

**EVERGREEN MARINE CORPORATION (TAIWAN)
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2020 AND 2019**

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.

INDEPENDENT AUDITORS' REVIEW REPORT 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 June 30, 2020 and 2019, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended as well as the consolidated statements of changes in equity and of cash flows for the six-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 using equity method, which statements reflect investments accounted for using equity method of NT\$1,589,393 thousand and NT\$1,911,729 thousand, constituting 0.52% and 0.64% of the consolidated total assets as of June 30, 2020 and 2019, respectively, and comprehensive income and loss under the equity method of NT\$32,833 thousand, NT\$35,331 thousand, NT\$55,784 thousand and NT\$66,019 thousand, constituting 0.84%, (16.58%), 2.72% and 15.78% of the consolidated total comprehensive income and loss for the three-month and six-month periods then ended. 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 using 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 June 30, 2020 and 2019, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-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 of Other Independent Accountants

We did not review the financial statements of certain consolidated subsidiaries and investments accounted for using 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\$61,198,837 thousand and NT\$65,620,826 thousand, constituting 19.92% and 21.81% of the consolidated total assets as at June 30, 2020 and 2019, and total operating revenues of NT\$8,672,549 thousand, NT\$10,379,442 thousand, NT\$16,754,411 thousand and NT\$21,096,388 thousand, constituting 19.77%, 22.03%, 19.18% and 22.73% of the consolidated total operating revenues for the three-month and six-month periods then ended. The investments accounted for using equity method amounted to NT\$17,439,601 thousand and NT\$16,921,381 thousand, constituting 5.68% and 5.62% of the consolidated total assets as at June 30, 2020 and 2019, and the comprehensive income and loss under equity method was NT\$410,601 thousand, (NT\$331,280) thousand, (NT\$219,985) thousand and (NT\$143,973) thousand, constituting 10.49%, 155.48%, (10.74%) and (34.41%) of the consolidated total comprehensive income and loss for the three-month and six-month periods then ended.

Lee, Hsiu-Ling

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

August 13, 2020

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 June 30, 2020 and 2019 are reviewed, not audited)

	Assets	Notes	June 30, 2020		December 31, 2019		June 30, 2019	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 38,258,732	13	\$ 37,871,889	12	\$ 37,163,150	12
1136	Current financial assets at amortised cost, net	6(3) and 8	662,480	-	2,018,536	1	2,118,823	1
1140	Current contract assets	6(21)	1,186,338	-	1,693,497	1	1,654,853	1
1150	Notes receivable, net	6(4)	95,124	-	129,545	-	90,183	-
1170	Accounts receivable, net	6(4)	14,062,290	5	13,979,251	5	14,463,707	5
1180	Accounts receivable, net - related parties	6(4) and 7	583,491	-	780,562	-	823,973	-
1200	Other receivables		147,603	-	283,739	-	215,050	-
1210	Other receivables - related parties	7	1,274,701	1	743,540	-	1,280,439	-
1220	Current income tax assets		350,395	-	381,933	-	245,415	-
130X	Inventories	6(5)	2,645,638	1	4,547,919	1	4,749,513	2
1410	Prepayments		1,059,538	-	1,500,038	1	1,245,258	-
1470	Other current assets	6(6) and 8	3,951,942	1	2,368,627	1	3,620,430	1
11XX	Current assets		<u>64,278,272</u>	<u>21</u>	<u>66,299,076</u>	<u>22</u>	<u>67,670,794</u>	<u>22</u>
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	1,458,417	-	1,719,423	-	1,897,715	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)	28,408,668	9	29,400,925	10	28,265,389	9
1600	Property, plant and equipment, net	6(8), 8 and 9	112,546,416	37	108,393,511	35	107,955,281	36
1755	Right-of-use assets	6(9)	79,168,111	26	82,624,186	27	78,441,042	26
1760	Investment property, net	6(10) and 8	5,291,466	2	5,455,070	2	5,825,713	2
1780	Intangible assets		1,755,156	1	1,929,667	1	2,143,739	1
1840	Deferred income tax assets		885,650	-	1,035,398	-	905,941	-
1900	Other non-current assets	6(4)(11) and 8	13,382,179	4	9,638,382	3	7,664,041	3
15XX	Non-current assets		<u>242,996,063</u>	<u>79</u>	<u>240,296,562</u>	<u>78</u>	<u>233,198,861</u>	<u>78</u>
1XXX	Total assets		<u>\$ 307,274,335</u>	<u>100</u>	<u>\$ 306,595,638</u>	<u>100</u>	<u>\$ 300,869,655</u>	<u>100</u>

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of June 30, 2020 and 2019 are reviewed, not audited)

	Liabilities and Equity	Notes	June 30, 2020		December 31, 2019		June 30, 2019	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2126	Current financial liabilities for hedging	6(9) and 7	\$ 1,904,770	1	\$ 1,861,026	1	\$ 1,635,308	-
2130	Current contract liabilities	6(21)	2,492,427	1	2,213,538	1	2,166,031	1
2150	Notes payable		15,982	-	-	-	-	-
2170	Accounts payable		15,036,556	5	16,169,710	5	17,047,282	6
2180	Accounts payable - related parties	7	486,484	-	411,102	-	245,879	-
2200	Other payables		4,835,858	1	4,406,879	2	5,620,741	2
2220	Other payables - related parties	7	186,632	-	706,239	-	718,657	-
2230	Current income tax liabilities		645,731	-	841,265	-	647,241	-
2280	Current lease liabilities	6(9) and 7	8,840,936	3	9,075,576	3	9,826,753	3
2300	Other current liabilities	6(12)	<u>33,388,190</u>	<u>11</u>	<u>27,764,309</u>	<u>9</u>	<u>26,170,550</u>	<u>9</u>
21XX	Current liabilities		<u>67,833,566</u>	<u>22</u>	<u>63,449,644</u>	<u>21</u>	<u>64,078,442</u>	<u>21</u>
	Non-current liabilities							
2511	Non-current financial liabilities for hedging	6(9) and 7	16,945,708	5	18,327,916	6	14,377,086	5
2530	Corporate bonds payable	6(13)	6,000,000	2	10,000,000	3	10,000,000	3
2540	Long-term loans	6(14)	85,663,757	28	83,859,972	27	84,726,820	28
2570	Deferred income tax liabilities		2,047,612	1	2,027,378	1	1,917,203	1
2580	Non-current lease liabilities	6(9) and 7	50,221,565	16	51,967,317	17	51,105,445	17
2600	Other non-current liabilities	6(15)(16)	<u>3,255,036</u>	<u>1</u>	<u>3,368,565</u>	<u>1</u>	<u>3,275,658</u>	<u>1</u>
25XX	Non-current liabilities		<u>164,133,678</u>	<u>53</u>	<u>169,551,148</u>	<u>55</u>	<u>165,402,212</u>	<u>55</u>
2XXX	Total liabilities		<u>231,967,244</u>	<u>75</u>	<u>233,000,792</u>	<u>76</u>	<u>229,480,654</u>	<u>76</u>
	Equity attributable to owners of the parent							
	Capital	6(17)						
3110	Common stock		48,129,738	16	48,129,738	16	45,129,738	15
	Capital surplus	6(18)						
3200	Capital surplus		11,408,494	4	11,407,437	4	11,050,221	4
	Retained earnings	6(19)						
3310	Legal reserve		5,714,940	2	5,714,940	2	5,714,940	2
3350	Unappropriated retained earnings		6,412,845	2	3,659,042	1	3,952,055	1
	Other equity interest	6(20)						
3400	Other equity interest		<u>169,209</u>	<u>-</u>	<u>1,134,622</u>	<u>-</u>	<u>1,663,843</u>	<u>1</u>
31XX	Equity attributable to owners of the parent		<u>71,835,226</u>	<u>24</u>	<u>70,045,779</u>	<u>23</u>	<u>67,510,797</u>	<u>23</u>
36XX	Non-controlling interest		<u>3,471,865</u>	<u>1</u>	<u>3,549,067</u>	<u>1</u>	<u>3,878,204</u>	<u>1</u>
3XXX	Total equity		<u>75,307,091</u>	<u>25</u>	<u>73,594,846</u>	<u>24</u>	<u>71,389,001</u>	<u>24</u>
	Significant Contingent Liabilities And Unrecognized Contract Commitments	9						
	Significant Events After The Balance Sheet Date	11						
3X2X	Total liabilities and equity		<u>\$ 307,274,335</u>	<u>100</u>	<u>\$ 306,595,638</u>	<u>100</u>	<u>\$ 300,869,655</u>	<u>100</u>

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 (loss) per share)
(Reviewed, not audited)

Xk7	Items	Notes	Three months ended June 30				Six months ended June 30			
			2020		2019		2020		2019	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(21) and 7	\$ 43,870,746	100	\$ 47,111,741	100	\$ 87,346,001	100	\$ 92,808,793	100
5000	Operating costs	6(27)(28) and 7	(36,307,092)	(83)	(43,413,264)	(92)	(76,837,670)	(88)	(85,697,394)	(92)
5900	Gross profit		7,563,654	17	3,698,477	8	10,508,331	12	7,111,399	8
5910	Unrealized (profit) loss from sales		(440)	-	3,653	-	2,370	-	12,207	-
5920	Realized profit on from sales		2,691	-	3,114	-	5,417	-	6,396	-
5950	Gross profit		7,565,905	17	3,705,244	8	10,516,118	12	7,130,002	8
	Operating expenses	6(27)(28) and 7								
6100	Selling expenses		(440,866)	(1)	(388,138)	(1)	(814,414)	(1)	(756,560)	(1)
6200	General and administrative expenses		(1,935,353)	(4)	(2,218,756)	(4)	(4,012,006)	(5)	(4,332,595)	(4)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		58	-	589	-	2,834	-	13,778	-
6000	Operating expenses		(2,376,161)	(5)	(2,606,305)	(5)	(4,823,586)	(6)	(5,075,377)	(5)
6500	Other gains - net	6(22) and 7	4,445	-	10,129	-	(1,932)	-	357,520	-
6900	Operating profit		5,194,189	12	1,109,068	3	5,690,600	6	2,412,145	3
	Other non-operating revenue and expenses									
7100	Interest income	6(23)	87,392	-	192,201	-	225,471	-	385,574	1
7010	Other income	6(24)	143,819	1	160,302	-	269,655	1	265,208	-
7020	Other gains and losses	6(25)	17,790	-	(56,126)	-	104,889	-	(19,097)	-
7050	Finance costs	6(26) and 7	(1,226,278)	(3)	(1,440,198)	(3)	(2,550,839)	(3)	(2,774,882)	(3)
7060	Share of loss of associates and joint ventures accounted for using equity method		71,445	-	(129,811)	-	(69,059)	-	275,017	-
7000	Total non-operating income and expenses		(905,832)	(2)	(1,273,632)	(3)	(2,019,883)	(2)	(1,868,180)	(2)
7900	Profit (loss) before income tax		4,288,357	10	(164,564)	-	3,670,717	4	543,965	1
7950	Income tax expense	6(29)	(445,525)	(1)	(282,963)	(1)	(561,034)	(1)	(527,586)	(1)
8200	Profit (loss) for the period		\$ 3,842,832	9	(\$ 447,527)	(1)	\$ 3,109,683	3	\$ 16,379	-

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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 (loss) per share)
(Reviewed, not audited)

Items	Notes	Three months ended June 30				Six months ended June 30				
		2020		2019		2020		2019		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
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)(20)	\$ 16,190	-	\$ 230,571	1	(\$ 254,166)	-	\$ 240,821	-
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		153,800	-	(25,075)	-	(75,777)	-	41,050	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	3,316	-	(8,967)	-	10,039	-	(7,125)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>173,306</u>	-	<u>196,529</u>	1	<u>(319,904)</u>	-	<u>274,746</u>	-
Components of other comprehensive income that will be reclassified to profit or loss										
8361	Exchange differences on translating the financial statements of foreign operations		(787,814)	(2)	115,337	-	(996,348)	(1)	349,147	-
8368	Gains (losses) on hedging instrument	6(9)(20)	459,392	1	(93,937)	-	332,265	-	(158,841)	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		323,904	1	1,491	-	(9,079)	-	(95,967)	-
8399	Income tax relating to the components of other comprehensive income (loss)	6(29)	(97,031)	-	15,035	-	(68,463)	-	32,902	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>(101,549)</u>	-	<u>37,926</u>	-	<u>(741,625)</u>	(1)	<u>127,241</u>	-
8300	Other comprehensive (loss) income for the period, net of income tax		<u>\$ 71,757</u>	-	<u>\$ 234,455</u>	1	<u>(\$ 1,061,529)</u>	(1)	<u>\$ 401,987</u>	-
8500	Total comprehensive income (loss) for the period		<u>\$ 3,914,589</u>	9	<u>(\$ 213,072)</u>	-	<u>\$ 2,048,154</u>	2	<u>\$ 418,366</u>	-
Profit (loss), attributable to:										
8610	Owners of the parent		<u>\$ 3,192,356</u>	7	<u>(\$ 354,766)</u>	(1)	<u>\$ 2,750,779</u>	3	<u>\$ 204,806</u>	-
8620	Non-controlling interest		<u>\$ 650,476</u>	1	<u>(\$ 92,761)</u>	-	<u>\$ 358,904</u>	-	<u>(\$ 188,427)</u>	-
Comprehensive income (loss) attributable to:										
8710	Owners of the parent		<u>\$ 3,312,884</u>	8	<u>(\$ 48,566)</u>	-	<u>\$ 1,788,390</u>	2	<u>\$ 675,491</u>	-
8720	Non-controlling interest		<u>\$ 601,705</u>	1	<u>(\$ 164,506)</u>	-	<u>\$ 259,764</u>	-	<u>(\$ 257,125)</u>	-
Basic earnings (loss) per share (in dollars)										
9750	Basic earnings (loss) per share	6(30)	<u>\$ 0.66</u>		<u>(\$ 0.08)</u>		<u>\$ 0.57</u>		<u>\$ 0.05</u>	
9850	Diluted earnings (loss) per share		<u>\$ 0.66</u>		<u>(\$ 0.08)</u>		<u>\$ 0.57</u>		<u>\$ 0.05</u>	

