31, 2019
Items affecting profit or loss	
Interest expense on lease liabilities	$ 675,151
Expense on short-term lease contracts	1,735,233
Expense on leases of low-value assets	3,997
Expense on variable lease payments	1,410

F. For three-month period ended March 31, 2019, the Group’s total cash outflow for leases was $5,284,844.

G. To hedge the impact of expected variable exchange rate risk arising from US dollar denominated lease liabilities payable, the Company designated US dollar denominated lease contracts as the hedging instruments for hedging the foreign exchange variation of future US dollar denominated marine freight income and adopted cash flow hedge accounting. Moreover, the effective portion with respect to the changes in cash flows of the hedging instruments is deferred to recognise in gains (loss) on hedging instruments, which is under other equity interest. Details of relevant transactions are as follows:

	March 31, 2019		
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2127.6.12	$ 11,452,364

(a) Lease liabilities designated as hedges (recorded as financial liabilities for hedging)

	March 31, 2019
Cash flow hedges：	
Exchange rate risk	
Lease liability contracts designated as hedges	
Current liabilities	$ 914,318
Non-current liabilities	10,538,046
	$ 11,452,364

(b) Other equity - cash flow hedge reserve

	Three-month period ended March 31, 2019
At January 1	$ -
Less : Losses on hedge effectiveness-amount recognised in other comprehensive income	(68,932)
Add : Reclassified to freight revenue as the hedged item has affected profit or loss	4,028
At March 31	($ 64,904)

(c) Information relating to the fair values of abovementioned hedging financial liabilities is provided in Note 12(3).

H. The amounts of lease liabilities (net of the lease liabilities designated as hedges) of the Group on March 31, 2019 are as follows:

	March 31, 2019
Current lease liabilities	$ 9,307,620
Current lease liabilities - related parties	605,968
Non-current lease liabilities	51,597,382
Non-current lease liabilities - related parties	1,145,773
	$ 62,656,743

(10) Investment property, net

	Land	Buildings	Total
At January 1, 2019			
Cost	$ 1,415,054	$ 5,048,676	$ 6,463,730
Accumulated depreciation	-	(628,656)	(628,656)
	$ 1,415,054	$ 4,420,020	$ 5,835,074
2019			
Opening net book amount	$ 1,415,054	$ 4,420,020	$ 5,835,074
Depreciation	-	(41,719)	(41,719)
Net exchange differences	2	84,174	84,176
Closing net book amount	$ 1,415,056	$ 4,462,475	$ 5,877,531
At March 31, 2019			
Cost	$ 1,415,056	$ 5,159,786	$ 6,574,842
Accumulated depreciation	-	(697,311)	(697,311)
	$ 1,415,056	$ 4,462,475	$ 5,877,531

	Land	Buildings	Total
At January 1, 2018			
Cost	$ 1,414,757	$ 4,066,438	$ 5,481,195
Accumulated depreciation	-	(511,923)	(511,923)
	$ 1,414,757	$ 3,554,515	$ 4,969,272
2018			
Opening net book amount	$ 1,414,757	$ 3,554,515	$ 4,969,272
Depreciation	-	(32,203)	(32,203)
Net exchange differences	(16)	(6,743)	(6,759)
Closing net book amount	$ 1,414,741	$ 3,515,569	$ 4,930,310
At March 31, 2018			
Cost	$ 1,414,741	$ 4,072,858	$ 5,487,599
Accumulated depreciation	-	(557,289)	(557,289)
	$ 1,414,741	$ 3,515,569	$ 4,930,310

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

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Rental revenue from the lease of the investment property	$ 50,164	$ 70,927
Direct operating expenses arising from the investment property that generated rental income in the period	$ 42,169	$ 32,756
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ 221	$ 244

B. The fair value of the investment property held by the Group as at March 31, 2019, December 31, 2018 and March 31, 2018 was $7,890,943, $7,801,498 and $6,701,497, respectively. The fair value measurements were based on the market prices of recently sold properties in the immediate vicinity of a certain property.

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

(11) Other non-current assets

	March 31, 2019	December 31, 2018	March 31, 2018
Prepayments for equipment	$ 8,009,630	$ 4,619,738	$ 6,064,365
Refundable deposits	230,700	226,760	211,214
Others	97,757	94,646	140,482
	$ 8,338,087	$ 4,941,144	$ 6,416,061

Movement analysis of prepayments for equipment are as follows:

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
At January 1	$ 4,619,738	$ 6,080,908
Additions	3,548,478	2,369,080
Reclassification to property, plant and equipment	(170,633)	(2,327,575)
Net exchange differences	12,047	(58,048)
At December 31	$ 8,009,630	$ 6,064,365

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

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Amount capitalised	$ 59,466	$ 31,052
Interest rate	0.86%~4.7%	1.31%~3.56%

(12) Other current liabilities

	March 31, 2019	December 31, 2018	March 31, 2018
Receipt in advance	$ 7,656	$ 15,127	$ 12,380
Long-term liabilities - current portion	18,283,645	16,350,126	15,990,264
Shipowner's accounts	2,559,023	1,804,031	2,275,030
Agency accounts	287,237	2,385,780	2,994,497
Long-term leases payable - current	-	1,941,251	1,338,990
Others	66,058	119,663	53,305
	$ 21,203,619	$ 22,615,978	$ 22,664,466

(13) Corporate bonds payable

	March 31, 2019	December 31, 2018	March 31, 2018
Domestic secured corporate bonds	$ 10,000,000	$ 10,000,000	$ 8,000,000
Less: Current portion or exercise of put options	-	-	-
	$ 10,000,000	$ 10,000,000	$ 8,000,000

A. On April 25, 2017, the Company issued its thirteenth domestic secured corporate bonds (referred herein as the "Thirteenth Bonds"), totaling $8,000,000. The Thirteenth Bonds are categorized into Bond A, B, C, D, E, F and G, depending on the guarantee institution. Bond A totals $2,000,000, and the rest total $6,000,000, with each par value of $1,000,000. The major terms of the issuance are set forth below:

(a) Period: 5 years (April 25, 2017 to April 25, 2022)

(b) Coupon rate: 1.05% fixed per annum

(c) Principal repayment and interest payment

Repayments for the Thirteenth Bonds are paid annually on coupon rate, starting a year from the issuing date. For each category of the bonds mentioned above, half the principal must be paid at the end of the fourth year, and another half at the maturity date.

(d) Collaterals

The Thirteenth Bonds are secured. Bond A is guaranteed by Hua Nan Bank, Bond B is guaranteed by First Bank, Bond C is guaranteed by Mega International Commercial Bank, Bond D is guaranteed by Land Bank of Taiwan, Bond E is guaranteed by Chang Hwa Bank, Bond F is guaranteed by Taiwan Cooperative Bank, and Bond G is guaranteed by Bank Sinopac.

B. On June 27, 2018, the Company issued its fourteenth domestic secured corporate bonds (referred herein as the "Fourteenth Bonds"), totaling $2,000,000 at face value. The major terms of the issuance are set forth below:

(a) Period: 5 years (June 27, 2018 to June 27, 2023)

(b) Coupon rate: 0.86% fixed per annum

(c) Principal repayment and interest payment

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

(d) Collaterals

The Fourteenth Bonds are secured and are guaranteed by First Commercial Bank.

(14) Long-term loans

	March 31, 2019	December 31, 2018	March 31, 2018
Secured bank loans	$ 65,639,035	$ 63,430,488	$ 53,865,237
Unsecured bank loans	36,741,521	35,729,010	25,473,959
Add : Unrealised foreign exchange (gains) losses	238,376	223,179	(125,213)
Less: Hosting fee credit	(19,874)	(22,176)	(23,602)
	102,599,058	99,360,501	79,190,381
Less: Current portion (recorded as other current liabilities)	(18,283,645)	(16,350,126)	(15,990,264)
	$ 84,315,413	$ 83,010,375	$ 63,200,117
Borrowing period	2019.04~2028.12	2019.01~2028.12	2018.04~2027.06
Interest rate	1.12%~5.15%	1.12%~5.15%	1.16%~5.15%

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

(15) Other non-current liabilities

	March 31, 2019	December 31, 2018	March 31, 2018
Long-term leases payable - non-current	$ -	$ 9,698,447	$ 9,657,448
Accrued pension liabilities	2,899,643	2,935,589	2,944,391
Guarantee deposits received	386,178	347,115	35,612
Unrealised gain on sale and leaseback	16,507	20,041	40,188
	$ 3,302,328	$ 13,001,192	$ 12,677,639

(16) Finance lease liabilities

Prior to 2019

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 December 31, 2018 and March 31, 2018 are as follows:

	December 31, 2018		
	Total finance lease liabilities	Future finance charges	Present value of finance lease liabilities
Current			
Not later than one year	$ 2,325,368	($ 384,117)	$ 1,941,251
Non-current			
Later than one year but not later than five years	10,489,983	(791,536)	9,698,447
	$ 12,815,351	($ 1,175,653)	$ 11,639,698

	March 31, 2018		
	Total finance lease liabilities	Future finance charges	Present value of finance lease liabilities
Current			
Not later than one year	$ 1,724,635	($ 385,645)	$ 1,338,990
Non-current			
Later than one year but not later than five years	10,280,494	(951,440)	9,329,054
Over five years	333,119	(4,725)	328,394
	10,613,613	(956,165)	9,657,448
	$ 12,338,248	($ 1,341,810)	$ 10,996,438

(17) Pension

A.(a) The Company and its domestic subsidiary-TTSC have a defined benefit pension plan in accordance with the Labor Standards Act (“the Act”), covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under 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. 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 Trust Department of Bank of Taiwan under the name of the Labor Pension Fund Supervisory Committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

(b) The employees with R.O.C. nationality of the Group's subsidiaries, EGH, GMS and EMU, 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 $60,618 and $55,721 for the three-month periods ended March 31, 2019 and 2018, respectively.