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)

Notes	Equity attributable to owners of the parent								Non-controlling interest	Total equity	
	Common stock	Capital surplus, additional paid-in capital	Retained earnings		Financial statements translation differences of foreign operations	Other equity interest		Total			
			Legal reserve	Unappropriated retained earnings		Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on effective portion of cash flow hedges				
Six-month period ended June 30, 2019											
Balance at January 1, 2019	6(20)	\$ 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 for the period		-	-	-	204,806	-	-	-	204,806	(188,427)	16,379
Other comprehensive income (loss) for the period	6(20)	-	-	-	-	463,496	275,037	(267,848)	470,685	(68,698)	401,987
Total comprehensive income (loss)		-	-	-	204,806	463,496	275,037	(267,848)	675,491	(257,125)	418,366
Distribution of 2018 earnings:											
Legal capital reserve		-	-	29,392	(29,392)	-	-	-	-	-	-
Adjustments to share of changes in equity of associates and joint ventures	6(18)(20)	-	(6,230)	-	(2)	-	2	-	(6,230)	-	(6,230)
Changes in non-controlling interests		-	(2,694)	-	-	-	-	-	(2,694)	11,723	9,029
Balance at June 30, 2019		\$ 45,129,738	\$ 11,050,221	\$ 5,714,940	\$ 3,952,055	\$ 481,076	\$ 1,509,264	(\$ 326,497)	\$ 67,510,797	\$ 3,878,204	\$ 71,389,001
Six-month period ended June 30, 2020											
Balance at January 1, 2020	6(20)	\$ 48,129,738	\$ 11,407,437	\$ 5,714,940	\$ 3,659,042	(\$ 856,773)	\$ 1,411,638	\$ 579,757	\$ 70,045,779	\$ 3,549,067	\$ 73,594,846
Profit for the period		-	-	-	2,750,779	-	-	-	2,750,779	358,904	3,109,683
Other comprehensive income (loss) for the period	6(20)	-	-	-	3,024	(992,000)	(323,514)	350,101	(962,389)	(99,140)	(1,061,529)
Total comprehensive income (loss)		-	-	-	2,753,803	(992,000)	(323,514)	350,101	1,788,390	259,764	2,048,154
Adjustments to share of changes in equity of associates and joint ventures	6(18)(20)	-	1,019	-	-	-	-	-	1,019	-	1,019
Other changes in capital surplus	6(18)	-	38	-	-	-	-	-	38	-	38
Changes in non-controlling interests		-	-	-	-	-	-	-	-	(336,966)	(336,966)
Balance at June 30, 2020		\$ 48,129,738	\$ 11,408,494	\$ 5,714,940	\$ 6,412,845	(\$ 1,848,773)	\$ 1,088,124	\$ 929,858	\$ 71,835,226	\$ 3,471,865	\$ 75,307,091

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	Six-month periods ended June 30	
		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 3,670,717	\$ 543,965
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6(8)(9)(10)(25)(27)	10,497,210	9,962,521
Amortization	6(27)	153,654	156,742
Expected credit gain	12(2)	(2,834)	(13,778)
Rental expense		(1,540)	-
Other income		(368)	-
Interest income	6(23)	(225,471)	(385,574)
Interest expense	6(26)	2,550,839	2,774,882
Dividend income	6(24)	(73,247)	(89,638)
Share of profit of associates and joint ventures accounted for using equity method		69,059	(275,017)
Gains arising from lease modification	6(25)	(465)	(2,306)
Net gain on disposal of property, plant and equipment	6(22)	1,932	(357,520)
Net gain on disposal of right-of-use assets	6(25)	(33,677)	(14,158)
Net gain on disposal of investments	6(25)	(161)	(22)
Realized income with affiliated companies		(5,417)	(6,396)
Unrealized loss with affiliated companies		(2,370)	(12,207)
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	189
Current contract assets		483,272	604,444
Notes receivable, net		32,030	65,603
Accounts receivable, net		(337,422)	709,736
Accounts receivable, net - related parties		184,318	(316,708)
Other receivables		130,949	675,434
Other receivables - related parties		(168,851)	(425,594)
Inventories		1,836,404	391,875
Prepayments		417,402	412,752
Other current assets		(1,642,732)	(711,963)
Other non-current assets		(408)	(3,171)
Net changes in liabilities relating to operating activities			
Current contract liabilities		309,784	378,668
Notes payable		15,982	-
Accounts payable		(902,026)	(2,909,439)
Accounts payable - related parties		81,459	(14,146)
Other payables		147,903	254,432
Other payables - related parties		8,244	(32,702)
Other current liabilities		(614,116)	(22,184)
Other non-current liabilities		(28,203)	(27,759)
Cash inflow generated from operations		16,551,850	11,310,961
Interest received		225,471	385,574
Interest paid		(2,785,742)	(2,924,024)
Income tax paid		(585,626)	(812,920)
Net cash flows from operating activities		<u>13,405,953</u>	<u>7,959,591</u>

(Continued)

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

	Notes	Six-month periods ended June 30	
		2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in financial assets at amortised cost		\$ 1,351,731	\$ 546,785
Decrease (Increase) in other receivables - related parties		73,607	(253,442)
Acquisition of investments accounted for using equity method		-	(512,708)
Proceeds from disposal of investments accounted for using equity method		148,573	-
Acquisition of property, plant and equipment	6(32)	(3,658,661)	(3,222,746)
Proceeds from disposal of property, plant and equipment		783,040	889,392
Acquisition of right-of-use assets		(10,921)	-
Proceeds from disposal of right-of-use assets		54,433	75,592
Acquisition of intangible assets		(9,727)	(14,005)
Increase in guarantee deposits paid		(6,949)	(965)
Increase in other non-current assets	6(32)	(10,378,323)	(5,754,666)
Effect of initial consolidation of subsidiaries		4,082	5,648
Cash dividend received		187,159	896,087
Net cash flows used in investing activities		(11,461,956)	(7,345,028)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		3,262,200	100,000
Decrease in short-term loans		(3,262,200)	(100,000)
Decrease in other payables - related parties		(515,190)	(446,746)
Increase in long-term loans	6(33)	17,421,211	16,232,472
Decrease in long-term loans	6(33)	(11,956,234)	(9,666,687)
Payments of lease liabilities	6(9)(33)	(5,693,482)	(5,450,061)
Net change in non-controlling interest		(336,966)	9,029
Decrease in guarantee deposits received	6(33)	(39,553)	(9,719)
Other financing activities		38	-
Net cash flows (used in) from financing activities		(1,120,176)	668,288
Effect of exchange rate changes		(436,978)	43,664
Net increase in cash and cash equivalents		386,843	1,326,515
Cash and cash equivalents at beginning of period		37,871,889	35,836,635
Cash and cash equivalents at end of period		\$ 38,258,732	\$ 37,163,150

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 August 13, 2020.

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 FSC effective from 2020 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments 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 9, IAS 39 and IFRS7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020

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. Amendments 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 3, 'Definition of a business'

The amendments clarify the definition of a business that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together; narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs. Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. Besides, add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Related impact assessment is provided in Note 4(3).

C. Amendments to IFRS 9, IAS 39 and IFRS 7, 'Interest rate benchmark reform'

The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. Also, the amendment requires disclosure about how the entity is impacted by IBOR reform and is managing the transition process.

D. Amendment to IFRS 16, 'Covid-19-related rent concessions'

This amendment provides a practical expedient for lessees from assessing whether a rent concession related to COVID-19, and that meets all of the following conditions, is a lease modification:

- (a) Changes in lease payments result in the revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before June 30 2021; and
- (c) There is no substantive change to other terms and conditions of the lease.

Related impact assessment is provided in Note 6(9).

(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
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
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
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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. Amendments to IFRS 3, ‘Reference to the conceptual framework’

The amendments were made to IFRS 3, 'Business combinations' to update the references to the 2018 Conceptual Framework for Financial Reporting, in determining what constitutes an asset or a liability in a business combination. In addition, the amendments added an exception in IFRS 3 for the recognition of liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets' or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The amendments also confirmed that contingent assets, as defined in IAS 37, should not be recognised by the acquirer at the acquisition date.

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 recognised;
- (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.

C. Amendments to IAS 1, ‘Classification of liabilities as current or non-current’

The amendments clarify that classification of liabilities depends on the rights that exist at the end of the reporting period. An entity shall classify a liability as current when it does not have a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. Also, the amendments define ‘settlement’ as the extinguishment of a liability with cash, other economic resources or an entity’s own equity instruments.

D. Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’

This amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such samples and the costs relating to items produced are now recognised in profit or loss. This amendment also clarifies that an entity is ‘testing whether the asset is functioning properly’ when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

E. Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’

The amendments clarify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The impact of the above standards and interpretations is still under management's assessment.

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

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 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:

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2020	December 31, 2019	June 30, 2019	
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	
The Company	EIL	Agency services dealing with port formalities	59.00	59.00	-	(b)
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	(f)
Peony	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	20.00	
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	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2020	December 31, 2019	June 30, 2019	
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	100.00	
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	
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	
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	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2020	December 31, 2019	June 30, 2019	
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	60.00	
EGH	ECO	Agency services dealing with port formalities	75.00	75.00	75.00	
EGH	ECL	Agency services dealing with port formalities	60.00	60.00	60.00	
EGH	EMX	Agency services dealing with port formalities	60.00	60.00	60.00	
EGH	EGRC	Agency services dealing with port formalities	60.00	60.00	60.00	
EGH	HMH	Agency services dealing with port formalities	-	-	-	(a)
EGH	Ever shine (Shenzhen)	Management consultancy and self-owned property leasing	100.00	100.00	100.00	(a)
EGH	Ever shine (Qingdao)	Management consultancy and self-owned property leasing	100.00	100.00	100.00	(a)
EGH	ECN	Agency services dealing with port formalities	52.00	52.00	49.00	(a)、(c)
EGH	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	20.00	(a)
EGH	EIL	Agency services dealing with port formalities	1.00	1.00	-	(b)
EGH	ELA	Management consultancy	100.00	16.50	16.50	(d)
EGH	EBR	Agency services dealing with port formalities	60.00	-	-	(e)

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2020	December 31, 2019	June 30, 2019	
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	
Clove	ETS	Terminal Services	5.57	5.57	5.57	
Armand N.V.	Armand B.V.	Investments in container yards and port terminals	0.00	100.00	100.00	(g)
MBPI	MBT	Inland transportation, repairs and cleaning of containers	72.95	72.95	72.95	

- (a) 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 other related party, 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 company and HMH will be dissolved after the merger. The liquidation process of HMH was completed by January 10, 2020.
- (b) On March 22, 2019, the Board of Directors of the Company and the subsidiary, EGH, resolved to establish a subsidiary, EIL, in Israel. The capital for establishment is ILS 1,800 (approx. USD 500), and the subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.
- (c) On October 28, 2019, shareholders of the subsidiary, EGH, during their meeting resolved to make an equity transaction. EGH acquired the 3% ownership of MAC from Ningbo Jiang Dong Ever Elite Investment Consulting Ltd.. The transaction amount was CNY \$150. The applicable transactions were approved by the Investment Commission of the Ministry of Economic Affairs. The acquisition date was December 10, 2019.

- (d) On December 20, 2019, the Board of Directors of the subsidiary, EGH, approved the ELA equity transaction and acquired 83.50% equity interests from EMC、EMU and other related parties, the transaction date was March 1, 2020 and the transaction amount was USD 544. After the transaction, the shareholding ratio which was the equity of ELA held by EGH increase from 16.50% to 100%. The company primarily engaged in management consultancy in Latin America. Because the transaction did not meet the requirements of IFRS 3, ‘Definition of a business’, the accounting treatment of this equity transaction would be accounted as acquired assets and liabilities based on the principle.
- (e) On August 13, 2019, the Board of Directors of the subsidiary, EGH, approved to establish a subsidiary, EBR, in Brazil, the initial capital amounted to BRL 1,200 (approx. USD 247), the date of the capital injection completion was March 16, 2020, this company primarily engaged in freight and shipping agent.
- (f) On March 18, 2020, the shareholders of the subsidiary, Armand N.V., during their meeting approved the accelerated liquidation. At the same day, the investment amount returned to the shareholder, Peony Investment S.A, and non-controlling interests amounted to \$339,638 (approx. USD 11,237) and \$145,909 (approx. USD 4,827), respectively, based on local regulations. The liquidation process of Armand N.V. was completed by June 30, 2020.
- (g) On March 17, 2020, the shareholders of the subsidiary, Armand B.V., during their meeting approved the accelerated liquidation. At the same day, the investment amount returned to Armand N.V. amounted to \$491,294 (approx. USD16,257) based on local regulations. The liquidation process of Armand B.V. was completed by June 25, 2020.