(d) Expected contributions to the defined benefit pension plans of the Company and its subsidiary-TTSC for the three-month period ended March 31, 2019 amounts to $102,713.

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 periods ended March 31, 2019 and 2018 were $ 62,375 and $55,585, respectively.

(18) Capital stock

A. As of March 31, 2019, the Company's authorized capital was $50,000,000, and the paid-in capital was $ 45,129,738, consisting of 4,512,974 thousand shares of common stocks with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. On August 11, 2017, the Board of Directors of the Company resolved to increase capital by $5,000,000 by issuing 500,000 thousand shares at a par value of NT$10. Of which 50,000 thousand shares are reserved for employee stock purchase plan. The proposal of capital increase has been reported and become effective on December 5, 2017. The total amount of shares was $7,711,222. All proceeds from share issuance was completed on December 27, 2017.

C. The stockholders at their annual stockholders meeting on June 21, 2018, resolved to issue 200,618 thousand shares through capitalization of unappropriated retained earnings of $2,006,178. The proposal of the capitalisation of earnings was filed online with the Securities and Futures Bureau of the Financial Supervisory Commission and went into effect on July 31, 2018. The Company had filed registration of the capital increase through capitalisation of earnings with the Ministry of Economic Affairs on September 18, 2018.

D. On August 13, 2018, the Board of Directors of the Company resolved to increase capital by $3,000,000 by issuing 300,000 thousand shares at a par value of NT$10. Of which 30,000 thousand shares are reserved for employee stock purchase plan. The proposal of capital increase has been reported and become effective on November 28, 2017. The total amount of shares was $3,226,890. All proceeds from share issuance was completed on December 21, 2018.

(19) Capital surplus

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.

	2019				
	Share premium	Employe stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1, 2019	$ 8,833,283	$ 93,890	$ 2,124,813	$ 446	$ 6,713
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	(429)	-	-
At March 31, 2019	$ 8,833,283	$ 93,890	$ 2,124,384	$ 446	$ 6,713

	2018				
	Share premium	Employe stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1, 2018	$ 8,606,393	$ 76,280	$ 2,148,243	$ 446	$ 6,713
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	(39,527)	-	-
At March 31, 2018	$ 8,606,393	$ 76,280	$ 2,108,716	$ 446	$ 6,713

(20) 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.

B. Dividend policy

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. 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.

E. (a)The appropriation of earnings of year 2017 as resolved by the Board of Directors on June 21, 2018 is as follows:

	Year ended December 31, 2017	
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	$ 700,517	
Appropriation of cash dividends to shareholders	$ 802,471	$ 0.2
Appropriation of stock dividends to shareholders	$ 2,006,178	$ 0.5

(b) The appropriation of earnings of year 2018 as resolved by the Board of Directors on March 22, 2019 is as follows:

	Year ended December 31, 2018	
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	$ 29,392	
Appropriation of cash dividends to shareholders	$ -	$ -
Appropriation of stock dividends to shareholders	$ -	$ -

As of March 22, 2019, the above-mentioned 2018 earnings appropriation had not been resolved by the stockholders.

G. For information relating to employees' and directors' remuneration, please refer to Note 6(28).

(21) Other equity items

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2019	$ 1,234,225	($ 58,649)	$ 17,580	$ 1,193,156
Revaluation – gross	10,250	-	-	10,250
Revaluation – tax	1,842	-	-	1,842
Revaluation – associates	63,119	-	-	63,119
Cash flow hedges:				
– Fair value loss in the period		(64,904)		(64,904)
– Fair value loss in the period – tax		17,869		17,869
– Fair value loss in the period – Associates	-	(109,613)	-	(109,613)
Currency translation differences:				
– Group	-	-	230,763	230,763
– Group – tax	-	-	(2)	(2)
– Associates	-	-	15,161	15,161
At March 31, 2019	$ 1,309,436	($ 215,297)	$ 263,502	$ 1,357,641

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2018	$ 1,833,339	($ 15,912)	($ 1,135,114)	$ 682,313
Effects of retrospective application	(279,677)	-	-	(279,677)
Balance at January 1 after retrospective adjustments	$ 1,553,662	($ 15,912)	($ 1,135,114)	$ 402,636
Revaluation – gross	(26,111)	-	-	(26,111)
Revaluation – tax	(7,119)	-	-	(7,119)
Revaluation – associates	53,296	-	-	53,296
Cash flow hedges:				
– Fair value gain in the period – Associates	-	(3,815)	-	(3,815)
Currency translation differences:				
– Group	-	-	(519,217)	(519,217)
– Group – tax	-	-	797	797
– Associates	-	-	(83,857)	(83,857)
At March 31, 2018	$ 1,573,728	($ 19,727)	($ 1,737,391)	($ 183,390)

(22) Operating revenue

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Revenue from contracts with customers	$ 45,437,414	$ 36,532,021
Other - ship rental and slottage income	259,638	308,667
	$ 45,697,052	$ 36,840,688

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time and at a point in time in the following major businesses:

Three-month period ended March 31, 2019	Ship-owners	Agent	Terminal	Other	Total
Total segment revenue	$ 49,706,708	$ 867,046	$ 1,648,559	$ 488,634	$ 52,710,947
Inter-segment revenue	(7,273,533)	-	-	-	(7,273,533)
Revenue from external customer contracts	$ 42,433,175	$ 867,046	$ 1,648,559	$ 488,634	$ 45,437,414

Three-month period ended March 31, 2018	Ship-owners	Agent	Terminal	Other	Total
Total segment revenue	$ 38,605,099	$ 674,989	$ 1,539,721	$ 484,684	$ 41,304,493
Inter-segment revenue	(4,772,472)	-	-	-	(4,772,472)
Revenue from external customer contracts	$ 33,832,627	$ 674,989	$ 1,539,721	$ 484,684	$ 36,532,021

B. Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	March 31, 2019	December 31, 2018	March 31, 2018
Contract assets:			
Contract assets relating to marine freight income	$ 2,183,660	$ 2,244,065	$ 1,577,169
Contract liabilities:			
Contract liabilities – unearned marine freight income	($ 663,608)	($ 1,774,392)	($ 1,821,590)

Revenue recognised that was included in the contract liability balance at the beginning of the period

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Marine freight income	$ 1,774,392	$ 2,523,101

(23) Other income and expenses, net

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Gains on disposal of property, plant and equipment	$ 347,391	$ 1,050,002

(24) Other income

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Interest income：		
Interest income from bank deposits	$ 192,831	$ 124,020
Interest income from financial assets measured at amortised cost	542	542
Rent income	50,234	73,603
Dividend income	32,112	-
Gain recognised in bargain purchase transaction	-	125,991
Other income, others	22,560	128,918
	$ 298,279	$ 453,074

(25) Other gains and losses

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Gains (losses) on disposal of investments	$ 228	($ 119,908)
Net currency exchange gains	105,435	26,427
Gains on disposal of right-of-use assets	3,558	-
Depreciation on investment property	(41,719)	(32,203)
Other non-operating expenses	(30,473)	(29,785)
	$ 37,029	($ 155,469)

(26) Finance costs

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Interest expense:		
Bank loans	$ 694,046	$ 390,354
Corporate bonds	24,953	20,712
Other	675,151	-
	1,394,150	411,066
Less: Capitalisation of qualifying assets	(59,466)	(31,052)
Finance costs	$ 1,334,684	$ 380,014

(27) Expenses by nature

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Employee benefit expense	$ 2,354,546	$ 1,842,733
Depreciation charges on property, plant and equipment	2,005,189	1,930,084
Depreciation charges on right-of-use assets	2,895,024	-
Amortisation charges on intangible assets	77,644	10,733
Other operating costs and expenses	37,420,799	34,124,919
	$ 44,753,202	$ 37,908,469

(28) Employee benefit expense

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Wages and salaries	$ 1,895,210	$ 1,516,628
Labor and health insurance fees	217,493	127,628
Pension costs	122,993	111,306
Other personnel expenses	118,850	87,171
	$ 2,354,546	$ 1,842,733

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees that account for no less than 0.5% and pay remuneration to the directors and supervisors that account for no more than 2% of the total distributed amount.

B. (a) For the three-month periods ended March 31, 2019 and 2018, employees' compensation was accrued at $2,609 and $562, while directors' remunerations were accrued at $733 and $0, respectively. The aforementioned amount was recognised in salary expenses.

(b) The employees' compensation and directors' remuneration were accrued based on the status of distributable profit of current period in accordance with the Articles of Incorporation for the three-month period ended March 31, 2019.

(c) On March 22, 2019, employees' compensation and directors' remunerations for the year ended December 31, 2018 as resolved by the Board of Directors amounted to $2,560 and $0, respectively.