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 June 30, 2019, December 31, 2019 and June 30, 2020, the non-controlling interest amounted to \$3,878,204, \$3,549,067 and \$3,471,865, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		June 30, 2020		December 31, 2019		
		Amount	Ownership (%)	Amount	Ownership (%)	
EMU	U.K.	\$ 830,366	49%	\$ 768,414	49%	
EGH	Hong Kong	2,073,073	20%	2,021,999	20%	

Name of subsidiary	Principal place of business	Non-controlling interest		Description
		June 30, 2019		
		Amount	Ownership (%)	
EMU	U.K.	\$ 1,157,178	49%	
EGH	Hong Kong	1,977,450	20%	

Summarised financial information of the subsidiaries:

Balance sheets

	EMU		
	June 30, 2020	December 31, 2019	June 30, 2019
Current assets	\$ 6,457,266	\$ 6,866,440	\$ 7,534,587
Non-current assets	44,310,045	46,043,283	48,835,466
Current liabilities	(15,677,761)	(16,584,869)	(16,622,642)
Non-current liabilities	(33,394,926)	(34,756,663)	(37,385,823)
Total net assets	<u>\$ 1,694,624</u>	<u>\$ 1,568,191</u>	<u>\$ 2,361,588</u>

	EGH		
	June 30, 2020	December 31, 2019	June 30, 2019
Current assets	\$ 11,452,030	\$ 12,300,364	\$ 9,099,921
Non-current assets	32,944,372	29,181,330	27,694,228
Current liabilities	(12,458,777)	(12,496,762)	(11,728,553)
Non-current liabilities	(21,990,763)	(19,659,040)	(15,694,044)
Total net assets	<u>\$ 9,946,862</u>	<u>\$ 9,325,892</u>	<u>\$ 9,371,552</u>

Statements of comprehensive income

	EMU	
	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Revenue	<u>\$ 9,093,521</u>	<u>\$ 10,466,207</u>
Profit (loss) before income tax	\$ 810,926	(\$ 224,640)
Income tax expense	(6,123)	(4,933)
Profit (loss) for the period from continuing operations	804,803	(229,573)
Other comprehensive income (loss), net of tax	<u>209</u>	<u>(1,927)</u>
Total comprehensive income (loss) for the period	<u>\$ 805,012</u>	<u>(\$ 231,500)</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 394,456</u>	<u>(\$ 113,435)</u>

	EMU	
	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Revenue	\$ 17,548,751	\$ 21,014,448
Profit (loss) before income tax	\$ 172,734	(\$ 654,954)
Income tax expense	(13,316)	(9,541)
Profit (loss) for the period from continuing operations	159,418	(664,495)
Other comprehensive loss, net of tax	(1,240)	(189)
Total comprehensive income (loss) for the period	\$ 158,178	(\$ 664,684)
Comprehensive income (loss) attributable to non-controlling interest	\$ 77,507	(\$ 325,695)
	EGH	
	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Revenue	\$ 8,460,509	\$ 6,859,907
Profit (loss) before income tax	\$ 1,150,598	(\$ 117,041)
Income tax expense	(103,967)	(133,857)
Profit (loss) for the period from continuing operations	1,046,631	(250,898)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the period	\$ 1,046,631	(\$ 250,898)
Comprehensive income (loss) attributable to non-controlling interest	\$ 209,326	(\$ 50,180)
	EGH	
	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Revenue	\$ 15,474,660	\$ 12,513,107
Profit before income tax	\$ 1,082,307	\$ 268,836
Income tax expense	(148,147)	(245,605)
Profit for the period from continuing operations	934,160	23,231
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	\$ 934,160	\$ 23,231
Comprehensive income attributable to non-controlling interest	\$ 186,832	\$ 4,646

Statements of cash flows

	EMU	
	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Net cash provided by operating activities	\$ 2,184,322	\$ 556,533
Net cash used in investing activities	(883,804)	(17,573)
Net cash used in financing activities	(1,390,893)	(841,211)
Effect of exchange rates on cash and cash equivalents	(28,407)	18,315
Decrease in cash and cash equivalents	(118,782)	(283,936)
Cash and cash equivalents, beginning of period	1,610,984	1,787,358
Cash and cash equivalents, end of period	<u>\$ 1,492,202</u>	<u>\$ 1,503,422</u>

	EGH	
	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Net cash provided by operating activities	\$ 3,967,986	\$ 3,457,310
Net cash used in investing activities	(2,380,134)	(6,719,613)
Net cash (used in) provided by financing activities	(2,312,254)	2,460,742
Effect of exchange rates on cash and cash equivalents	(70,645)	28,755
Decrease in cash and cash equivalents	(795,047)	(772,806)
Cash and cash equivalents, beginning of period	4,542,951	3,166,065
Cash and cash equivalents, end of period	<u>\$ 3,747,904</u>	<u>\$ 2,393,259</u>

(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) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be 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 three months 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 other 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.
 - (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.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(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 short-term notes receivable, accounts receivable and other receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(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) - operating leases

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 (Except for docking repair and scrubber)	18 ~ 25 years
Ship (Docking repair)	2.5 ~ 5 years
Ship (Scrubber)	7 ~ 10 years
Transportation equipment	5 ~ 10 years
Other equipment	2 ~ 20 years

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

- 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 incremental borrowing interest rate.

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.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 ~ 60 years.

(19) 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.

(20) Impairment of non-financial assets

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

(21) 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.

(22) Accounts payable

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

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) 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.

(24) 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'.

(25) Derecognition of financial liabilities

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

(26) 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.

(27) 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 item(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.

(28) Employee benefits

A. Short-term employee benefits

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

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 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.

(30) 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.

(31) Revenue recognition

A. 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. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

B. Rental revenue

The Group leases ships and shipping spaces under 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.

(32) 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.

(33) Operating segments

The Group's 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 freight services of the Group is recognised under the percentage-of-completion method for each vessel of which the service has been provided during the reporting period. The adjustments to the estimated amount may be required as the transit days and the freight revenue are subject to estimation.

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 June 30, 2020, the Group recognised property, plant, equipment and cargo handling equipment, transport equipment and ship equipment, which are recognised in right-of-use asset, amounting to \$103,481,284 and \$67,298,884, respectively.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Cash on hand and petty cash	\$ 30,939	\$ 28,964	\$ 30,769
Checking accounts and demand deposits	8,142,358	6,903,864	7,646,771
Time deposits	30,085,435	30,939,061	29,485,610
	<u>\$ 38,258,732</u>	<u>\$ 37,871,889</u>	<u>\$ 37,163,150</u>

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.

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

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

<u>Items</u>	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Non-current items:			
Equity instruments			
Listed (TSE) stocks	\$ 490,801	\$ 490,801	\$ 490,801
Unlisted stocks	206,403	208,570	212,636
	697,204	699,371	703,437
Valuation adjustment	761,213	1,020,052	1,194,278
	<u>\$ 1,458,417</u>	<u>\$ 1,719,423</u>	<u>\$ 1,897,715</u>

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 \$1,458,417, \$1,719,423 and \$1,897,715 at June 30, 2020, December 31, 2019 and June 30, 2019 respectively.

B. 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:

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 16,190	\$ 230,571
Income tax recognised in other comprehensive income	\$ 3,316	(\$ 8,967)
Dividend income recognised in profit or loss - Held at end of period	\$ 73,247	\$ 89,638

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 254,166)	\$ 240,821
Income tax recognised in other comprehensive income	\$ 10,198	(\$ 7,125)
Dividend income recognised in profit or loss - Held at end of period	\$ 73,247	\$ 89,638

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

(3) Financial assets at amortised cost

Items	June 30, 2020	December 31, 2019	June 30, 2019
Current items:			
Time deposits exceeding 3 months	\$ 423,185	\$ 1,727,796	\$ 1,825,075
Pledged time deposits	239,295	290,740	293,748
	<u>\$ 662,480</u>	<u>\$ 2,018,536</u>	<u>\$ 2,118,823</u>
Non-current items:			
Financial bonds	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

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

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Interest income	\$ 4,561	\$ 9,062
	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Interest income	<u>\$ 23,047</u>	<u>\$ 32,087</u>

B. As at June 30, 2020 December 31, 2019 and June 30, 2019 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 \$762,480, \$2,118,536 and 2,218,823, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(4) Notes and accounts receivable

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Notes receivable	\$ 95,133	\$ 129,547	\$ 90,185
Less: Allowance for bad debts	(9)	(2)	(2)
	<u>\$ 95,124</u>	<u>\$ 129,545</u>	<u>\$ 90,183</u>
Accounts receivable (including related parties)	\$ 14,655,262	\$ 14,772,158	\$ 15,303,988
Less: Allowance for bad debts	(9,481)	(12,345)	(16,308)
	<u>\$ 14,645,781</u>	<u>\$ 14,759,813</u>	<u>\$ 15,287,680</u>
Overdue receivables (recorded as other non-current assets)	\$ 264,667	\$ 269,506	\$ 278,585
Less: Allowance for bad debts	(264,667)	(269,506)	(278,585)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 12,411,939	\$ 12,094,901	\$ 10,625,541
Up to 30 days	2,030,759	2,450,297	3,501,570
31 to 180 days	141,699	226,960	1,176,877
Over 180 days	335,532	269,506	278,585
	<u>\$ 14,919,929</u>	<u>\$ 15,041,664</u>	<u>\$ 15,582,573</u>
	<u>Notes receivable</u>	<u>Notes receivable</u>	<u>Notes receivable</u>
Not past due	\$ 95,133	\$ 129,547	\$ 90,185
Up to 30 days	-	-	-
31 to 180 days	-	-	-
	<u>\$ 95,133</u>	<u>\$ 129,547</u>	<u>\$ 90,185</u>

The above ageing analysis was based on past due date.

B. As of June 30, 2020, December 31, 2019, June 30, 2019, and January 1, 2019, the balances of receivables (including notes receivable) from contracts with customers amounted to \$13,601,225, \$13,084,484, \$13,205,755 and \$14,202,068, respectively.

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

D. As at June 30, 2020, December 31, 2019 and June 30, 2019, 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 \$95,124, \$129,545 and \$90,183, respectively; and the amount that best represents the Group's accounts receivable were \$14,645,781, \$14,759,813 and \$15,287,680, respectively.

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

(5) Inventories

	June 30, 2020		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 2,294,431	\$ -	\$ 2,294,431
Steel and others	351,207	-	351,207
	<u>\$ 2,645,638</u>	<u>\$ -</u>	<u>\$ 2,645,638</u>
	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 4,273,258	\$ -	\$ 4,273,258
Steel and others	274,661	-	274,661
	<u>\$ 4,547,919</u>	<u>\$ -</u>	<u>\$ 4,547,919</u>
	June 30, 2019		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 4,370,815	\$ -	\$ 4,370,815
Steel and others	378,698	-	378,698
	<u>\$ 4,749,513</u>	<u>\$ -</u>	<u>\$ 4,749,513</u>

(6) Other current assets

	June 30, 2020	December 31, 2019	June 30, 2019
Shipowner's accounts	\$ 789,879	\$ 28,957	\$ 1,357,669
Agency accounts	2,357,361	1,502,487	1,186,767
Temporary debits	804,702	837,183	1,075,994
	<u>\$ 3,951,942</u>	<u>\$ 2,368,627</u>	<u>\$ 3,620,430</u>

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., 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:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Evergreen International Storage and Transport Corporation	\$ 8,891,012	\$ 9,039,677	\$ 9,010,267
EVA Airways Corporation	10,959,263	11,399,909	10,665,767
Taipei Port Container Terminal Corporation	1,481,822	1,583,427	1,544,108
Charng Yang Development Co., Ltd.	522,864	553,210	518,498
Luanta Investment (Netherlands) N.V.	1,849,171	1,884,647	1,954,792
Balsam Investment (Netherlands) N.V.	407,923	525,226	228,779
Colon Container Terminal S.A.	3,130,412	3,193,300	3,273,425
Others	1,166,201	1,221,529	1,069,753
	<u>\$ 28,408,668</u>	<u>\$ 29,400,925</u>	<u>\$ 28,265,389</u>

B. Associates

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

<u>Company name</u>	<u>Principal place of business</u>	<u>Ownership(%)</u>			<u>Nature of relationship</u>	<u>Methods of measurement</u>
		<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>		
Evergreen International Storage and Transport Corporation	TW	40.36%	40.36%	40.36%	With a right over 20% to vote	Equity method
EVA Airways Corporation	TW	16.00%	16.00%	16.00%	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

	<u>Evergreen International Storage and Transport Corporation</u>		
	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Current assets	\$ 5,826,424	\$ 6,121,815	\$ 5,815,106
Non-current assets	27,985,138	28,889,987	29,336,203
Current liabilities	(3,987,072)	(2,703,450)	(3,202,673)
Non-current liabilities	(7,539,570)	(9,485,576)	(9,152,926)
Total net assets	<u>\$ 22,284,920</u>	<u>\$ 22,822,776</u>	<u>\$ 22,795,710</u>
Share in associate's net assets	\$ 8,942,240	\$ 9,098,692	\$ 9,088,507
Unrealized income with affiliated companies	(51,228)	(59,015)	(78,240)
Carrying amount of the associate	<u>\$ 8,891,012</u>	<u>\$ 9,039,677</u>	<u>\$ 9,010,267</u>

	<u>EVA Airways Corporation</u>		
	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Current assets	\$ 58,764,144	\$ 77,199,776	\$ 78,366,845
Non-current assets	273,917,530	279,051,918	277,348,200
Current liabilities	(58,997,524)	(82,441,715)	(76,813,237)
Non-current liabilities	(198,798,761)	(195,667,963)	(205,687,710)
Total net assets	<u>\$ 74,885,389</u>	<u>\$ 78,142,016</u>	<u>\$ 73,214,098</u>
Share in associate's net assets	<u>\$ 10,959,263</u>	<u>\$ 11,399,909</u>	<u>\$ 10,665,767</u>

Statement of comprehensive income

	<u>Evergreen International Storage and Transport Corporation</u>	
	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Revenue	<u>\$ 1,704,030</u>	<u>\$ 1,977,258</u>
Profit for the period	\$ 205,252	\$ 254,346
Other comprehensive income, net of tax	4,210	51,374
Total comprehensive income	<u>\$ 209,462</u>	<u>\$ 305,720</u>
Dividends received from associates	<u>\$ 129,208</u>	<u>\$ 150,742</u>

<u>Evergreen International Storage and Transport Corporation</u>		
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Revenue	\$ 3,492,829	\$ 3,895,130
Profit for the period	\$ 366,002	\$ 448,264
Other comprehensive (loss) income, net of tax	(433,956)	189,952
Total comprehensive (loss) income	(\$ 67,954)	\$ 638,216
Dividends received from associates	\$ 129,208	\$ 150,742

<u>EVA Airways Corporation</u>		
	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Revenue	\$ 19,288,932	\$ 43,864,832
(Loss) profit for the period	(\$ 705,895)	\$ 284,757
Other comprehensive income (loss), net of tax	2,326,445	(735,485)
Total comprehensive income (loss)	\$ 1,620,550	(\$ 450,728)
Dividends received from associates	\$ 194,135	\$ 376,987

<u>EVA Airways Corporation</u>		
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Revenue	\$ 49,522,030	\$ 88,177,559
(Loss) profit for the period	(\$ 1,800,477)	\$ 2,387,247
Other comprehensive income (loss), net of tax	287,483	(669,471)
Total comprehensive (loss) income	(\$ 1,512,994)	\$ 1,717,776
Dividends received from associates	\$ 194,135	\$ 376,987

(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 June 30, 2020, December 31, 2019 and June 30, 2019, the carrying amount of the Group's individually immaterial associates amounted to \$8,558,393, \$8,961,339 and \$8,589,355, respectively.