(29) Income tax

A. Income tax expense

(a)Components of income tax expense:

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Current tax:		
Current tax on profits for the period	$ 296,018	$ 127,093
Prior year income tax overestimation	(9,110)	(40)
Total current tax	286,908	127,053
Deferred tax:		
Origination and reversal of temporary differences	(42,285)	(72,563)
Impact of change in tax rate	-	42,716
Total deferred tax	(42,285)	(29,847)
Income tax expense	$ 244,623	$ 97,206

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

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Changes in fair value of financial assets at fair value through other comprehensive (loss) income	($ 1,842)	$ 864
Exchange differences on translating the financial statements of foreign operations	2	(18)
Cash flow hedges	(17,869)	-
Impact of change in tax rate	-	(6,387)
	($ 19,709)	($ 5,541)

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

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	($ 26)	($ 16)
Impact of change in tax rate	-	382
	($ 26)	$ 366

B. The Company's income tax returns through 2016 have been assessed and approved by the Tax Authority.

C. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China in February, 2018, the Company's applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Group has assessed the impact of the change in income tax rate.

(30) Earnings per share

	Three-month period ended March 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Net earnings attributable to ordinary shareholders of the parent	$ 559,572	4,512,974	$ 0.12
Diluted earnings per share			
Net earnings attributable to ordinary shareholders of the parent	559,572	4,512,974	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	218	
Net income attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 559,572	4,513,192	$ 0.12

	Three-month period ended March 31, 2018		
	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	$ 137,263	4,012,356	$ 0.03
Diluted earnings per share			
Net income attributable to ordinary shareholders of the parent	137,263	4,012,356	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	56	
Net income attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 137,263	4,012,412	$ 0.03

(31) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

(a) Subsidiary, Peony, purchased 32.5% of outstanding shares of EMA for cash of $44,940 (approx. USD 1,461) on December 28, 2018. The carrying amount of non-controlling interest in Island was $41,019 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $41,019 and a decrease in the equity attributable to owners of the parent by $3,921.

(b) Subsidiary, Everport Terminal Service Inc., purchased 49% of outstanding shares of Island for cash of $262,927 (approx. USD 8,853) on January 1, 2018. The carrying amount of non-controlling interest in Island was $223,006 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $223,006 and a decrease in the equity attributable to owners of the parent by $39,921.

B. The effect of changes in interests in ETS on the equity attributable to owners of the parent for the three-month period ended March 31, 2018 are shown below:

	Three-month period ended March 31, 2018
Carrying amount of non-controlling interest acquired	$ 223,006
Consideration paid to non-controlling interest	(262,927)
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	($ 39,921)

(32) Business combinations

A. On December 14, 2018, subsidiary, EGH, acquired 100% of the shares of HMH for cash of $3,265,341 (approx. USD 105,808) and obtained control of the company. The company primarily provides shipping agency services. As a result of the acquisition, the Group is expected to strengthen its foothold in the Greater China market and expand our shipping agency and other related businesses in the region.

B. On January 1, 2018, subsidiary, Peony Investment, acquired 51% of the shares of EGV for cash of $10,603 (approx. USD 357). Peony Investment has a 49% equity interest before acquiring these 51% equity interests, therefore, Peony owns 100% of the shares of EGV after the acquisition and has control of EGV. The company primarily provides cargo and shipping agency services in Malaysia. As a result of the acquisition, the Group is expected to increase its presence in these markets. It also expects to reduce costs through economies of scale.

C. The following table summarises the consideration paid and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

	HMH	EGV
Purchase consideration		
Cash paid	$ 3,265,341	$ 10,603
Fair value of equity interest in EGV held before the business combination	-	10,187
	3,265,341	20,790
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	489,234	150,880
Accounts receivable	922,433	103,402
Prepayments	15,057	3,549
Other receivables	55,777	3,471
Other current assets	17,210	89,482
Investments accounted for using equity method	87,092	-
Property, plant and equipment, net	178,126	33,096
Investment property, net	962,109	-
Intangible assets	2,144,086	-
Other non-current assets	10,936	4,841
Accounts payable	(226,261)	(41,965)
Other payables	(12,199)	(223,234)
Current income tax liabilities	(20,195)	(7,267)
Other current liabilities	(842,902)	(102,077)
Long-term loans	(131,261)	-
Deferred income tax liabilities	(150,280)	-
Other non-current liabilities	(224,773)	-
Total identifiable net assets	3,274,189	14,178
Goodwill / Gain from bargain purchase	($ 8,848)	$ 6,612

D. As at December 31, 2018, the fair value of the acquired identifiable intangible assets – customer relationship was estimated to be $2,143,384.

E. The Group originally held 49% of share ownership in EGV before the business combination. Loss on remeasurement of fair value amounted to $119,908.

F. The subsidiary, EGH, consolidated HMH as of December 14, 2018, and HMH contributed operating income and pre-tax loss of $6,807 and $115,535, respectively. Had EGH been consolidated from January 1, 2018, the consolidated statement of comprehensive income would show operating revenue $451,837 and profit before income tax of $93,252 in the first quarter of 2018.

(33) Supplemental cash flow information

Investing activities with partial cash payments

A. Property, plant and equipment

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Purchase of property, plant and equipment	$ 1,438,393	$ 854,335
Add: Opening balance of payable on equipment	34,258	58,347
Less: Ending balance of payable on equipment	(866,658)	(630,328)
Cash paid during the period	$ 605,993	$ 282,354

B. Prepayments for equipment (recorded as other non-current assets)

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Purchase of prepayments for equipment	$ 3,548,478	$ 2,369,080
Add: Opening balance of payable on prepayments for equipment	194	4,638
Less: Ending balance of payable on prepayments for equipment	-	-
Capitalisation of qualifying assets	(59,466)	(31,052)
Cash paid during the period	$ 3,489,206	$ 2,342,666

C. Investments accounted for using equity method

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Purchase of investments accounted for using equity method	$ 512,682	$ 23,166
Add: Opening balance of payable on capital stock	-	(453,874)
Less: Ending balance of payable on capital stock	-	-
Cash paid during the period	$ 512,682	($ 430,708)

D. The balances of the assets and liabilities of consolidated subsidiaries for the current period are as follows:

	January 1, 2018
Cash and cash equivalents	$ 150,880
Accounts receivable	103,402
Prepayments	3,549
Other receivables	3,471
Other current assets	89,482
Property, plant and equipment, net	33,096
Other non-current assets	4,841
Accounts payable	(41,965)
Other payables	(223,234)
Current income tax liabilities	(7,267)
Other current liabilities	(102,077)
Goodwill/Gain from bargain purchase	6,612
	$ 20,790

Cash paid for the acquisition	$ 10,603
Cash and cash equivalents	(150,880)
Net cash paid for the acquisition	($ 140,277)

(34) Changes in liabilities from financing activities

	Long-term borrowings
At January 1, 2019	$ 99,360,501
Changes in cash flow from financing activities	3,071,834
Impact of changes in foreign exchange rate	166,723
At March 31, 2019	$ 102,599,058

	Long-term borrowings
At January 1, 2018	$ 81,487,631
Changes in cash flow from financing activities	(1,444,435)
Impact of changes in foreign exchange rate	(852,815)
At March 31, 2018	$ 79,190,381

7. RELATED PARTY TRANSACTIONS

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

Names of related parties	Relationship with the Group
Evergreen International Storage and Transport Corp.	Associate
Eva Airways Corp.	Associate
Evergreen Security Corp.	Associate
Charng Yang Development Co., Ltd.	Associate
Taipei Port Container Terminal Corp.	Associate
Ningbo Victory Container Co. Ltd.	Associate
Qingdao Evergreen Container Storage & Transportation Co. Ltd.	Associate
Evergreen Marine (Latin America) S.A.	Associate
Green Peninsula Agencies SDN.BHD	Associate
Luanta Investment (Netherlands) N.V.	Associate
Balsam Investment (Netherlands) N.V.	Associate
Italia Marittima S.p.A.	Associate
Colon Container Terminal S.A.	Associate
PT. Evergreen Shipping Agency Indonesia	Associate
Evergreen Shipping Agency Co. (U.A.E) LLC	Associate
Evergreen Shipping Agency Lanka (Private) Limited	Associate
Evergreen International Corp.	Other related party
Evergreen Airline Service Corp.	Other related party
Chang Yung-Fa Charity Foundation	Other related party
Chang Yung-Fa Foundation	Other related party
Eever Accord Construction Corporation	Other related party
Evergreen Aviation Technologies Corporation	Other related party
Evergreen Sky Catering Corporation	Other related party
Evergreen Air Cargo Services Corporation	Other related party
Evergreen Aviation Precision Corporation	Other related party
Evergreen International S.A.	Other related party
Evergreen Marine (Singapore) Pte. Ltd.	Other related party
Gaining Enterprise S.A.	Other related party
Eevergreen Insurance Company Limited	Other related party
Evergreen Shipping Agency (America) Corporation	Other related party
Evergreen Shipping Agency (Japan) Corporation	Other related party
Evergreen Shipping Agency (Philippines) Corporation	Other related party
Evergreen International Myanmar Co., Ltd.	Other related party
Chestnut Estate B.V.	Other related party
Advanced Business Process, Inc.	Other related party

(2) Significant related party transactions and balances

A. Operating revenue:

		Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Sales of services:			
	Associates	$ 624,765	$ 673,337
	Other related parties	3,152,850	2,470,936
		$ 3,777,615	$ 3,144,273

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 March 31, 2019	Three-month period ended March 31, 2018
Purchases of services:			
	Associates	$ 623,824	$ 797,740
	Other related parties	1,842,630	1,626,487
		$ 2,466,454	$ 2,424,227

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

C. Receivables from related parties :

		March 31, 2019	December 31, 2018	March 31, 2018
Accounts receivable:				
	Associates	$ 115,852	$ 115,875	$ 71,647
	Other related parties	1,028,482	387,763	809,864
	Subtotal	$ 1,144,334	$ 503,638	$ 881,511
Other receivables:				
	Associates			
	-Other	$ 8,133	$ 1,626	$ 13,472
	Other related parties			
	-EIC	4,011	179,661	-
	-Other	6,663	8,402	268,889
	Subtotal	$ 18,807	$ 189,689	$ 282,361
	Total	$ 1,163,141	$ 693,327	$ 1,163,872

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. The receivables include provisions against receivables from related parties.