	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Income (loss) for the period	\$ 303,272	(\$ 303,056)
Other comprehensive income, net of tax	-	-
Total comprehensive (loss)	\$ 303,272	(\$ 303,056)

C. Above stated certain investments accounted for using equity method are based on the financial statements of associates which were not reviewed by the independent accountants or reviewed by the associates' independent accountants.

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Evergreen International Storage and Transport Corporation	\$ 5,878,948	\$ 6,180,433	\$ 6,137,364
EVA Airways Corporation	<u>8,697,260</u>	<u>10,677,440</u>	<u>11,271,926</u>
	<u>\$ 14,576,208</u>	<u>\$ 16,857,873</u>	<u>\$ 17,409,290</u>

E. To integrate the investment structure, on November 13, 2019, the shareholders of the subsidiary, Armand B.V., during their meeting approved to dispose 9.73% equity interests of Taipei Port Container Terminal Corporation. On February 7, 2020, the Company acquired 6.81% equity interests at par value of NT\$9.941 per share, consisting of 35,421 thousand shares, the transaction amounting to \$352,123. Additionally, other related party, EIS, also acquired 2.92% equity interests at par value of NT\$9.941 per share, consisting of 15,181 thousand shares, the transaction amounting to \$150,464. After the transaction, the shareholding ratio of the Group to Taipei Port Container Terminal Corporation decreased from 30.76% to 27.84%, still valued using equity method.

F. 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 NT\$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%. Moreover, the Company purchased 70 thousand shares as specific person, the purchasing proceeds amounted to \$700, and the share interest further decreased to 16% as of June 30, 2020 after many conversions from corporate bonds to stocks took place in EVA Airways Corporation for the year ended December 31, 2019.

G. On November 10, 2019, the Board of Directors of the subsidiary, Peony, has resolved to participate in the capital increase of the investee, Balsam Investment (Netherlands) N.V., as the original shareholder. The amount of capital increase was USD 24,500. After the capital increase, Peony's shareholding ratio is still 49%.

(8) Property, plant and equipment, net

	2020										
	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
At January 1											
Cost	\$ 823,377	\$ 7,589,613	\$ 653,005	\$ 11,587,972	\$ 1,317,804	\$ 28,726,237	\$ 122,361,439	\$ 581,306	\$ 852,610	\$ 221,576	\$ 174,714,939
Accumulated depreciation	<u>-</u>	<u>(1,420,875)</u>	<u>(518,595)</u>	<u>(8,182,213)</u>	<u>(807,079)</u>	<u>(9,328,119)</u>	<u>(45,014,883)</u>	<u>(454,356)</u>	<u>(583,950)</u>	<u>(11,358)</u>	<u>(66,321,428)</u>
	<u>\$ 823,377</u>	<u>\$ 6,168,738</u>	<u>\$ 134,410</u>	<u>\$ 3,405,759</u>	<u>\$ 510,725</u>	<u>\$ 19,398,118</u>	<u>\$ 77,346,556</u>	<u>\$ 126,950</u>	<u>\$ 268,660</u>	<u>\$ 210,218</u>	<u>\$ 108,393,511</u>
Opening net book amount as at January 1	\$ 823,377	\$ 6,168,738	\$ 134,410	\$ 3,405,759	\$ 510,725	\$ 19,398,118	\$ 77,346,556	\$ 126,950	\$ 268,660	\$ 210,218	\$ 108,393,511
Additions	-	6,975	510	15,625	103,023	2,822,688	381,183	25,739	635,228	21,755	4,012,726
Disposals	-	-	-	(117)	(29)	(14,187)	(770,969)	(231)	-	-	(785,533)
Reclassifications	18,209	10,132	-	-	5,938	116,295	5,989,593	14,639	510,292	(21,085)	6,644,013
Depreciation	-	(76,967)	(7,143)	(260,132)	(136,263)	(1,341,124)	(2,462,479)	(23,076)	(74,377)	(2,221)	(4,383,782)
Net exchange differences	<u>(10,093)</u>	<u>(138,841)</u>	<u>(8,055)</u>	<u>(30,283)</u>	<u>(8,418)</u>	<u>(279,089)</u>	<u>(836,153)</u>	<u>(4,489)</u>	<u>(13,999)</u>	<u>(5,099)</u>	<u>(1,334,519)</u>
Closing net book amount as at June 30	<u>\$ 831,493</u>	<u>\$ 5,970,037</u>	<u>\$ 119,722</u>	<u>\$ 3,130,852</u>	<u>\$ 474,976</u>	<u>\$ 20,702,701</u>	<u>\$ 79,647,731</u>	<u>\$ 139,532</u>	<u>\$ 1,325,804</u>	<u>\$ 203,568</u>	<u>\$ 112,546,416</u>
At June 30											
Cost	\$ 831,493	\$ 7,427,254	\$ 613,498	\$ 11,499,572	\$ 1,398,339	\$ 31,178,076	\$ 120,140,039	\$ 601,703	\$ 1,981,414	\$ 217,148	\$ 175,888,536
Accumulated depreciation	<u>-</u>	<u>(1,457,217)</u>	<u>(493,776)</u>	<u>(8,368,720)</u>	<u>(923,363)</u>	<u>(10,475,375)</u>	<u>(40,492,308)</u>	<u>(462,171)</u>	<u>(655,610)</u>	<u>(13,580)</u>	<u>(63,342,120)</u>
	<u>\$ 831,493</u>	<u>\$ 5,970,037</u>	<u>\$ 119,722</u>	<u>\$ 3,130,852</u>	<u>\$ 474,976</u>	<u>\$ 20,702,701</u>	<u>\$ 79,647,731</u>	<u>\$ 139,532</u>	<u>\$ 1,325,804</u>	<u>\$ 203,568</u>	<u>\$ 112,546,416</u>

2019

	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												
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)
	<u>\$ 822,076</u>	<u>\$ 6,178,354</u>	<u>\$ 129,140</u>	<u>\$ 3,496,553</u>	<u>\$ 628,106</u>	<u>\$ 15,196,624</u>	<u>\$ 76,824,274</u>	<u>\$ 120,309</u>	<u>\$ 13,539,176</u>	<u>\$ 125,124</u>	<u>\$ 159,449</u>	<u>\$ 117,219,185</u>
Opening net book amount as at												
January 1	\$ 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	-	68,571	319	4,174	10,205	4,611,610	144,653	14,419	-	6,940	65,057	4,925,948
Disposals	-	-	(197)	(946)	(467)	(7,114)	(530,394)	(236)	-	-	-	(539,354)
Reclassifications	-	88,162	-	99,426	16,173	-	2,835,137	12,879	(13,539,176)	223,791	(30,707)	(10,294,315)
Depreciation	-	(77,465)	(6,772)	(259,414)	(114,620)	(1,005,690)	(2,508,681)	(21,594)	-	(45,906)	(2,138)	(4,042,280)
Net exchange differences	7,880	71,012	1,841	16,715	5,744	114,160	465,926	2,001	-	402	416	686,097
Closing net book amount as at												
June 30	<u>\$ 829,956</u>	<u>\$ 6,328,634</u>	<u>\$ 124,331</u>	<u>\$ 3,356,508</u>	<u>\$ 545,141</u>	<u>\$ 18,909,590</u>	<u>\$ 77,230,915</u>	<u>\$ 127,778</u>	<u>\$ -</u>	<u>\$ 310,351</u>	<u>\$ 192,077</u>	<u>\$ 107,955,281</u>
At June 30												
Cost	\$ 829,956	\$ 7,660,223	\$ 648,060	\$ 10,968,504	\$ 1,269,170	\$ 27,326,997	\$ 123,217,723	\$ 569,788	\$ -	\$ 841,546	\$ 201,227	\$ 173,533,194
Accumulated depreciation	-	(1,331,589)	(523,729)	(7,611,996)	(724,029)	(8,417,407)	(45,986,808)	(442,010)	-	(531,195)	(9,150)	(65,577,913)
	<u>\$ 829,956</u>	<u>\$ 6,328,634</u>	<u>\$ 124,331</u>	<u>\$ 3,356,508</u>	<u>\$ 545,141</u>	<u>\$ 18,909,590</u>	<u>\$ 77,230,915</u>	<u>\$ 127,778</u>	<u>\$ -</u>	<u>\$ 310,351</u>	<u>\$ 192,077</u>	<u>\$ 107,955,281</u>

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/ Financial liabilities for hedging

- 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 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:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 11,091,284	\$ 12,228,498	\$ 13,562,696
Buildings	734,233	865,940	916,096
Loading and unloading equipment	49,811	101,493	431,126
Transportation equipment	1,707,473	2,230,717	3,282,506
Ships	65,541,600	67,134,641	60,174,602
Office equipment	32,392	39,930	38,418
Other equipment	11,318	22,967	35,598
	<u>\$ 79,168,111</u>	<u>\$ 82,624,186</u>	<u>\$ 78,441,042</u>

	<u>Three-month period ended</u>	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 475,776	\$ 488,668
Buildings	71,021	65,846
Loading and unloading equipment	25,268	38,796
Transportation equipment	168,079	265,652
Ships	2,221,805	2,072,173
Office equipment	4,303	4,506
Other equipment	5,695	5,933
	<u>\$ 2,971,947</u>	<u>\$ 2,941,574</u>
	<u>Six-month period ended</u>	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 953,895	\$ 969,805
Buildings	143,285	131,271
Loading and unloading equipment	50,726	77,200
Transportation equipment	350,817	532,795
Ships	4,516,357	4,105,164
Office equipment	8,756	8,557
Other equipment	11,433	11,806
	<u>\$ 6,035,269</u>	<u>\$ 5,836,598</u>

- D. For the six-month periods ended June 30, 2020 and 2019, the additions to right-of-use assets were \$3,387,497 and \$9,969,137, respectively.
- E. For the six-month periods ended June 30, 2020 and 2019, the disposals to right-of-use assets were \$20,757 and \$61,434, respectively.
- F. The information on income and expense accounts relating to lease contracts is as follows:

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 676,447	\$ 676,490
Expense on short-term lease contracts	975,459	1,726,058
Expense on leases of low-value assets	3,379	4,179
Expense on variable lease payments	1,063	1,462
Gains arising from lease modifications	464	2,306
	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,445,085	\$ 1,351,641
Expense on short-term lease contracts	2,313,749	3,461,291
Expense on leases of low-value assets	7,513	8,176
Expense on variable lease payments	2,180	2,872
Gains arising from lease modifications	465	2,306

- G. For six-month period ended June 30, 2020 and 2019, the Group's total cash outflow for leases amounted to \$9,462,009 and \$10,274,041, respectively.
- H. As of June 30, 2020, the Group had entered into lease agreements that contained non-lease service component. Based on the fair value of the lease and non-lease component, the future commitment payment allocated to service component amounted to \$10,643,805.
- I. The Group has applied the practical expedient to "Covid-19-related rent concessions", and recognised the gain from changes in lease payments arising from the rent concessions amounting to \$1,908 by decreasing rent expense in \$1,540 and increasing other income in \$368 for the six-month period ended June 30, 2020.
- J. 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, and will be directly included in the marine freight income when the hedged items are highly probable realised. Details of relevant transactions are as follows:

June 30, 2020			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2034.8.15	\$ <u>18,850,478</u>

December 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	2019.1.1~2034.8.15	\$ <u>20,188,942</u>

June 30, 2019			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2027.6.12	\$ <u>16,012,394</u>

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

	June 30, 2020	December 31, 2019	June 30, 2019
Cash flow hedges :			
<u>Exchange rate risk</u>			
Lease liability contracts designated as hedges			
Current liabilities	\$ 1,904,770	\$ 1,861,026	\$ 1,635,308
Non-current liabilities	<u>16,945,708</u>	<u>18,327,916</u>	<u>14,377,086</u>
	<u>\$ 18,850,478</u>	<u>\$ 20,188,942</u>	<u>\$ 16,012,394</u>

(b) Other equity - cash flow hedge reserve

	<u>2020</u>	<u>2019</u>
At April 1	\$ 333,011	(\$ 64,904)
Less : Profit (loss) on hedge effectiveness-amount recognised in other comprehensive income	470,291	(99,031)
Add : Reclassified to freight revenue as the hedged item has affected profit or loss	(10,899)	<u>5,094</u>
At June 30	<u>\$ 792,403</u>	<u>(\$ 158,841)</u>
	<u>2020</u>	<u>2019</u>
At January 1	\$ 460,138	\$ -
Less : Profit (loss) on hedge effectiveness-amount recognised in other comprehensive income	351,704	(167,963)
Add : Reclassified to freight revenue as the hedged item has affected profit or loss	(19,439)	<u>9,122</u>
At June 30	<u>\$ 792,403</u>	<u>(\$ 158,841)</u>

(c) For the three-month and six-month periods ended June 30, 2020 and 2019, there are no cash flow hedges transactions of ineffective portion should be recognized in profit or loss.

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

K. The amounts of lease liabilities (net of the lease liabilities designated as hedges) of the Group on June 30, 2019, December 31, 2019 and June 30, 2020 are as follows:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Current lease liabilities	\$ 8,288,247	\$ 8,479,576	\$ 9,232,238
Current lease liabilities - related parties	552,689	596,000	594,515
Non-current lease liabilities	49,818,344	51,284,350	50,104,936
Non-current lease liabilities - related parties	403,221	682,967	1,000,509
	<u>\$ 59,062,501</u>	<u>\$ 61,042,893</u>	<u>\$ 60,932,198</u>

(10) Investment property, net

	2020		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
At January 1			
Cost	\$ 1,415,029	\$ 4,788,141	\$ 6,203,170
Accumulated depreciation	<u>-</u>	<u>(748,100)</u>	<u>(748,100)</u>
	<u>\$ 1,415,029</u>	<u>\$ 4,040,041</u>	<u>\$ 5,455,070</u>
Opening net book amount as at January 1	\$ 1,415,029	\$ 4,040,041	\$ 5,455,070
Reclassifications	(18,209)	24,312	6,103
Depreciation	-	(78,159)	(78,159)
Net exchange differences	(19)	(91,529)	(91,548)
Closing net book amount as at June 30	<u>\$ 1,396,801</u>	<u>\$ 3,894,665</u>	<u>\$ 5,291,466</u>
At June 30			
Cost	\$ 1,396,801	\$ 4,703,614	\$ 6,100,415
Accumulated depreciation	<u>-</u>	<u>(808,949)</u>	<u>(808,949)</u>
	<u>\$ 1,396,801</u>	<u>\$ 3,894,665</u>	<u>\$ 5,291,466</u>
	2019		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
At January 1			
Cost	\$ 1,415,054	\$ 5,048,676	\$ 6,463,730
Accumulated depreciation	<u>-</u>	<u>(628,656)</u>	<u>(628,656)</u>
	<u>\$ 1,415,054</u>	<u>\$ 4,420,020</u>	<u>\$ 5,835,074</u>
Opening net book amount as at January 1	\$ 1,415,054	\$ 4,420,020	\$ 5,835,074
Reclassifications	-	168	168
Depreciation	-	(83,643)	(83,643)
Net exchange differences	10	74,104	74,114
Closing net book amount as at June 30	<u>\$ 1,415,064</u>	<u>\$ 4,410,649</u>	<u>\$ 5,825,713</u>
At June 30			
Cost	\$ 1,415,064	\$ 5,143,029	\$ 6,558,093
Accumulated depreciation	<u>-</u>	<u>(732,380)</u>	<u>(732,380)</u>
	<u>\$ 1,415,064</u>	<u>\$ 4,410,649</u>	<u>\$ 5,825,713</u>

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

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Rental revenue from the lease of the investment property	<u>\$ 50,300</u>	<u>\$ 50,166</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 38,743</u>	<u>\$ 42,262</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ 433</u>	<u>\$ 175</u>
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Rental revenue from the lease of the investment property	<u>\$ 105,945</u>	<u>\$ 100,330</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 78,168</u>	<u>\$ 84,431</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ 750</u>	<u>\$ 396</u>

B. The fair value of the investment property held by the Group as at June 30, 2020, December 31, 2019 and June 30, 2019 was \$6,919,205, \$7,195,945 and \$7,921,672, respectively. The fair value measurements were based on the market prices of recently sold properties in the immediate vicinity of a certain property, and were classified as Level 2.

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

(11) Other non-current assets

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Prepayments for equipment	\$ 13,077,677	\$ 9,308,236	\$ 7,335,600
Refundable deposits	231,793	229,095	229,710
Others	72,709	101,051	98,731
	<u>\$ 13,382,179</u>	<u>\$ 9,638,382</u>	<u>\$ 7,664,041</u>

Movement analysis of prepayments for equipment are as follows:

	<u>2020</u>	<u>2019</u>
At January 1	\$ 9,308,236	\$ 4,619,738
Additions	10,609,573	5,914,049
Reclassification to property, plant and equipment	(6,507,359)	(3,244,964)
Reclassification to intangible assets	(1,867)	-
Net exchange differences	(330,906)	46,777
At June 30	<u>\$ 13,077,677</u>	<u>\$ 7,335,600</u>

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

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Amount capitalised	\$ 62,567	\$ 44,965
Interest rate	0.86%~4.10%	0.86%~4.70%
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Amount capitalised	\$ 132,097	\$ 104,431
Interest rate	0.86%~4.10%	0.86%~4.70%

(12) Other current liabilities

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Receipt in advance	\$ 21,584	\$ 56,522	\$ 36,869
Long-term liabilities - current portion	25,244,379	22,841,596	21,771,914
Corporate bonds - current portion	4,000,000	-	-
Shipowner's accounts	2,260,331	2,366,770	1,682,782
Agency accounts	1,812,228	2,453,406	2,603,691
Others	49,668	46,015	75,294
	<u>\$ 33,388,190</u>	<u>\$ 27,764,309</u>	<u>\$ 26,170,550</u>

(13) Corporate bonds payable

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Domestic secured corporate bonds	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Less: Current portion or exercise of put options	(4,000,000)	-	-
	<u>\$ 6,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Secured bank loans	\$ 57,411,696	\$ 55,633,704	\$ 59,063,409
Unsecured bank loans	53,560,621	51,053,234	47,204,027
Add : Unrealised foreign exchange (losses) gains	(26,139)	49,713	267,193
Less: Hosting fee credit	(38,042)	(35,083)	(35,895)
	<u>110,908,136</u>	<u>106,701,568</u>	<u>106,498,734</u>
Less: Current portion (recorded as other current liabilities)	(25,244,379)	(22,841,596)	(21,771,914)
	<u>\$ 85,663,757</u>	<u>\$ 83,859,972</u>	<u>\$ 84,726,820</u>
Borrowing period	2020.08~2030.06	2020.01~2029.11	2019.08~2028.12
Interest rate	0.93%~5.15%	1.12%~5.15%	0.95%~5.15%

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

(15) Other non-current liabilities

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Accrued pension liabilities	\$ 2,971,137	\$ 3,028,061	\$ 2,921,712
Guarantee deposits received	280,254	325,987	340,629
Unrealised gain on sale and leaseback	3,645	14,517	13,317
	<u>\$ 3,255,036</u>	<u>\$ 3,368,565</u>	<u>\$ 3,275,658</u>

(16) 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 domestic subsidiary-TTSC contribute monthly an amount equal to 15% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiary-TTSC would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiary-TTSC will make contributions for 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 and expenses of, \$52,629, \$84,824, \$97,854 and \$145,442 for the three-month and six-month periods ended June 30, 2019 and 2020, respectively.
 - (d) Expected contributions to the defined benefit pension plans of the Company and its subsidiary-TTSC for the six-month period ended June 30, 2020 amounts to \$98,628.
- 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 and expenses under defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2020 and 2019 were \$72,651, \$67,740, \$150,297 and \$130,115, respectively.

(17) Capital stock

- A. As of June 30, 2020, the Company's authorized capital was \$50,000,000, and the paid-in capital was \$48,129,738, consisting of 4,812,974 thousand shares of common stocks with a par value of NT\$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. On June 24, 2020, the shareholders meeting of the Company resolved to increase authorized capital from \$50,000,000 to \$70,000,000. All proceeds from share issuance was completed on July 22, 2020.
- C. On August 13, 2019, 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 (in dollars) per share, of which 30,000 thousand shares are reserved for employee preemption. The proposal of capital increase has been reported and became effective on December 3, 2019. The total amount of shares was \$3,333,934. All proceeds from share issuance was completed on December 31, 2019.

(18) 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.

	2020				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 9,167,217	\$ 110,956	\$ 2,122,105	\$ 446	\$ 6,713
Expired unclaimed dividends	-	-	-	-	38
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	1,019	-	-
At June 30	<u>\$ 9,167,217</u>	<u>\$ 110,956</u>	<u>\$ 2,123,124</u>	<u>\$ 446</u>	<u>\$ 6,751</u>
	2019				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 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	-	-	(8,924)	-	-
At June 30	<u>\$ 8,833,283</u>	<u>\$ 93,890</u>	<u>\$ 2,115,889</u>	<u>\$ 446</u>	<u>\$ 6,713</u>

(19) 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. The appropriation of earnings of year 2018 as resolved by the shareholders meeting of the Company on June 21, 2019 is as follows:

	Year ended December 31, 2018
Accrual of legal reserve	\$ <u>29,392</u>

F. For the year ended December 31, 2019, the Company's net income after tax plus other items including current unappropriated retained earnings are negative, thus the Company will not provision legal reserve. Additionally, the shareholders meeting of the Company during its meeting on June 24, 2020 adopted a resolution to participate will retain attributable earnings for future operating plan, thus the Company will not appropriate shareholders' bonus.

(20) Other equity items

	2020			
	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1	\$ 1,411,638	\$ 579,757	(\$ 856,773)	\$ 1,134,622
Revaluation – gross	(254,166)	-	-	(254,166)
Revaluation – tax	10,198	-	-	10,198
Revaluation – associates	(79,546)	-	-	(79,546)
Cash flow hedges:				
– Fair value loss in the period				
– Group	-	332,265	-	332,265
– Group – tax	-	(68,476)	-	(68,476)
– Associates	-	86,312	-	86,312
Currency translation differences:				
– Group	-	-	(897,208)	(897,208)
– Group – tax	-	-	13	13
– Associates	-	-	(94,805)	(94,805)
At June 30	<u>\$ 1,088,124</u>	<u>\$ 929,858</u>	<u>(\$ 1,848,773)</u>	<u>\$ 169,209</u>
	2019			
	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1	\$ 1,234,225	(\$ 58,649)	\$ 17,580	\$ 1,193,156
Revaluation – gross	240,821	-	-	240,821
Revaluation – tax	(7,125)	-	-	(7,125)
Revaluation – associates	41,341	-	-	41,341
Revaluation transferred to retained earnings – associates	2	-	-	2
Cash flow hedges:				
– Fair value loss in the period				
– Group	-	(158,841)	-	(158,841)
– Group – tax	-	32,907	-	32,907
– Associates	-	(141,914)	-	(141,914)
Currency translation differences:				
– Group	-	-	417,845	417,845
– Group – tax	-	-	(5)	(5)
– Associates	-	-	45,656	45,656
At June 30	<u>\$ 1,509,264</u>	<u>(\$ 326,497)</u>	<u>\$ 481,076</u>	<u>\$ 1,663,843</u>

(21) Operating revenue

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Revenue from contracts with customers	\$ 43,316,204	\$ 46,396,725
Other - ship rental and slottage income	554,542	715,016
	<u>\$ 43,870,746</u>	<u>\$ 47,111,741</u>
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Revenue from contracts with customers	\$ 86,218,244	\$ 91,834,139
Other - ship rental and slottage income	1,127,757	974,654
	<u>\$ 87,346,001</u>	<u>\$ 92,808,793</u>

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 (terminal and other services) in the following major businesses (Ship-owners, agent and terminal are classified as transportation department) :

<u>Three-month period ended June 30, 2020</u>	<u>Ship-owners</u>	<u>Agent</u>	<u>Terminal</u>	<u>Other</u>	<u>Total</u>
Total segment revenue	\$ 44,038,669	\$ 1,960,651	\$ 3,336,415	\$ 287,567	\$ 49,623,302
Inter-segment revenue	(3,468,237)	(1,206,055)	(1,632,806)	-	(6,307,098)
Revenue from external customer contracts	<u>\$ 40,570,432</u>	<u>\$ 754,596</u>	<u>\$ 1,703,609</u>	<u>\$ 287,567</u>	<u>\$ 43,316,204</u>

<u>Three-month period ended June 30, 2019</u>	<u>Ship-owners</u>	<u>Agent</u>	<u>Terminal</u>	<u>Other</u>	<u>Total</u>
Total segment revenue	\$ 47,345,936	\$ 2,284,318	\$ 3,761,186	\$ 485,226	\$ 53,876,666
Inter-segment revenue	(4,032,804)	(1,446,135)	(2,001,002)	-	(7,479,941)
Revenue from external customer contracts	<u>\$ 43,313,132</u>	<u>\$ 838,183</u>	<u>\$ 1,760,184</u>	<u>\$ 485,226</u>	<u>\$ 46,396,725</u>

<u>Six-month period ended June 30, 2020</u>	<u>Ship-owners</u>	<u>Agent</u>	<u>Terminal</u>	<u>Other</u>	<u>Total</u>
Total segment revenue	\$ 87,817,570	\$ 4,047,265	\$ 6,308,322	\$ 498,800	\$ 98,671,957
Inter-segment revenue	(6,897,359)	(2,434,772)	(3,121,582)	-	(12,453,713)
Revenue from external customer contracts	<u>\$ 80,920,211</u>	<u>\$ 1,612,493</u>	<u>\$ 3,186,740</u>	<u>\$ 498,800</u>	<u>\$ 86,218,244</u>