D. Payables to related parties:

		March 31, 2019	December 31, 2018	March 31, 2018
Accounts payable:				
	Associates	$ 81,015	$ 61,940	$ 92,498
	Other related parties	349,115	191,232	189,613
	Subtotal	$ 430,130	$ 253,172	$ 282,111
Other payables:				
	Associates	$ 21,038	$ 25,548	$ 9,694
	Other related parties	151,889	156,320	96,309
	Subtotal	$ 172,927	$ 181,868	$ 106,003
	Total	$ 603,057	$ 435,040	$ 388,114

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

E. Property transactions:

Acquisition of property, plant and equipment:

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Associates	$ 115	$ -

F. Leasing arrangements - lessee

(a) The Group leases buildings, ships as well as loading and unloading equipment from associates and other related parties. Rental contracts are typically made for periods of 2 to 9 years, rents are paid in accordance with the contract terms.

(b) Acquisition of right-of-use assets:

The Group leases buildings, ships as well as loading and unloading equipment from associates and other related parties under IFRS 16 'Leases'. Accordingly, on January 1, 2019, the Group increased 'right-of-use asset' by $3,196,381.

(c) Lease liabilities:

i. Outstanding balance:

	March 31, 2019
Associates	$ 1,129,306
Other related parties	622,435
	$ 1,751,741

ii. Interest expense:

	March 31, 2019
Associates	$ 9,151
Other related parties	12,966
	$ 22,117

(d) Lease liabilities designated as hedges:

	Three-month period ended March 31, 2019
Associates	$ 130,215
Other related parties	1,064,273
	$ 1,194,488

G. Agency accounts:

	March 31, 2019	December 31, 2018	March 31, 2018
Debit balance of agency accounts:			
Other related parties			
-EGA	517,135	-	-
-Other	697	-	-
	$ 517,832	$ -	$ -
Credit balance of agency accounts:			
Associates	($ 105,905)	($ 170,132)	($ 58,458)
Other related parties			
-EIC	(98,070)	(382,642)	(411,087)
-EGA	-	(648,750)	(926,194)
-EGJ	(317,881)	(441,941)	(342,705)
-Other	(20,340)	(57,287)	(6,341)
	($ 542,196)	($ 1,700,752)	($ 1,744,785)

H. Shipowner's accounts:

	March 31, 2019	December 31, 2018	March 31, 2018
Debit balance of shipowner's accounts:			
Associates			
-ITS	$ -	$ 133,072	$ -
Other related parties			
-EIS	$ 1,626,387	471,267	-
-GESA	17,443	20,409	33,149
	$ 1,643,830	$ 624,748	$ 33,149

	March 31, 2019	December 31, 2018	March 31, 2018
Credit balance of shipowner's accounts:			
Associates			
-ITS	($ 260,824)	$ -	($ 182,347)
Other related parties			
-EIS	-	-	(1,019,682)
-EMS	(26,413)	(1,804,031)	(684,963)
	($ 287,237)	($ 1,804,031)	($ 1,886,992)

I. Loans to/from related parties:

(a) Loans to related parties:

i. Outstanding balance:

	March 31, 2019	December 31, 2018	March 31, 2018
Associates	$ 505,022	$ 409,242	$ 254,084

ii. Interest income

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Associates	$ 5,134	$ 1,735

The loans to associates carry interest at floating rates for the three-month periods ended March 31, 2019 and 2018.

(b) Loans from related parties:

i. Outstanding balance:

	March 31, 2019	December 31, 2018	March 31, 2018
Other related parties	$ 853,276	$ 1,002,616	$ 1,270,258

ii. Interest expense:

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Other related parties	$ 10,818	$ 9,837

The loans from associates carry interest at floating rates for the three-month periods ended March 31, 2019 and 2018.

J. Endorsements and guarantees provided to related parties:

	March 31, 2019	December 31, 2018	March 31, 2018
Associates	$ 3,657,007	$ 3,646,750	$ 2,973,458

K. On December 20, 2017, the Board of Directors resolved to have subsidiary ETS acquire 15% of the shares of Island for $80,488 (approx. USD 2,710) from associate ITS. The acquisition date was January 1, 2018.

L. On June 7, 2018, the Board of Directors resolved to have the subsidiary Peony Investment acquire 11.1074% of the shares of ICS Depot Services Sdn Bhd for $21,568 (approx. USD 706) from associate GESA. The acquisition date was June 30, 2018.

M. On August 13, 2018, the Board of Directors of the subsidiary, EGH, during their meeting resolved to acquire 100% of the shares of HMH from other related party Chestnut. The acquisition date was December 14, 2018, and the transaction amount was $3,265,341 (approx. USD $105,808).

(3) Key management compensation

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018
Salaries and other short-term employee benefits	$ 49,194	$ 36,220
Post-employment benefits	758	1,215
	$ 49,952	$ 37,435

8. PLEDGED ASSETS

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

	Book value			
Pledged assets	March 31, 2019	December 31, 2018	March 31, 2018	Purpose
Other financial assets				
- Pledged time deposits	$ 280,308	$ 271,721	$ 267,633	Performance guarantee
Refundable deposits				
- Pledged time deposits	2,000	2,000	2,000	〃
Property, plant and equipment				
-Land	514,312	514,312	514,312	Long-term loan
-Buildings	5,760,714	5,760,284	2,053,812	〃
-Loading and unloading equipment	1,941,222	1,971,185	1,911,209	〃
-Ships	68,047,897	71,813,444	55,624,853	〃
-Computer and communication equipment	458,476	502,283	603,167	〃
Investment property				
-Land	1,285,781	1,285,781	1,285,781	Long-term loan
-Buildings	4,403,536	4,393,746	3,485,181	〃
	$ 82,694,246	$ 86,514,756	$ 65,747,948	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. As of March 31, 2019, the Company had delegated DBS 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 total amount of the issuance of GDRs was USD 115,000. The initial number of units issued was 5,449,592, representing 54,495,920 shares of the Company's common stock at $50.50 (in dollars) per share, and the number of supplementary units issued was 817,438. In total, the number of units issued was 6,267,030, representing 62,670,300 shares of the Company's common stock at $50.50 (in dollars) per share, and the GDRs issued amounted to USD 115,000. Another 2,116,352 units, representing 21,163,604 shares of the Company's common stock, were issued during the period from 1997 to March 31, 2019. As of March 31, 2019, 8,305,128 units were redeemed and 78,254 units were outstanding, representing 782,629 shares of the Company's common stock.

C. As of March 31, 2019, 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 $116,308,373 and the unutilized credit was $19,931,192.

D. As of March 31, 2019, the amount of guaranteed notes issued by the Company for loans borrowed was $73,342,490.

E. To meet its operational needs, the Company signed the shipbuilding contracts with Imabari Shipbuilding Co., Ltd., Samsung Heavy Industries and Jiangnan Shipyard (Group) Co., Ltd.. As of March 31, 2019, the total price of the contracts, wherein the vessels have not yet been delivered, amounted to USD 1,043,312, USD 825,937 of which remain unpaid.

F. To meet its operational needs, the Company signed the transportation equipment purchase contracts. As of March 31, 2019, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to USD 13,435, USD 13,435 of which remain unpaid.

G. In response to international regulations on sulfur content in shipping fuel, the Group entered into sulfur emission abatement equipment purchase contracts with Wartsila Finland Oy and Alfa Laval Nijmegen B.V.. The total contract prices are USD 54,500 and EUR 8,896, respectively, and USD 40,359 and EUR 3,370 remain unpaid. The Group signed installation contracts with Huarun Dadong Dockyard Co., Ltd., COSCO Shipping Heavy Industry (Zhoushan) Co., Ltd., China Shipbuilding & Offshore International Co., Ltd. and Yiu Lian Dockyards (Shekou) Ltd.. As of March 31, 2019, the total price of the contracts amounted to USD 87,220, USD 82,015 of which remain unpaid.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

To meet its operating needs and replace transportation equipment (containers), the Board of Directors of the subsidiary, EGH, resolved to place orders to CXIC Group Containers Company Limited, Guangdong FUWA Engineering Group CO., LTD. and Dong Fang International Container (Hong Kong) Limited for shipbuilding 26,500 containers, and the total transaction price was USD65,976. As of the financial reporting date, the related payments remain unpaid.

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. Financial instruments by category

	March 31, 2019	December 31, 2018	March 31, 2018
Financial assets			
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	$ 1,662,374	$ 1,650,372	$ 2,237,010
Financial assets at amortised cost			
Cash and cash equivalents	37,532,124	38,230,522	34,118,269
Notes receivables	86,594	154,295	54,734
Accounts receivable	12,815,666	15,516,849	11,528,525
Other accounts receivable	795,446	1,481,452	2,335,131
Financial assets at amortised cost	100,000	100,000	100,000
Guarantee deposits paid	230,700	226,760	211,214
Other financial assets	280,308	271,721	267,633
	$ 51,840,838	$ 55,981,599	$ 48,615,506

	March 31, 2019	December 31, 2018	March 31, 2018
Financial liabilities			
Financial liabilities at amortised cost			
Accounts payable	$ 17,769,140	$ 20,066,362	$ 15,032,861
Other accounts payable	5,726,066	4,807,376	5,142,869
Lease payable (including current portion)	62,656,743	-	-
Bonds payable (including current portion)	10,000,000	10,000,000	8,000,000
Long-term borrowings (including current portion)	102,599,058	99,360,501	79,190,381
Guarantee deposits received	386,178	347,115	35,612
	$ 199,137,185	$ 134,581,354	$ 107,401,723
Financial liabilities for hedging (including current portion)	$ 11,452,364	$ -	$ -

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. The Group uses derivative financial instruments to hedge certain risk exposures (see Notes 6(2)).