<u>Six-month period ended June 30, 2019</u>	<u>Ship-owners</u>	<u>Agent</u>	<u>Terminal</u>	<u>Other</u>	<u>Total</u>
Total segment revenue	\$ 93,315,079	\$ 4,524,967	\$ 7,330,236	\$ 973,860	\$ 106,144,142
Inter-segment revenue	(7,568,772)	(2,819,738)	(3,921,493)	-	(14,310,003)
Revenue from external customer contracts	<u>\$ 85,746,307</u>	<u>\$ 1,705,229</u>	<u>\$ 3,408,743</u>	<u>\$ 973,860</u>	<u>\$ 91,834,139</u>

B. Contract assets and liabilities

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>	<u>January 1, 2019</u>
Contract assets:				
Contract assets relating to marine freight income	\$ 1,186,338	\$ 1,693,497	\$ 1,654,853	\$ 2,244,065
Contract liabilities:				
Contract liabilities – unearned marine freight income	(\$ 2,492,427)	(\$ 2,213,538)	(\$ 2,166,031)	(\$ 1,774,392)

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

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Marine freight income	\$ -	\$ -
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Marine freight income	\$ 2,213,538	\$ 1,774,392

(22) Other income and expenses, net

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Net gains on disposal of property, plant and equipment	\$ 4,445	\$ 10,129
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Net gains on disposal of property, plant and equipment	(\$ 1,932)	\$ 357,520

(23) Interest income

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Interest income from bank deposits	\$ 82,831	\$ 183,139
Interest income from financial assets measured at amortised cost	4,561	9,062
	<u>\$ 87,392</u>	<u>\$ 192,201</u>

	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Interest income from bank deposits	\$ 202,424	\$ 353,487
Interest income from financial assets measured at amortised cost	<u>23,047</u>	<u>32,087</u>
	<u>\$ 225,471</u>	<u>\$ 385,574</u>

(24) Other income

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Rent income	\$ 52,278	\$ 50,215
Dividend income	73,247	57,526
Other income, others	<u>18,294</u>	<u>52,561</u>
	<u>\$ 143,819</u>	<u>\$ 160,302</u>

	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Rent income	\$ 109,908	\$ 100,449
Dividend income	73,247	89,638
Other income, others	<u>86,500</u>	<u>75,121</u>
	<u>\$ 269,655</u>	<u>\$ 265,208</u>

(25) Other gains and losses

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Net losses on disposal of investments	\$ -	(\$ 206)
Gains arising from lease modifications	464	2,306
Net currency exchange gains	63,901	8,405
Net gains on disposal of right-of-use assets	18,676	10,600
Depreciation on investment property	(38,875)	(41,924)
Other non-operating expenses	<u>(26,376)</u>	<u>(35,307)</u>
	<u>\$ 17,790</u>	<u>(\$ 56,126)</u>

	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Net gains on disposal of investments	\$ 161	\$ 22
Gains arising from lease modifications	465	2,306
Net currency exchange gains	209,769	113,840
Net gains on disposal of right-of-use assets	33,677	14,158
Depreciation on investment property	(78,159)	(83,643)
Other non-operating expenses	<u>(61,024)</u>	<u>(65,780)</u>
	<u>\$ 104,889</u>	<u>(\$ 19,097)</u>

(26) Finance costs

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Interest expense:		
Bank loans	\$ 587,445	\$ 783,442
Corporate bonds	24,953	25,231
Lease liabilities	<u>676,447</u>	<u>676,490</u>
	1,288,845	1,485,163
Less: Capitalized borrowing costs	(62,567)	(44,965)
	<u>\$ 1,226,278</u>	<u>\$ 1,440,198</u>
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Interest expense:		
Bank loans	\$ 1,187,667	\$ 1,477,488
Corporate bonds	50,184	50,184
Lease liabilities	<u>1,445,085</u>	<u>1,351,641</u>
	2,682,936	2,879,313
Less: Capitalized borrowing costs	(132,097)	(104,431)
	<u>\$ 2,550,839</u>	<u>\$ 2,774,882</u>

(27) Expenses by nature

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Employee benefit expense	\$ 2,328,108	\$ 2,425,005
Depreciation charges on property, plant and equipment	2,222,081	2,037,091
Depreciation charges on right-of-use assets	2,971,947	2,941,574
Amortisation charges on intangible assets	76,648	79,098
Other operating costs and expenses	<u>31,084,469</u>	<u>38,536,801</u>
	<u>\$ 38,683,253</u>	<u>\$ 46,019,569</u>
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Employee benefit expense	\$ 4,634,307	\$ 4,779,551
Depreciation charges on property, plant and equipment	4,383,782	4,042,280
Depreciation charges on right-of-use assets	6,035,269	5,836,598
Amortisation charges on intangible assets	153,654	156,742
Other operating costs and expenses	<u>66,454,244</u>	<u>75,957,600</u>
	<u>\$ 81,661,256</u>	<u>\$ 90,772,771</u>

(28) Employee benefit expense

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Wages and salaries	\$ 1,941,786	\$ 1,952,921
Labor and health insurance fees	163,617	133,622
Pension costs	125,280	152,564
Other personnel expenses	97,425	185,898
	<u>\$ 2,328,108</u>	<u>\$ 2,425,005</u>

	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Wages and salaries	\$ 3,852,692	\$ 3,848,131
Labor and health insurance fees	332,839	351,115
Pension costs	248,151	275,557
Other personnel expenses	200,625	304,748
	<u>\$ 4,634,307</u>	<u>\$ 4,779,551</u>

- 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) In accordance with the Articles of Incorporation of the Company, based on the profit for the six-month period ended June 30, 2020, employees' compensation and directors' remunerations were accrued at \$14,691 and \$4,585, respectively. The aforementioned amount was recognised in salary expenses.
- (b) For the six-month period ended June 30, 2019, employees' compensation was accrued at \$830, while directors' remunerations was accrued at \$233. The aforementioned amount was recognised in salary expenses.

Information about the appropriation of employees', directors' and supervisors' remuneration by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Current tax:		
Current tax on profits for the period	\$ 261,357	\$ 336,938
Prior year income tax underestimation (overestimation)	<u>48,658</u>	<u>(1,979)</u>
Total current tax	<u>310,015</u>	<u>334,959</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>135,510</u>	<u>(51,996)</u>
Total deferred tax	<u>135,510</u>	<u>(51,996)</u>
Income tax expense	<u>\$ 445,525</u>	<u>\$ 282,963</u>
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Current tax:		
Current tax on profits for the period	\$ 428,206	\$ 632,956
Prior year income tax underestimation (overestimation)	<u>51,199</u>	<u>(11,089)</u>
Total current tax	<u>479,405</u>	<u>621,867</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>81,629</u>	<u>(94,281)</u>
Total deferred tax	<u>81,629</u>	<u>(94,281)</u>
Income tax expense	<u>\$ 561,034</u>	<u>\$ 527,586</u>

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

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Changes in fair value of financial assets at fair value through other comprehensive (loss) income	(\$ 3,316)	\$ 8,967
Exchange differences on translating the financial statements of foreign operations	-	3
Remeasurement of defined benefit obligations	-	-
Cash flow hedges	<u>97,031</u>	<u>(15,038)</u>
	<u>\$ 93,715</u>	<u>(\$ 6,068)</u>
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Changes in fair value of financial assets at fair value through other comprehensive (loss) income	(\$ 10,198)	\$ 7,125
Exchange differences on translating the financial statements of foreign operations	(13)	5
Remeasurement of defined benefit obligations	159	-
Cash flow hedges	<u>68,476</u>	<u>(32,907)</u>
	<u>\$ 58,424</u>	<u>(\$ 25,777)</u>

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

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	(\$ 22)	(\$ 26)
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	(\$ 46)	(\$ 52)

B. The Company and its subsidiary-TTSC's income tax returns through 2017 and 2018 have been assessed and approved by the Tax Authority, respectively.

(30) Earnings (loss) per share

	<u>Three-month period ended June 30, 2020</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	<u>\$ 3,192,356</u>	<u>4,812,974</u>	<u>\$ 0.66</u>
<u>Diluted earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 3,192,356	4,812,974	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>1,793</u>	
Net profit attributable to ordinary shareholders of the parent	<u>\$ 3,192,356</u>	<u>4,814,767</u>	<u>\$ 0.66</u>
	<u>Three-month period ended June 30, 2019</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Loss per share (in dollars)</u>
<u>Basic loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	<u>(\$ 354,766)</u>	<u>4,512,974</u>	<u>(\$ 0.08)</u>
<u>Diluted loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	<u>(\$ 354,766)</u>	<u>4,512,974</u>	<u>(\$ 0.08)</u>

	<u>Six-month period ended June 30, 2020</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 2,750,779	4,812,974	\$ 0.57
<u>Diluted earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 2,750,779	4,812,974	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,793	
Net profit attributable to ordinary shareholders of the parent	\$ 2,750,779	4,814,767	\$ 0.57
	<u>Six-month period ended June 30, 2019</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 204,806	4,512,974	\$ 0.05
<u>Diluted earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	204,806	4,512,974	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	85	
Net profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 204,806	4,513,059	\$ 0.05

(31) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

Subsidiary, EGH, purchased 3% of outstanding shares of ECN for cash of \$650 (approx. USD 21) on December 10, 2019. The carrying amount of non-controlling interest in ECN was \$2,019 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$2,019 and an increase in the equity attributable to owners of the parent by \$1,369.

B. The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary

Indirect subsidiary, ECO, of the Group increased its capital by issuing new shares on May 31, 2019. The subsidiary, EGH, did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 25%. The transaction increased non-controlling interest by \$6,387 and decreased the equity attributable to owners of parent by \$3,006.

C. For the six-month period ended June 30, 2020, the amount of cash dividends paid to non-controlling interests was \$197,085.

(32) Supplemental cash flow information

A. Investing activities with partial cash payments

(a) Property, plant and equipment

	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Purchase of property, plant and equipment	\$ 4,012,726	\$ 4,925,948
Add: Opening balance of payable on equipment	455,427	34,258
Less: Ending balance of payable on equipment	(809,492)	(1,737,460)
Cash paid during the period	<u>\$ 3,658,661</u>	<u>\$ 3,222,746</u>

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

	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Purchase of prepayments for equipment	\$ 10,609,573	\$ 5,914,049
Add: Opening balance of payable on prepayments for equipment	-	194
Less: Ending balance of payable on prepayments for equipment	(99,153)	(55,146)
Capitalized borrowing costs	(132,097)	(104,431)
Cash paid during the period	<u>\$ 10,378,323</u>	<u>\$ 5,754,666</u>

(33) Changes in liabilities from financing activities

	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities and Financial liabilities for hedging	Liabilities from financing activities-gross
At January 1, 2020	\$ 106,701,568	\$ 325,987	\$ 81,231,835	\$ 188,259,390
Changes in cash flow from financing activities	5,464,977	(39,553)	(5,693,482)	(268,058)
Changes in other non-cash items	-	-	3,486,154	3,486,154
Impact of changes in foreign exchange rate	(1,258,409)	(6,180)	(1,111,528)	(2,376,117)
At June 30, 2020	<u>\$ 110,908,136</u>	<u>\$ 280,254</u>	<u>\$ 77,912,979</u>	<u>\$ 189,101,369</u>

	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities (lease payable) and Financial liabilities for hedging	Liabilities from financing activities-gross
At January 1, 2019	\$ 99,360,501	\$ 347,115	\$ 11,639,698	\$ 111,347,314
Adjustments under new standards	-	-	60,563,079	60,563,079
Changes in cash flow from financing activities	6,565,785	(9,719)	(5,450,061)	1,106,005
Changes in other non-cash items	-	-	9,498,280	9,498,280
Impact of changes in foreign exchange rate	572,448	3,233	693,596	1,269,277
At June 30, 2019	<u>\$ 106,498,734</u>	<u>\$ 340,629</u>	<u>\$ 76,944,592</u>	<u>\$ 183,783,955</u>

7. RELATED PARTY TRANSACTIONS

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

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Evergreen International Storage and Transport Corp. (EITC)	Associate
Eva Airways Corp. (EVA)	Associate
Evergreen Security Corp. (ESC)	Associate
Chang Yang Development Co., Ltd. (CYD)	Associate
Taipei Port Container Terminal Corp. (TPCT)	Associate
Ningbo Victory Container Co. Ltd. (NVC)	Associate
Qingdao Evergreen C&T Co., Ltd. (QECT)	Associate
Green Peninsula Agencies Sdn. Bhd. (GPP)	Associate
Luanta Investment (Netherlands) N.V. (Luanta)	Associate
Balsam Investment (Netherlands) N.V. (Balsam)	Associate
Italia Marittima S.p.A. (ITS)	Associate
Colon Container Terminal S.A. (CCT)	Associate
PT. Evergreen Shipping Agency Indonesia (EMI)	Associate
Evergreen Shipping Agency Co. (U.A.E) LLC (UAE)	Associate

Names of related parties	Relationship with the Group
Evergreen Shipping Agency Lanka (Private) Limited (ELK)	Associate (An associate since March 1, 2019)
VIP Greenport Joint Stock Company (VGP)	Associate
Ics Depot Services Sdn. Bhd. (IDS)	Associate
Evergreen Marine (Latin America) S.A. (ELA)	Associate
Evergreen International Corp. (EIC)	(An subsidiary since March 1, 2020)
Evergreen Airline Service Corp. (EGAS)	Other related party
Chang Yung-Fa Charity Foundation (CYFC)	Other related party
Chang Yung-Fa Foundation (CYFF)	Other related party
Evergreen Steel Corp. (EGST)	Other related party
Ever Accord Construction Corporation (EAC)	Other related party
Evergreen Aviation Technologies Corporation (EGAT)	Other related party
Evergreen Sky Catering Corporation (EGSC)	Other related party
Evergreen Air Cargo Services Corporation (EGAC)	Other related party
Evergreen Aviation Precision Corporation (EGAP)	Other related party
Central Reinsurance Corporation(CRC)	(Has been merged with EGAT on February 28, 2019)
Evergreen International S.A.(EIS)	Other related party
Evergreen Marine (Singapore) Pte. Ltd.(EMS)	Other related party
Gaining Enterprise S.A. (GESA)	Other related party
Evergreen Insurance Company Ltd. (EINS)	Other related party
Evergreen Shipping Agency (America) Corporation (EGA)	Other related party
Evergreen Shipping Agency (Japan) Corporation (EGJ)	Other related party
Evergreen Shipping Agency Philippines Corporation (EGP)	Other related party
Evergreen International Myanmar Co., Ltd. (EIM)	Other related party
Chestnut Estate B.V. (Chestnut)	Other related party
Advanced Business Process, Inc. (ABPI)	Other related party
Unigreen Marine S.A.(UMS)	Other related party
Directors, General manager and Vice General Manager	Key management

(2) Significant related party transactions and balances

A. Operating revenue:

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Sales of services:		
Associates	\$ 419,233	\$ 540,493
Other related parties	<u>2,982,932</u>	<u>3,418,571</u>
	<u>\$ 3,402,165</u>	<u>\$ 3,959,064</u>
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Sales of services:		
Associates	\$ 928,459	\$ 1,165,258
Other related parties	<u>5,849,768</u>	<u>6,571,421</u>
	<u>\$ 6,778,227</u>	<u>\$ 7,736,679</u>

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

B. Purchases:

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Purchases of services:		
Associates	\$ 862,705	\$ 888,002
Other related parties	<u>1,591,156</u>	<u>1,909,627</u>
	<u>\$ 2,453,861</u>	<u>\$ 2,797,629</u>
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Purchases of services:		
Associates	\$ 1,720,663	\$ 1,511,826
Other related parties	<u>3,242,808</u>	<u>3,752,257</u>
	<u>\$ 4,963,471</u>	<u>\$ 5,264,083</u>

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

C. Receivables from related parties:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Accounts receivable:			
Associates	\$ 56,810	\$ 121,156	\$ 79,451
Other related parties	<u>526,681</u>	<u>659,406</u>	<u>744,522</u>
Subtotal	<u>\$ 583,491</u>	<u>\$ 780,562</u>	<u>\$ 823,973</u>
Other receivables:			
Associates			
-EVA	\$ 194,407	\$ -	\$ 377,266
-EITC	130,757	-	63,784
-Other	98,486	1,818	150,797
Other related parties			
-Other	<u>54,518</u>	<u>18,796</u>	<u>25,907</u>
Subtotal	<u>\$ 478,168</u>	<u>\$ 20,614</u>	<u>\$ 617,754</u>
Total	<u>\$ 1,061,659</u>	<u>\$ 801,176</u>	<u>\$ 1,441,727</u>

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:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Accounts payable:			
Associates	\$ 115,875	\$ 143,074	\$ 57,476
Other related parties	<u>370,609</u>	<u>268,028</u>	<u>188,403</u>
Subtotal	<u>\$ 486,484</u>	<u>\$ 411,102</u>	<u>\$ 245,879</u>
Other payables:			
Associates	\$ 19,683	\$ 31,825	\$ 35,122
Other related parties	<u>157,396</u>	<u>149,671</u>	<u>76,463</u>
Subtotal	<u>\$ 177,079</u>	<u>\$ 181,496</u>	<u>\$ 111,585</u>
Total	<u>\$ 663,563</u>	<u>\$ 592,598</u>	<u>\$ 357,464</u>

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

E. Property transactions:

(a) Acquisition of property, plant and equipment:

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Associates	\$ 8,570	\$ 1,903
Other related parties	763	-
	<u>\$ 9,333</u>	<u>\$ 1,903</u>
	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Associates	\$ 8,570	\$ 2,018
Other related parties	73,333	-
	<u>\$ 81,903</u>	<u>\$ 2,018</u>

(b) Disposal of property, plant and equipment:

	Three-month period ended June 30, 2020		Three-month period ended June 30, 2019	
	Disposal proceeds	Gain on disposal	Disposal proceeds	Gain on disposal
Associates	\$ -	\$ -	\$ -	\$ -
	Six-month period ended June 30, 2020		Six-month period ended June 30, 2019	
	Disposal proceeds	Gain on disposal	Disposal proceeds	Gain on disposal
Associates	\$ -	\$ -	\$ 149	\$ 14

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 10 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:

	June 30, 2020	December 31, 2019	June 30, 2019
Associates	\$ 580,080	\$ 791,302	\$ 1,021,103
Other related parties	375,831	487,665	573,921
	<u>\$ 955,911</u>	<u>\$ 1,278,967</u>	<u>\$ 1,595,024</u>

ii. Interest expense:

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Associates	\$ 6,985	\$ 13,163
Other related parties	3,693	(2,707)
	<u>\$ 10,678</u>	<u>\$ 10,456</u>
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Associates	\$ 15,144	\$ 22,314
Other related parties	7,690	10,259
	<u>\$ 22,834</u>	<u>\$ 32,573</u>

(d) Lease liabilities designated as hedges:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Associates	\$ 69,992	\$ 94,049	\$ 120,669
Other related parties	423,947	610,456	972,619
	<u>\$ 493,939</u>	<u>\$ 704,505</u>	<u>\$ 1,093,288</u>

G. Agency accounts:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Debit balance of agency accounts:			
Associates	\$ 61	\$ 513	\$ -
Other related parties			
-EIC	686,585	337,038	-
-EGA	1,113,290	-	150,880
-Other	14,537	98,580	16,182
	<u>\$ 1,814,473</u>	<u>\$ 436,131</u>	<u>\$ 167,062</u>
	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Credit balance of agency accounts:			
Associates	(\$ 55,954)	(\$ 135,281)	(\$ 112,359)
Other related parties			
-EGJ	(386,923)	(523,778)	(442,940)
-Other	-	(49,274)	(5,238)
	<u>(\$ 442,877)</u>	<u>(\$ 708,333)</u>	<u>(\$ 560,537)</u>

H. Shipowner's accounts:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Debit balance of shipowner's accounts:			
Associates			
-ITS	\$ 770,786	\$ -	\$ 130,652
Other related parties			
-EIS	-	-	1,194,260
-GESA	19,093	28,957	32,757
	<u>\$ 789,879</u>	<u>\$ 28,957</u>	<u>\$ 1,357,669</u>
	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Credit balance of shipowner's accounts:			
Associates			
-ITS	\$ -	(\$ 277,877)	\$ -
Other related parties			
-EIS	(689,412)	(1,027,141)	-
-EMS	(1,570,919)	(1,061,752)	(1,682,782)
	<u>(\$ 2,260,331)</u>	<u>(\$ 2,366,770)</u>	<u>(\$ 1,682,782)</u>

I. Loans to/from related parties:

(a) Loans to related parties:

i. Outstanding balance:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Associates	\$ 796,533	\$ 722,926	\$ 662,685

ii. Interest income:

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Associates	\$ 2,894	\$ 3,419
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Associates	\$ 7,708	\$ 8,553

The loans to associates carry interest at floating rates for the three-month and six-month periods ended June 30, 2019 and 2020.

(b) Loans from related parties:

i. Outstanding balance:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Other related parties	\$ 9,553	\$ 524,743	\$ 607,072

ii. Interest expense:

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Other related parties	<u>\$ 2,946</u>	<u>\$ 7,283</u>
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Other related parties	<u>\$ 7,470</u>	<u>\$ 18,101</u>

The loans from associates carry interest at floating rates for the three-month and six-month periods ended June 30, 2019 and 2020.

J. Endorsements and guarantees provided to related parties:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Associates	<u>\$ 2,246,148</u>	<u>\$ 3,674,191</u>	<u>\$ 3,173,361</u>

- K. 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, with a subscription price of NT\$13 (in dollars) per share and total price of \$508,944. The effective date was set on January 24, 2019. Moreover, the Company purchased 70 thousand shares as specific person and the purchase amounted to \$700.
- L. On November 10, 2019, the Board of Directors of the subsidiary, Peony, has resolved to participate in the capital increase of the investee, Balsam, accounted for using equity method, as the original shareholder. The amount of capital increase was USD 24,500. The effective date was set on November 14, 2019.
- M. On November 13, 2019, the shareholders at the shareholders' meeting of the subsidiary, Armand B.V., approved to sell 2.92% equity interests of the associate, Taipei Port Container Terminal Corporation, to other related party, EIS. The transaction date was set on February 1, 2020, and the transaction price amounted to \$150,464 (approx. USD 4,997).
- N. On December 20, 2019, the Board of Directors of the subsidiary, EGH, approved to acquire 16.50% equity interests of ELA from the associate, ITS, and each other related party, EIS and EMS. The transaction date was set on March 1, 2020, and the transaction price amounted to \$9,712 (approx. USD 323).

(3) Key management compensation

	<u>Three-month period ended June 30, 2020</u>	<u>Three-month period ended June 30, 2019</u>
Salaries and other short-term employee benefits	\$ 44,132	\$ 33,472
Post-employment benefits	722	591
Salaries and other long-term employee benefits	<u>107</u>	<u>-</u>
	<u>\$ 44,961</u>	<u>\$ 34,063</u>
	<u>Six-month period ended June 30, 2020</u>	<u>Six-month period ended June 30, 2019</u>
Salaries and other short-term employee benefits	\$ 99,357	\$ 82,666
Post-employment benefits	1,275	1,349
Salaries and other long-term employee benefits	<u>214</u>	<u>-</u>
	<u>\$ 100,846</u>	<u>\$ 84,015</u>

8. PLEGGED ASSETS

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

<u>Pledged assets</u>	<u>Book value</u>			<u>Purpose</u>
	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>	
Financial assets at amortised cost				Performance guarantee
- Pledged time deposits	\$ 239,295	\$ 290,740	\$ 293,748	
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	5,460,691	5,631,364	5,752,582	"
-Loading and unloading equipment	1,693,910	1,900,801	1,984,915	"
-Ships	77,518,231	71,742,174	71,789,557	"
-Computer and communication equipment	221,981	314,161	416,078	"
Investment property				
-Land	1,285,781	1,285,781	1,285,781	Long-term loan
-Buildings	<u>3,837,805</u>	<u>3,972,653</u>	<u>4,346,133</u>	"
	<u>\$ 90,774,006</u>	<u>\$ 85,653,986</u>	<u>\$ 86,385,106</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. As of June 30, 2020, the Company had delegated DBS Bank to issue Standby Letter of Credit amounting to USD 5,000.
- B. As of June 30, 2020, 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 \$138,422,180 and the unutilized credit was \$27,476,002.
- C. As of June 30, 2020, the amount of guaranteed notes issued by the Company for loans borrowed was \$88,896,197.
- D. To meet its operational needs, the Company signed the shipbuilding contracts with Samsung Heavy Industries, Hyundai Mipo Dockyard Co., Ltd, Jiangnan Shipyard (Group) Co., Ltd. and China Shipbuilding Trading Company Ltd.. As of June 30, 2020, the total price of the contracts, wherein the vessels have not yet been delivered amounted to USD 2,298,832, USD 1,897,744 of which remain unpaid.
- E. To meet its operational needs, the Company signed the transportation equipment purchase contracts. As of June 30, 2020, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to USD 86,920, USD 22,632 of which remain unpaid.
- F. 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. The total contract prices are USD 32,716 and USD 18,920 remain unpaid. The Group signed installation contracts with Huarun Dadong Dockyard Co., Ltd., COSCO Shipping Heavy Industry (Zhoushan) Co., Ltd. and Global Oil And Gas Services. As of June 30, 2020, the total price of the contracts amounted to USD 58,874, USD 42,953 of which remain unpaid.
- G. To meet its operational needs, the Company signed the loading and unloading equipment purchase contracts. As of June 30, 2020, the total price of the contracts amounted to \$98,932, \$89,039 of which remain unpaid.
- H. For the Group's lease contract which was entered into but not completed construction. As of June 30, 2020, the expected minimum lease payment in the future was \$110,580,353.
- I. As of June 30, 2020, the Group had entered into a service contract which was not belonging to lease component. The amount of future commitment payment is provided in Note 6(9).

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A. On June 30, 2020, the Board of Directors of the subsidiary, EGH, resolved to make an equity transaction. EGH acquired 40% and 60% equity interests of EGP from the other related party, EIS, and a non-related party, respectively, and obtained the control over EGP. The transaction date was July 1, 2020 and the transaction amount was PHP 239,500 (approx. \$141,760).

- (a) The following table based on an unconfirmed acquisition of EGP report summarises the consideration paid and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>July 1, 2020</u>
Purchase Consideration	
Cash paid	\$ 141,760
Fair value of the identifiable assets	
Cash and cash equivalents	413,198
Notes receivable	3,742
Accounts receivable	200,995
Prepayments	40,386
Other current assets	203,821
Property, plant and equipment, net	117,256
Right-of-use assets	2,419
Intangible assets	7,022
Other non-current assets	5,383
Accounts payable	(119,922)
Current income tax liabilities	(2,462)
Other current liabilities	(297,601)
Deferred income tax liabilities	(41,430)
Lease liabilities	(1,012)
Other non-current liabilities	(384,422)
Total identifiable net assets	<u>147,373</u>
Gain from bargain purchase	<u>(\$ 5,613)</u>

- (b) The fair value of the acquired identifiable intangible assets – customer relationship of \$6,640 is provisional pending receipt of the final valuations for those assets.
- (c) Had EGP been acquired from January 1, 2020, the consolidated statement of comprehensive income for the six-month period ended June 30, 2020 would show operating revenue and profit before income tax of \$16,325 and \$21,556, respectively.
- B. On July 9, 2020, the Board of Directors of the Company resolved to issue the maximum amount of USD 300,000, 0% first unsecured overseas convertible bonds due in 5 years.
- C. To fully maximize markets in Malaysia, on August 13, 2020, the Board of Directors of the second-tier subsidiary, EGM, resolved to make a property transaction. EGM would purchase properties located in Shah Alam City, Johor Bahru City and Port of Tanjung Pelepas (PTP), Malaysia from the associate, GPP, for the appraised amount of MYR 46,000.