(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 and GBP. 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, GBP, EUR, RMB 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:

	March 31, 2019		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 1,017,312	30.8400	$ 31,373,902
EUR:USD	3,670	1.1235	127,161
Financial liabilities			
Monetary items			
USD:NTD	$ 1,320,725	30.8400	$ 40,731,159
HKD:USD	99,355	0.1274	390,367
GBP:USD	5,239	1.3070	211,173
RMB:USD	206,366	0.1485	945,103
EUR:USD	3,372	1.1235	116,836

	December 31, 2018				
	Foreign currency amount (In Thousands)		Exchange rate		Book value (NTD)
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	975,655	30.7535	$	30,004,806
Financial liabilities					
Monetary items					
USD:NTD	$	955,998	30.7535	$	29,400,284
HKD:USD		102,461	0.1276		402,072
GBP:USD		5,892	1.2650		229,218
RMB:USD		209,819	0.1456		939,509
EUR:USD		4,406	1.1450		155,147

	March 31, 2018				
	Foreign currency amount (In Thousands)		Exchange rate		Book value (NTD)
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	924,995	29.0945	$	26,912,267
EUR:USD		4,407	1.2321		157,979
GBP:USD		4,513	1.4008		183,930
Financial liabilities					
Monetary items					
USD:NTD	$	879,450	29.0945	$	25,587,158
EUR:USD		4,993	1.2321		178,986
GBP:USD		3,814	1.4008		155,442

iv. The total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2019 and 2018 amounted to $105,435 and $26,427, respectively.

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

	Three-month period ended March 31, 2019		
	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%	$ 313,739	$ -
EUR:USD	1%	1,272	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 292,933	$ 114,379
HKD:USD	1%	3,904	-
GBP:USD	1%	2,112	-
RMB:USD	1%	9,451	-
EUR:USD	1%	1,168	-

	Three-month period ended March 31, 2018		
	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%	$ 269,123	$ -
EUR:USD	1%	1,580	-
GBP:USD	1%	1,839	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 255,872	$ -
EUR:USD	1%	1,730	-
GBP:USD	1%	1,554	-

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 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, equity would have increased/decreased by $16,208 and $21,827 for the three-month periods ended March 31, 2019 and 2018, respectively, as a result of other comprehensive income classified as equity investment at fair value throughother comprehensive income.

Cash flow and fair value 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 three-month periods ended March 31, 2019 and 2018, the Group's borrowings at variable rate were denominated in the NTD, USD and GBP.

ii. At March 31, 2019 and 2018, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2019 and 2018 would have been $897,926 and $670,891 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. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages their credit risk taking into consideration the entire group's concern. 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 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.

iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. If the default rate of an investment target exceeds 0.03%, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Group classifies customers' contract assests,notes receivable, accounts receivable (including related parties) and overdue receivable in accordance with the nature of segments. The Group applies the modified approach using probability of default to estimate expected credit loss under the provision matrix basis.

vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On March 31, 2019, December 31, 2018 and March 31, 2018, the Group has no written-off financial assets that are still under recourse procedures.

vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of notes receivable, accounts receivable (including related parties), contract assets and overdue receivable. On March 31, 2019, December 31, 2018 and March 31, 2018, the loss rate methodology is as follows:

	Individual	Group	Total
At March 31, 2019			
Expected loss rate	100%	0.11%	
Total book value	$ 276,743	$ 15,102,918	$ 15,379,661
Loss allowance	$ 276,743	$ 16,998	$ 293,741

	Individual	Group	Total
At December 31, 2018			
Expected loss rate	100%	0.17%	
Total book value	$ 269,567	$ 17,945,460	$ 18,215,027
Loss allowance	$ 269,567	$ 30,251	$ 299,818

	Individual	Group	Total
At March 31, 2018			
Expected loss rate	100%	0.03%	
Total book value	$ 261,469	$ 13,164,771	$ 13,426,240
Loss allowance	$ 261,469	$ 4,343	$ 265,812

viii. Movements in relation to the group applying the simplified approach to provide loss allowance for notes receivable, accounts receivable (including related parties), contract assets and overdue receivable are as follows:

	2019			
	Notes receivable	Accounts receivable	Contract assets	Overdue receivable
At January 1	($ 4)	($ 96,468)	($ 692)	($ 202,654)
Provision for impairment	-	(93)	-	-
Reversal of impairment loss	-	13,306	(24)	-
Reclassifications	-	66,913	-	(66,913)
Write-offs	2	-	-	-
Effect of foreign exchange	-	64	(2)	(7,176)
At March 31	($ 2)	($ 16,278)	($ 718)	($ 276,743)

	2018			
	Notes receivable	Accounts receivable	Contract assets	Overdue receivable
At January 1_IAS 39	$ -	($ 96,283)	$ -	($ 195,715)
Adjustments under new standards	(5)	(909)	(4,467)	-
At January 1_IFRS 9	(5)	(97,192)	(4,467)	(195,715)
Provision for impairment	-	(183)	-	-
Reversal of impairment loss	3	22,491	3,853	-
Write-offs	-	391	-	-
Effect of foreign exchange	-	959	60	3,993
At March 31	($ 2)	($ 73,534)	($ 554)	($ 191,722)

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group's Finance Department. Group's Finance Department 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.

Non-derivative financial liabilities:

March 31, 2019	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	$17,319,829	$ 19,175	$ 6	$ -	$ -	$17,339,010
Accounts payable - related parties	191,616	238,514	-	-	-	430,130
Other payables	4,434,073	241,394	21,780	606	2,010	4,699,863
Other payables - related parties	99,361	917,070	-	-	9,772	1,026,203
Bonds payable	-	101,200	101,200	10,177,600	-	10,380,000
Long-term loans (including current portion)	5,197,393	15,831,686	26,599,731	46,525,130	17,424,478	111,578,418
Lease payable and financial liabilities for hedging (including current portion)	3,363,144	9,846,716	11,335,679	31,728,533	29,727,320	86,001,392

Non-derivative financial liabilities:

December 31, 2018	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	$19,747,208	$ 65,975	$ 7	$ -	$ -	$19,813,190
Accounts payable - related parties	145,511	107,661	-	-	-	253,172
Other payables	3,345,893	275,033	-	-	1,966	3,622,892
Other payables - related parties	80,048	1,104,436	-	-	-	1,184,484
Bonds payable	-	101,200	101,200	10,177,600	-	10,380,000
Long-term loans (including current portion)	6,739,554	12,365,049	25,567,731	47,214,097	16,668,096	108,554,527
Long-term leases (including current portion)	593,514	1,347,737	1,245,685	8,452,762	-	11,639,698

Non-derivative financial liabilities:

March 31, 2018	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	$14,568,319	$ 182,418	$ 13	$ -	$ -	$14,750,750
Accounts payable - related parties	202,754	79,357	-	-	-	282,111
Other payables	3,438,468	326,541	-	-	1,599	3,766,608
Other payables - related parties	1,365,268	10,993	-	-	-	1,376,261
Bonds payable	84,000	-	84,000	8,210,000	-	8,378,000
Long-term loans (including current portion)	5,338,556	12,406,542	18,768,577	31,174,173	17,372,084	85,059,932
Long-term leases (including current portion)	160,735	1,178,255	1,564,926	7,764,127	328,395	10,996,438

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 different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Group’s investment in listed stocks, beneficiary certificates and derivative instruments with quoted market prices is included in Level.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets, accounts payable and other payables are approximate to their fair values.

	March 31, 2019	
		Fair value
	Book value	Level 3
Financial liabilities:		
Bonds payable	$ 10,000,000	$ 10,191,343
Long-term loans (including current portion)	102,599,058	111,344,752
	$ 112,599,058	$ 121,536,095

	December 31, 2018	
		Fair value
	Book value	Level 3
Financial liabilities:		
Bonds payable	$ 10,000,000	$ 10,156,197
Long-term loans (including current portion)	99,360,501	108,243,508
	$ 109,360,501	$ 118,399,705

	March 31, 2018	
		Fair value
	Book value	Level 3
Financial liabilities:		
Bonds payable	$ 8,000,000	$ 8,181,786
Long-term loans (including current portion)	79,190,381	87,746,024
	$ 87,190,381	$ 95,927,810

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

March 31, 2019	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 887,623	$ -	$ 774,751	$ 1,662,374

December 31, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 850,223	$ -	$ 800,149	$ 1,650,372

March 31, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 1,199,146	$ -	$ 1,037,864	$ 2,237,010

(b) The methods and assumptions the Group used to measure fair value are as follows:

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

	Listed shares
Market quoted price	Closing price

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

iii. When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

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

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

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the three-month periods ended March 31, 2019 and 2018, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2019 and 2018:

	2019	2018
At January 1	$ 800,149	$ 1,137,645
Gains and losses recognised in other comprehensive income (Note 1)	(25,398)	(99,781)
At March 31	$ 774,751	$ 1,037,864

Note 1: Recorded as unrealised gain or losses on valuation of available-for-sale financial assets, unrealised gains or losses on valuation of investments in equity instruments measured at fair value through other comprehensive income and exchange differences on translating the financial statements of foreign operations.

G. For the three-month periods ended March 31, 2019 and 2018, there was no transfer into or out from Level 3.

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

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

	Fair value at March 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 767,978	Market comparable companies	Price to earnings ratio multiple	8.81~86.23	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.49~2.25	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,773	Net asset value	Net asset value		The higher the net asset value, the higher the fair value

	Fair value at December 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 793,376	Market comparable companies	Price to earnings ratio multiple	7.61~70.77	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.46~2.36	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,773	Net asset value	Net asset value		The higher the net asset value, the higher the fair value

	Fair value at March 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 1,030,168	Market comparable companies	Price to earnings ratio multiple	14.72~113.39	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.47~1.43	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	7,696	Net asset value	Net asset value		The higher the net asset value, the higher the fair value

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

			March 31, 2019			
			Recognised in profit or		Recognised in other	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	$ -	$ -	$ 7,680	$ 7,680
	Net asset value	±1%	-	-	68	68
			$ -	$ -	$ 7,748	$ 7,748

			December 31, 2018			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	$ -	$ -	$ 7,934	$ 7,934
	Net asset value	±1%	-	-	68	68
			$ -	$ -	$ 8,002	$ 8,002

			March 31, 2018			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	$ -	$ -	$ 10,302	$ 10,302
	Net asset value	±1%	-	-	77	77
			$ -	$ -	$ 10,379	$ 10,379

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

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

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

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

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

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

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

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

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

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

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

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

14. SEGMENT INFORMATION

(1) General information

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

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:

	Three-month period ended March 31, 2019			
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	$ 45,208,418	$ 488,634	$ -	$ 45,697,052
Revenue from internal customers	7,273,533	-	(7,273,533)	-
Segment revenue	52,481,951	488,634	(7,273,533)	45,697,052
Interest income	185,099	8,274	-	193,373
Interest expense	(1,329,830)	(4,854)	-	(1,334,684)
Depreciation and amortisation	(4,955,297)	(64,279)	-	(5,019,576)
Share of income (loss) of associates and joint ventures accounted for using equity method	427,838	(23,010)	-	404,828
Other items	(38,750,499)	(481,965)	-	(39,232,464)
Segment profit (loss)	$ 8,059,262	($ 77,200)	($ 7,273,533)	$ 708,529
Recognizable assets	$ 253,259,703	$ 9,133,185	$ -	$ 262,392,888
Investments accounted for using equity method	22,800,291	6,376,983	-	29,177,274
Segment assets	$ 276,059,994	$ 15,510,168	$ -	$ 291,570,162
Segment liabilities	$ 218,862,604	$ 1,108,713	$ -	$ 219,971,317

	Three-month period ended March 31, 2018			
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	$ 36,356,004	$ 484,684	$ -	$ 36,840,688
Revenue from internal customers	4,772,472	-	(4,772,472)	-
Segment revenue	41,128,476	484,684	(4,772,472)	36,840,688
Interest income	118,731	5,831	-	124,562
Interest expense	(380,014)	-	-	(380,014)
Depreciation and amortisation	(1,967,540)	(5,480)	-	(1,973,020)
Share of income (loss) of associates and joint ventures accounted for using equity method	341,393	(123,305)	-	218,088
Other items	(34,125,297)	(591,925)	-	(34,717,222)
Segment profit (loss)	$ 5,115,749	($ 230,195)	($ 4,772,472)	$ 113,082
Recognizable assets	$ 165,827,931	$ 3,490,235	$ -	$ 169,318,166
Investments accounted for using equity method	20,630,712	6,650,479	-	27,281,191
Segment assets	$ 186,458,643	$ 10,140,714	$ -	$ 196,599,357
Segment liabilities	$ 130,483,839	$ 270,221	$ -	$ 130,754,060

(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.

D. The amounts provided to the chief operating decision-maker with respect to segment profit (loss) are measured in a manner consistent with the income (loss) before tax from continuing operations.

Evergreen Marine Corporation (Taiwan) Ltd.
Loans to others
For the three-month period ended March 31, 2019

Table 1

Expressed in thousands of NTD

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the three-month period ended March 31, 2019 (Note 3)	Balance at March 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
1	Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Receivables from related parties	Yes	$ 43,176	$ 43,176	$ 43,176	3.5844~ 3.5989	2	$ -	Working capital requirement	$ -	None	$ -	$ 5,754,659	$ 14,386,649	
1	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties	Yes	709,320	709,320	693,900	3.4844~ 3.5899	2	-	Working capital requirement	-	None	-	11,509,319	14,386,649	(Note 9)
2	Clove Holding Ltd.	Whitney Equipment LLC.	Receivables from related parties	Yes	92,520	92,520	92,520	3.7939	2	-	Working capital requirement	-	None	-	1,102,695	1,378,369	(Note 9)
2	Clove Holding Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	370,080	370,080	370,080	3.5844~ 3.5989	2	-	Working capital requirement	-	None	-	551,348	1,378,369	
3	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	83,268	83,268	83,268	3.1694~ 3.6030	2	-	Working capital requirement	-	None	-	1,002,794	2,005,589	

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

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

Note 3: Fill in the maximum outstanding balance of loans to others during the three-month periodr ended March 31, 2019

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

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

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

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

1. According to the Company's credit policy, the total amount of loans granted to a single company should not exceed 20% of the net worth stated in the latest financial statements.
PEONY：USD 932,986*30.84*20%=5,754,659
Clove Holding Ltd.：USD 89,388*30.84*20%=551,348
Evergreen Marine (Hong Kong) Ltd.：USD 162,580*30.84*20%=1,002,794
The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted to a single company should not exceed 40% of the net worth stated in the latest financial statements.
PEONY：USD 932,986*30.84*40%=11,509,319

2. According to the Company's credit policy, the total amount of loans granted should not exceed 40% of the net worth stated in the latest financial statements.
Clove Holding Ltd.：USD 89,388*30.84*40%=1,102,695
Evergreen Marine (Hong Kong) Ltd.：USD 162,580*30.84*40%=2,005,589
The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted should not exceed 50% of the net worth stated in the latest financial statements.
PEONY：USD 932,986*30.84*50%=14,386,649
Clove Holding Ltd.：USD 89,388*30.84*50%=1,378,369

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 that they could be loaned again thereafter.

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

Evergreen Marine Corporation (Taiwan) Ltd.

Provision of endorsements and guarantees to others

For the three-month period ended March 31, 2019

Table 2

Expressed in thousands of NTD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarntees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of March 31, 2019 (Note 4)	Outstanding endorsement/ guarantee amount at March 31, 2019 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Evergreen Marine Corporation	Greencompass Marine S.A.	2	$ 135,135,719	$ 47,808,080	$ 47,808,080	$ 26,129,785	$ -	70.76%	$ 168,919,648	Y	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	135,135,719	154,200	154,200	-	-	0.23%	168,919,648	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	2	135,135,719	36,072,651	36,072,651	29,367,994	-	53.39%	168,919,648	Y	N	N	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	2	135,135,719	154,476	154,476	136,862	-	0.23%	168,919,648	Y	N	N	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	33,783,930	2,245,152	2,245,152	2,245,152	-	3.32%	168,919,648	N	N	N	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	33,783,930	906,696	906,696	725,357	-	1.34%	168,919,648	N	N	N	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	2	135,135,719	1,632,521	1,632,521	1,481,067	-	2.42%	168,919,648	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	2	135,135,719	21,894,874	21,894,874	11,524,492	-	32.40%	168,919,648	Y	N	N	

Evergreen Marine Corporation (Taiwan) Ltd.

Provision of endorsements and guarantees to others

For the three-month period ended March 31, 2019

Table 2

Expressed in thousands of NTD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarntees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of March 31, 2019 (Note 4)	Outstanding endorsement/ guarantee amount at March 31, 2019 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
1	Evergreen Marine (Hong Kong) Ltd.	Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	2	$ 10,027,943	$ 38,357	$ 38,240	$ 28,627	$ -	0.76%	$ 12,534,929	N	N	Y	
1	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	6	2,506,986	505,159	505,159	505,159	-	10.08%	12,534,929	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 directly and indirectly owns more than 50% voting shares of the endorsed/guaranteed company.

(3) The endorsed/guaranteed parent company directly and indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(4) The parent company directly or indirectly owns more than 90% voting shares of the companies that make endorsements/guarantees for each other.

(5) The parent company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Due to joint venture, all capital contributing shareholders make endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company’s “Procedures for Provision of Endorsements and Guarantees”, and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

The calculation is as follows:

The Company: 67,567,859*250% = 168,919,648

Limit on endorsement or guarantees provided by the Company for a single entity is $33,783,930 (Amounting to 50% of its net worth).

When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to $135,135,719.

According to the credit policy of Evergreen Marine (Hong Kong) Ltd., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees: USD 162,580*30.84*250% = 12,534,929

Limit on endorsements or guarantees provided for a single entity：USD 162,580*30.84*50% = 2,506,986

When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to $10,027,943.

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

Note 5: Fill in the amount approved by the Board of Directors or the chariman if the chairman has been authorised by the Board of Directors.

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, provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Evergreen Marine Corporation (Taiwan) Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
For the three-month period ended March 31, 2019

Table 3

ressed in thousands of shares/thousands of NTD/thousands of foreign currency

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	Genearl ledger account	As of March 31, 2019				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Evergreen Marine Corporation	Stock:							
	Power World Fund Inc.		Financial asset measured at fair value through other comprehensive income - non-current	677	$ 6,773	5.68%	$ 6,773	
	Linden Technologies, Inc.		〃	50	33,549	1.44%	33,549	
	TopLogis, Inc.		〃	2,464	21,128	17.48%	21,128	
	Ever Accord Construction Corp.	Other related party	〃	9,317	101,001	17.50%	101,001	
	Central Reinsurance Corp.		〃	49,866	887,623	8.45%	887,623	
	Financial bonds:							
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		Financial asset measured at atmortised cost - non-current	-	50,000	-	50,000	
	Sunny Bank 3rd Subordinate Financial Debentures-B Issue in 2017		〃	-	50,000	-	50,000	
Peony Investment S.A.	Hutchison Inland Container Depots Ltd.		Financial asset measured at fair value through other comprehensive income - non-current	0.75	USD 225	7.50	USD 225	
	South Asia Gateway Terminals (Private) Ltd.		〃	18,942	USD 19,618	5.00	USD 19,618	
Evergreen Shipping Agency (Europe) 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 IFRS9, 'Financial instruments: recognition and measurement'.

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

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

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

Evergreen Marine Corporation (Taiwan) Ltd.

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

For the three-month period ended March 31, 2019

Table 4

Expressed in thousands

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Everport Terminal Services Inc.	Subsidiary	Purchases	$ 331,379	3%	30~60 days	$ -	-	($ 67,754)	2%	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Company	Purchases	391,620	4%	30~60 days	-	-	(430)	-	(Note)
			Sales	604,716	6%	30~60 days	-	-	7,726	-	(Note)
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Purchases	215,702	2%	30~60 days	-	-	(84,632)	2%	(Note)
	Italia Marittima S.p.A.	Associates	Sales	100,303	1%	30~60 days	-	-	6,495	-	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	105,083	1%	30~60 days	-	-	(11,525)	-	
	Evergreen International Corp.	Other related parties	Purchases	147,740	1%	30~60 days	-	-	(2,266)	-	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Company	Sales	188,945	2%	30~60 days	-	-	8,114	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	419,625	4%	30~60 days	-	-	11,652	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Purchases	150,196	1%	30~60 days	-	-	-	-	(Note)
Evergreen Marine Corporation	Gaining Enterprise S.A.	Other related parties	Purchases	211,789	2%	30~60 days	-	-	-	-	
Taiwan Terminal Services Co.,Ltd.	Evergreen Marine Corp.	The parent	Sales	215,702	100%	30~60 days	-	-	84,632	100%	(Note)
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	Sales	USD 10,751	10%	30~60 days	-	-	USD 2,197	6%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 21,258	20%	30 days	-	-	USD 7,732	23%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 12,864	12%	30 days	-	-	USD 3,272	10%	(Note)
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 27,604	26%	30 days	-	-	USD 6,620	19%	(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 (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 3,847	4%	30 days	$ -	-	USD 1,062	3%	(Note)
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 4,873	3%	30~60 days	-	-	-	-	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 8,380	5%	30~60 days	-	-	-	-	(Note)
			Purchases	USD 4,307	3%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 8,845	5%	30~60 days	-	-	-	-	
Evergreen Marine (Hong Kong) Ltd.			Purchases	USD 4,198	3%	30~60 days	-	-	-	-	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Purchases	USD 14,872	10%	30~60 days	-	-	(USD 140)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 3,847	3%	30 days	-	-	(USD 1,062)	1%	(Note)
	Master International Shipping Agency Co., Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 8,228	5%	30~60 days	-	-	(USD 2,717)	3%	(Note)
Greencompass Marine S.A.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 12,387	2%	30~60 days	-	-	USD 1,359	-	(Note)
			Purchases	USD 8,283	1%	30~60 days	-	-	(USD 118)	-	(Note)
	Evergreen Marine Corp.	The parent	Sales	USD 12,706	2%	30~60 days	-	-	USD 14	-	(Note)
			Purchases	USD 19,619	3%	30~60 days	-	-	(USD 251)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 12,864	2%	30 days	-	-	(USD 3,272)	1%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 21,846	3%	30~60 days	-	-	USD 199	-	
			Purchases	USD 6,462	1%	30~60 days	-	-	(USD 658)	-	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 5,692	1%	30~60 days	-	-	-	-	
			Purchases	USD 8,336	1%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 4,962	1%	30~60 days	-	-	-	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Greencompass Marine S.A.	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 3,245	-	30~60 days	$ -	-	$ -	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 3,911	1%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 4,307	1%	30~60 days	-	-	-	-	(Note)
			Purchases	USD 8,380	1%	30~60 days	-	-	-	-	(Note)
Evergreen Marine (UK) Limited	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 8,283	2%	30~60 days	-	-	USD 118	-	(Note)
			Purchases	USD 12,387	4%	30~60 days	-	-	(USD 1,359)	1%	(Note)
	Evergreen Marine Corp.	The Parent	Purchases	USD 6,130	2%	30~60 days	-	-	(USD 263)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 27,604	8%	30 days	-	-	(USD 6,620)	4%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 6,516	2%	30~60 days	-	-	USD 366	-	
			Purchases	USD 4,387	1%	30~60 days	-	-	(USD 784)	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 4,859	1%	30~60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 14,872	4%	30~60 days	-	-	USD 140	-	(Note)
Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	Sales	MYR 64,895	100%	45 days	$ -	-	MYR 65,068	100%	
Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	EUR 3,311	35%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	EUR 3,184	32%	30~60 days	-	-	EUR 1,000	3%	
Master International Shipping Agency Co. Ltd.	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 55,559	100%	30~60 days			CNY 18,297	100%	(Note)

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

Evergreen Marine Corporation (Taiwan) Ltd.
Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more
March 31, 2019

Table 5

Expressed in thousands of NTD/thousands of foreign currency

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2019 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Evergreen Marine Corp.	Evergreen International Corporation	Investee of the Company's major shareholder	$ 156,617	-	$ -	-	$ 156,617	$ -	
Peony Investment S.A.	Clove Holding Ltd.	Subsidiary	USD 22,781	-	-	-	-	-	Note
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Gaining Enterprise S.A.	Investee of the Parent Company's major shareholder	MYR 65,068	-	-	-	MYR 47,395	-	Note
Clove Holding Ltd.	Colon Container Terminal, S.A.	Investee of Clove Holding Ltd. accounted for using equity method	USD 12,183	-	-	-	-	-	

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

Evergreen Marine Corporation (Taiwan) Ltd.
Significant inter-company transactions during the reporting periods
For the three-month period ended March 31, 2019

Table 6

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Evergreen Marine Corporation	Taiwan Terminal Services Co.,Ltd.	1	Operating cost	$ 215,702	Note 4	0.47
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Shipowner's account - credit	728,152	"	0.25
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating revenue	604,716	"	1.32
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating cost	391,620	"	0.86
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Shipowner's account - debit	804,068	"	0.28
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating revenue	188,945	"	0.41
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Shipowner's account - credit	281,402	"	0.10
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating cost	150,196	"	0.33
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Operating cost	331,190	"	0.72
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Operating cost	255,310	"	0.56
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Shipowner's account - debit	372,847	"	0.13
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	120,555	"	0.26
1	Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	258,298	"	0.57
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Operating cost	396,511	"	0.87
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Account payable	100,910	"	0.03
2	Evergreen Marine (UK) Limited	Greencompass Marine S.A.	3	Operating cost	381,785	"	0.84
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	458,388	"	1.00
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Operating cost	850,812	"	1.86
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Account payable	204,169	"	0.07

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
3	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Operating cost	$ 132,752	Note 4	0.29
3	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Shipowner's account - credit	305,216	"	0.10
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Operating revenue	166,014	"	0.36
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Shipowner's account - debit	131,781	"	0.05
3	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	118,572	"	0.26
4	Master International Shipping Agency Co., Ltd.	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	252,439	"	0.55
5	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	702,561	"	0.24
6	Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	3	Shipowner's account - credit	275,515	"	0.09

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company

(3) Subsidiary to subsidiary

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

Note 4: Terms are approximately the same as for general transactions.

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

Evergreen Marine Corporation (Taiwan) Ltd.

Information on investees (not including investee company of Mainland China)

For the three-month period ended March 31, 2019

Table 7

Expressed in thousands of shares/thousands of NTD

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as of March 31, 2019			Net profit (loss) of the investee For the three-month period ended March 31, 2019 (Note 1(2))	Investment income (loss) recognised by the Company For the three-month period ended March 31, 2019 (Note 1(3))	Footnote
				Balance as of March 31, 2019	Balance as of December 31, 2018	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	$ 14,695,260	$ 14,695,260	4,765	100.00	$ 28,627,179	($ 170,709)	($ 155,467)	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	53,046	(437)	(240)	〃
	Everport Terminal Services Inc.	U.S.A	Terminal services	3,084	3,084	1	94.43	1,208,016	166,845	157,550	〃
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	6,456,354	6,456,354	6,320	79.00	7,496,332	274,129	216,562	〃
	Charng Yang Development Co.,Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	562,542	46,212	18,485	Investee accounted for using equity method
	Evergreen International Storage and Transport Corporation	Taiwan	Container transportation and gas stations	4,840,408	4,753,514	430,692	40.36	9,030,743	191,899	77,972	〃
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	114,829	10,124	3,164	〃
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	11,276,823	10,767,879	753,975	16.10	11,162,398	1,909,949	309,728	〃
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,094,073	1,094,073	109,378	21.03	1,040,889	69,181	14,552	〃
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	3,238	3,238	105	17.50	3,541	329	58	〃
	VIP Greenport Joint Stock Company	Vietnam	Terminal services	178,750	178,750	13,750	21.74	259,909	28,711	6,241	〃
Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,620,620	1,620,620	10	100.00	2,756,738	(3,972)	(3,972)	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Europe) GmbH	Germany	Shipping agency	256,465	256,465	-	100.00	300,798	6,490	6,490	〃 (Note)
	Evergreen Shipping Agency (Korea) Corporation	South Korea	Shipping agency	74,818	74,818	121	100.00	42,405	5,047	5,047	〃 (Note)
	Greencompass Marine S.A.	Republic of Panama	Marine transportation	10,901,940	10,901,940	3,535	100.00	15,629,321	(216,771)	(216,771)	〃 (Note)
	Evergreen Shipping Agency (India) Pvt. Ltd.	India	Shipping agency	36,289	36,289	100	99.99	158,270	13,048	13,048	〃 (Note)
	Evergreen Argentina S.A.	Argentina	Leasing	4,318	4,318	150	95.00	46,636	(1,339)	(1,272)	〃 (Note)

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as of March 31, 2019			Net profit (loss) of the investee For the three-month period ended March 31, 2019 (Note 1(2))	Investment income (loss) recognised by the Company For the three-month period ended March 31, 2019 (Note 1(3))	Footnote
				Balance as of March 31, 2019	Balance as of December 31, 2018	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	PT. Multi Bina Pura International	Indonesia	Loading and discharging operations of container yards and inland transportation	$ 241,815	$ 241,815	17	95.03	$ 544,356	$ 31,315	$ 29,759	Indirect subsidiary of the Company (Note)
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	24,804	24,804	2	17.39	14,818	1,332	232	〃 (Note)
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Malaysia	Container manufacturing	841,773	841,773	42,120	84.44	1,010,345	(16,430)	(13,873)	〃 (Note)
	Armand Investment (Netherlands) N.V.	Curacao	Investment holding company	355,046	355,046	4	70.00	327,937	6,137	4,296	〃 (Note)
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	208,025	208,025	6	100.00	273,264	41,087	41,087	〃 (Note)
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	72,536	72,536	0.55	55.00	99,541	16,913	9,302	〃 (Note)
	Evergreen Marine (UK) Limited	U.K	Marine transportation	4,135,725	4,135,725	765	51.00	1,312,651	(434,923)	(221,811)	〃 (Note)
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	52,687	52,687	1	100.00	155,134	29,391	29,391	〃 (Note)
	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	26,152	26,152	-	51.00	9,307	15,159	7,731	〃 (Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	69,174	69,174	680	85.00	56,112	17,003	14,452	〃 (Note)
	Evergreen Agency (South Africa) (Pty) Ltd.	South Africa	Shipping agency	17,918	17,918	5,500	55.00	114,010	26,536	14,595	〃 (Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	37,964	37,964	-	100.00	208,312	40,211	40,211	〃 (Note)
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	30,007	30,007	0.441	49.00	141,551	34,623	16,965	Investee company of Peony accounted for using equity method
	Luanta Investment (Netherlands) N.V.	Curaçao	Investment holding company	1,466,111	1,466,111	460	50.00	1,942,126	5,715	2,858	〃
	Balsam Investment (Netherlands) N.V.	Curaçao	Investment holding company	12,125,869	12,125,869	0.451	49.00	478,793	(149,925)	(73,463)	〃
	Green Peninsula Agencies SDN. BHD.	Malaysia	Investment holding company	223,744	223,744	24	30.00	66	-	-	〃
	Evergreen Shipping Agency Co. (U.A.E.) LLC	United Arab Emirates	Shipping agency	64,209	64,209	-	49.00	87,640	17,367	8,510	〃
	Greenpen Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	13,139	13,139	1,500	30.00	39,012	3,709	1,113	〃
	Evergreen Marine Corp. (Malaysia) SDN.BHD.	Malaysia	Shipping agency	290,334	290,334	500	100.00	671,804	65,727	65,727	Indirect subsidiary of the Company (Note)
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	81,726	81,726	80	1.00	94,890	274,129	2,741	Investee company of Peony accounted for using equity method (Note)

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as of March 31, 2019			Net profit (loss) of the investee For the three-month period ended March 31, 2019 (Note 1(2))	Investment income (loss) recognised by the Company For the three-month period ended March 31, 2019 (Note 1(3))	Footnote
				Balance as of March 31, 2019	Balance as of December 31, 2018	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Ics Depot Services Snd. Bhd.	Malaysia	Depot services	$ 34,355	$ 34,355	286	28.65	$ 63,790	$ 12,758	$ 3,654	Investee company of Peony accounted for using equity method (Note)
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Netherlands	Investment holding company	522,304	522,304	0	100.00	472,536	6,299	6,299	Indirect subsidiary of the Company (Note)
Armand Estate B.V.	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	50,602	50,602	50,602	9.73	480,778	69,181	6,731	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	705,002	705,002	22,860	40.00	2,642,427	(27,440)	(10,976)	Investee company of Clove Holding Ltd. accounted for using equity method
	Everport Terminal Services Inc.	U.S.A	Terminal services	200,582	200,582	0.059	5.57	230,933	166,845	9,295	Investee company of Clove Holding Ltd. accounted for using equity method (Note)
Evergreen Marine (UK) Limited	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	3,053	3,053	99	16.50	3,339	329	54	Investee company of Evergreen Marine (UK) Limited accounted for using equity method
Everport Terminal Services Inc.	Whitney Equipment LLC.	U.S.A	Equipment Leasing Company	6,168	6,168	-	100.00	201,188	7,698	7,698	Investee company of Everport Terminal Services Inc. accounted for using equity method (Note)
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	101,815	101,815	8	72.95	62,161	1,332	972	Indirect subsidiary of the Company (Note)
Evergreen Marine (Hong Kong) Limited	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	481,104	481,104	5,144	9.00	614,981	(27,440)	(2,470)	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	3,053	3,053	99	16.50	3,339	329	54	〃
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	6,168	6,168	200	100.00	16,179	3,766	3,766	Indirect subsidiary of the Company (Note)

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as of March 31, 2019			Net profit (loss) of the investee For the three-month period ended March 31, 2019 (Note 1(2))	Investment income (loss) recognised by the Company For the three-month period ended March 31, 2019 (Note 1(3))	Footnote
				Balance as of March 31, 2019	Balance as of December 31, 2018	Number of shares	Ownership (%)	Book value			
Evergreen Marine (Hong Kong) Limited	Evergreen Shipping Agency (Peru) S.A.C.	Peru	Shipping agency	$ 8,561	$ 8,561	900	60.00	$ 47,474	$ 39,053	$ 23,432	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	10,826	10,826	80	100.00	12,949	13,691	13,691	〃 (Note)
	Evergreen Shipping Agency Mexico S.A. de C.V.	Mexico	Shipping agency	7,069	7,069	44	60.00	20,626	16,514	9,909	〃 (Note)
	Evergreen Shipping Agency (Chile) SPA.	Chile	Shipping agency	9,832	9,832	2	60.00	30,360	21,777	13,066	〃 (Note)
	Evergreen Shipping Agency Lanka (Private) Ltd.	Lanka	Shipping agency	3,738	0	2,160	40.00	3,738	-	-	〃

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

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

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

(1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at March 31, 2019' 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 three-month period ended March 31, 2019' 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 three-month period ended March 31, 2019' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Evergreen Marine Corporation (Taiwan) Ltd.

Information on investments in Mainland China

For the three-month period ended March 31, 2019

Table 8

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three-month period ended March 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2019	Net income (loss) of the investee for the three-month period ended March 31, 2019	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. For the three-month period ended March 31, 2019 (Note 2(2)B)	Book value of investments in Mainland China as of March 31, 2019	Accumulted amount of investment income remitted back to Taiwan as of March 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, discharging, repair and related activities	$ 572,331	(2)	$ 220,861	$ -	$ -	$ 220,861	$ 7,814	40.00	$ 3,126	$ 286,435	$ -	
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	194,633	(2)	43,697	-	-	43,697	46,180	40.00	18,472	214,366	-	
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	356,885	(2)	291,909	-	-	291,909	8,256	56.00	4,623	256,999	-	(Note)
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	1,989,729	(2)	2,512,238	-	-	2,512,238	4,640	80.00	(15,202)	3,354,985	-	(Note)
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	196,923	(2)	277,927	-	-	277,927	(196)	80.00	(142)	155,622	-	(Note)
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	280,943	(2)	483,586	-	-	483,586	723	80.00	(1,470)	421,462	-	(Note)
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	227,789	(2)	394,209	-	-	394,209	919	80.00	48	254,961	-	(Note)

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, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three-month period ended March 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2019	Net income (loss) of the investee for the three-month period ended March 31, 2019	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. For the three-month period ended March 31, 2019 (Note 2(2)B)	Book value of investments in Mainland China as of March 31, 2019	Accumulted amount of investment income remitted back to Taiwan as of March 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Master International Shipping Agency Co., Ltd.	Inland container transportation, storage, loading, discharging, passenger transportation and related activities	$ 22,898	(2)	$ 85,143	$ -	$ -	$ 85,143	($ 7,566)	39.20	($ 2,966)	$ 29,768	$ -	(Note)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2019	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Evergreen Marine Corp.	$ 4,309,570	$ 4,878,294	$ 42,959,307

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

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

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company, Peony Investment S.A. and Evergreen Marine (Hong Kong) Ltd., 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 three-month period ended March 31, 2019’ column:

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

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

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

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

C. Others.

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