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 1,458,417	\$ 1,719,423	\$ 1,897,715
Financial assets at amortised cost			
Cash and cash equivalents	\$ 38,258,732	\$ 37,871,889	\$ 37,163,150
Financial assets at amortised cost	762,480	2,188,536	2,218,823
Notes receivables	95,124	129,545	90,183
Accounts receivable	14,645,781	14,759,813	15,287,680
Other accounts receivable	1,422,304	1,027,279	1,495,489
Guarantee deposits paid	231,793	229,095	229,710
	<u>\$ 55,416,214</u>	<u>\$ 56,206,157</u>	<u>\$ 56,485,035</u>
	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Accounts payable	\$ 15,523,040	\$ 16,580,812	\$ 17,293,161
Other accounts payable	5,022,490	5,113,118	6,339,398
Bonds payable	10,000,000	10,000,000	10,000,000
Lease payable (including current portion)	59,062,501	61,042,893	60,932,198
Long-term borrowings (including current portion)	110,908,136	106,701,568	106,498,734
Guarantee deposits received	280,254	325,987	340,629
	<u>\$ 200,796,421</u>	<u>\$ 199,764,378</u>	<u>\$ 201,404,120</u>
Financial liabilities for hedging (including current portion)	<u>\$ 18,850,478</u>	<u>\$ 20,188,942</u>	<u>\$ 16,012,394</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by the Group's Finance Department under policies approved by the Board of Directors. The Group's Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Group's Operating Department. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and CNY. 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, CNY and others). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30, 2020			
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 691,095	29.4600	\$ 20,359,659
EUR:NTD	5,446	1.1198	179,660
GBP:USD	3,261	1.2302	118,184
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,283,492	29.4600	\$ 37,811,674
CNY:NTD	59,500	4.1604	247,544
HKD:USD	118,524	0.1290	450,431
GBP:USD	7,059	1.2302	255,830
EUR:USD	5,030	1.1198	165,936
CNY:USD	241,481	0.1412	1,004,501
December 31, 2019			
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 582,814	30.0130	\$ 17,491,997
GBP:USD	2,889	1.3118	113,743
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,080,163	30.0130	\$ 32,418,932
HKD:USD	97,479	0.1284	375,652
GBP:USD	3,807	1.3118	149,886
EUR:USD	4,190	1.1233	141,260
CNY:USD	225,390	0.1431	968,019

	June 30, 2019		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 893,643	31.0505	\$ 27,748,062
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,414,098	31.0505	\$ 43,908,450
HKD:USD	104,379	0.1280	414,851
GBP:USD	5,421	1.2677	213,385
CNY:USD	216,392	0.1454	976,954
EUR:USD	3,691	1.1369	130,297

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 and six-month periods ended June 30, 2020 and 2019 amounted to \$63,901, \$8,405, \$209,769 and \$113,840, respectively.

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

	Six-month period ended June 30, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 203,597	\$ -
EUR:USD	1%	1,797	-
GBP:USD	1%	1,182	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 189,611	\$ 188,505
CNY:NTD	1%	2,475	-
HKD:USD	1%	4,504	-
GBP:USD	1%	2,558	-
EUR:USD	1%	1,659	-
RMB:USD	1%	10,045	-

	Six-month period ended June 30, 2019		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 277,481	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 278,960	\$ 160,125
HKD:USD	1%	4,149	-
GBP:USD	1%	2,134	-
CNY:USD	1%	9,770	-
EUR:USD	1%	1,303	-

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 other comprehensive income. 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 \$14,340 and \$18,470 for the six-month periods ended June 30, 2020 and 2019, respectively, as a result of other comprehensive income classified as equity investment at fair value through other 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 six-month periods ended June 30, 2020 and 2019, the Group's borrowings at variable rate were denominated in the NTD, USD and GBP.

- ii. At June 30, 2020 and 2019, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2020 and 2019 would have been \$986,434 and \$935,857 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. As the Group's historical credit losses experience does not show significantly different loss patterns for different customer segments which are worldwide and in a wide range without connection, so there is no credit risk concentration for notes and accounts receivable as well as contract assets. Therefore, the provision for losses is not further distinguished according to different segments of the Group's customer base.
- v. 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. As of June 30, 2020, December 31, 2019 and June 30, 2019, the Group has no written-off financial assets that are still under recourse procedures.
- vi. The Group used the forecastability to adjust historical, timely information, economic conditions of the industry, GDP forecast and trade growth rate to assess the default possibility of accounts receivable (including related parties), contract assets and overdue receivable. As of June 30, 2020, December 31, 2019 and June 30, 2019, the loss rate methodology is as follows:

Accounts receivable (including related parties)			
<u>At June 30, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 12,411,939	0.0049%~0.8508%	\$ 6,871
Up to 30 days	2,030,759	0.0149%~0.4689%	1,326
31 to 180 days	141,699	0.0085%~1.5533%	171
Over 180 days	70,865	0.0349%~15.3460%	1,113
Total	<u>\$ 14,655,262</u>		<u>\$ 9,481</u>

Contract assets			
<u>At June 30, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 1,186,452	0%~0.0067%	\$ 114
Total	<u>\$ 1,186,452</u>		<u>\$ 114</u>

Overdue receivable			
<u>At June 30, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Over 180 days	\$ 264,667	100%	\$ 264,667
Total	<u>\$ 264,667</u>		<u>\$ 264,667</u>

Accounts receivable (including related parties)			
<u>December 31, 2019</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 12,094,901	0.03%~0.08%	\$ 10,107
Up to 30 days	2,450,297	0.03%~0.08%	2,048
31 to 180 days	226,960	0.03%~0.08%	190
Total	<u>\$ 14,772,158</u>		<u>\$ 12,345</u>

Contract assets			
<u>December 31, 2019</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 1,694,072	0.03%	\$ 575
Total	<u>\$ 1,694,072</u>		<u>\$ 575</u>

Overdue receivable			
<u>December 31, 2019</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Over 180 days	\$ 269,506	100%	\$ 269,506
Total	<u>\$ 269,506</u>		<u>\$ 269,506</u>

Accounts receivable (including related parties)			
At June 30, 2019	Total book value	Expected loss rate	Loss allowance
Not past due	\$ 10,625,541	0.03%~0.10%	\$ 11,323
Up to 30 days	3,501,570	0.03%~0.10%	3,731
31 to 180 days	1,176,877	0.03%~0.10%	1,254
Total	<u>\$ 15,303,988</u>		<u>\$ 16,308</u>

Contract assets			
At June 30, 2019	Total book value	Expected loss rate	Loss allowance
Not past due	\$ 1,655,399	0.03%	\$ 546
Total	<u>\$ 1,655,399</u>		<u>\$ 546</u>

Overdue receivable			
At June 30, 2019	Total book value	Expected loss rate	Loss allowance
Over 180 days	\$ 278,585	100%	\$ 278,585
Total	<u>\$ 278,585</u>		<u>\$ 278,585</u>

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

	2020			
	Notes receivable	Accounts receivable	Contract assets	Overdue receivable
At January 1	(\$ 2)	(\$ 12,345)	(\$ 575)	(\$ 269,506)
Provision for impairment	(7)	(2,233)	-	-
Reversal of impairment loss	-	4,614	460	-
Reclassifications	-	-	-	-
Write-offs	-	-	-	-
Effect of foreign exchange	-	483	1	4,839
At June 30	<u>(\$ 9)</u>	<u>(\$ 9,481)</u>	<u>(\$ 114)</u>	<u>(\$ 264,667)</u>

	2019			
	Notes receivable	Accounts receivable	Contract assets	Overdue receivable
At January 1	(\$ 4)	(\$ 96,468)	(\$ 692)	(\$ 202,654)
Provision for impairment	-	(1,806)	25	-
Reversal of impairment loss	1	15,437	121	-
Reclassifications	-	66,913	-	(66,913)
Write-offs	-	1	-	-
Effect of foreign exchange	1	(385)	-	(9,018)
At June 30	<u>(\$ 2)</u>	<u>(\$ 16,308)</u>	<u>(\$ 546)</u>	<u>(\$ 278,585)</u>

(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:

June 30, 2020	Less than 3 months	Between 3	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		months and 1 year				
Notes payable	\$ 15,982	\$ -	\$ -	\$ -	\$ -	\$ 15,982
Accounts payable	\$14,861,786	\$ 174,770				15,036,556
Accounts payable - related parties	426,927	59,557	-	-	-	486,484
Other payables	4,604,767	231,091	-	-	-	4,835,858
Other payables - related parties	175,468	1,610	-	-	9,554	186,632
Bonds payable (including current portion)	-	4,101,200	4,059,200	2,017,200	-	10,177,600
Long-term loans (including current portion)	4,577,714	22,207,124	24,955,466	46,662,531	17,216,154	115,618,989
Lease payable and financial liabilities for hedging (including current portion)	3,791,666	9,456,546	11,938,539	32,780,643	31,839,047	89,806,441

Non-derivative financial liabilities:

December 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	\$16,165,426	\$ 4,284	\$ -	\$ -	\$ -	\$16,169,710
Accounts payable - related parties	369,044	42,058	-	-	-	411,102
Other payables	4,115,041	288,335	3,503	-	-	4,406,879
Other payables - related parties	696,438	-	-	-	9,801	706,239
Bonds payable	-	101,200	4,101,200	6,076,400	-	10,278,800
Long-term loans (including current portion)	4,063,463	21,210,732	23,999,762	47,550,813	17,454,788	114,279,558
Lease payable and financial liabilities for hedging (including current portion)	3,815,715	9,799,502	12,274,193	34,201,995	34,848,315	94,939,720

Non-derivative financial liabilities:

June 30, 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	\$17,039,471	\$ 7,811	\$ -	\$ -	\$ -	\$17,047,282
Accounts payable - related parties	126,837	119,042	-	-	-	245,879
Other payables	5,396,809	216,869	4,508	460	2,095	5,620,741
Other payables - related parties	77,347	631,441	-	-	9,869	718,657
Bonds payable	-	101,200	4,101,200	6,076,400	-	10,278,800
Long-term loans (including current portion)	4,616,154	19,881,762	27,926,838	45,464,578	17,204,960	115,094,292
Lease payable and financial liabilities for hedging (including current portion)	3,598,369	8,335,180	10,006,334	29,186,053	19,217,613	70,343,549

- 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, financial assets measured at amortised cost, accounts payable and other payables are approximate to their fair values.

	June 30, 2020	
	Book value	Fair value Level 3
Financial liabilities:		
Bonds payable (including current portion)	\$ 10,000,000	\$ 10,120,291
Long-term loans (including current portion)	110,908,136	115,456,902
	<u>\$ 120,908,136</u>	<u>\$ 125,577,193</u>
	December 31, 2019	
	Book value	Fair value Level 3
Financial liabilities:		
Bonds payable	\$ 10,000,000	\$ 10,154,063
Long-term loans (including current portion)	106,701,568	114,134,001
	<u>\$ 116,701,568</u>	<u>\$ 124,288,064</u>
	June 30, 2019	
	Book value	Fair value Level 3
Financial liabilities:		
Bonds payable	\$ 10,000,000	\$ 10,118,734
Long-term loans (including current portion)	106,498,734	114,913,675
	<u>\$ 116,498,734</u>	<u>\$ 125,032,409</u>

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:

June 30, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 930,010</u>	<u>\$ -</u>	<u>\$ 528,407</u>	<u>\$ 1,458,417</u>

Liabilities:				
<u>Recurring fair value measurements</u>				
Derivative financial liabilities for hedging				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,850,478</u>

December 31, 2019	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 989,850</u>	<u>\$ -</u>	<u>\$ 729,573</u>	<u>\$ 1,719,423</u>

Liabilities:				
<u>Recurring fair value measurements</u>				
Derivative financial liabilities for hedging				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,188,942</u>

June 30, 2019	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 892,610</u>	<u>\$ -</u>	<u>\$1,005,105</u>	<u>\$ 1,897,715</u>

Liabilities:				
<u>Recurring fair value measurements</u>				
Derivative financial liabilities for hedging				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,012,394</u>

(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:

	<u>Listed shares</u>
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 six-month periods ended June 30, 2020 and 2019, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the six-month periods ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
At January 1	\$ 729,573	\$ 800,149
Gains and losses recognised in other comprehensive income (Note 1)	(201,166)	204,956
At June 30	<u>\$ 528,407</u>	<u>\$ 1,005,105</u>

Note 1: Recorded as 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 six-month periods ended June 30, 2020 and 2019, 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 June 30, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 521,635	Market comparable companies	Price to earnings ratio multiple	7.50~48.56	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.53~2.89	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	6,772	Net asset value	Net asset value		The higher the net asset value, the higher the fair value

	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 722,800	Market comparable companies	Price to earnings ratio multiple	8.82~46.24	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.54~3.06	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 June 30, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 998,333	Market comparable companies	Price to earnings ratio multiple	11.28~43.40	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.52~2.44	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	6,772	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:

		June 30, 2020					
				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%	\$ -	\$ -	\$ 5,216	\$ 5,216	
	Net asset value	±1%	-	-	68	68	
			\$ -	\$ -	\$ 5,284	\$ 5,284	

		December 31, 2019				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable	Unfavourable	Favourable	Unfavourable	
Input	Change	change	change	change	change	
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 7,228	\$ 7,228
	Net asset value	±1%	-	-	68	68
			\$ -	\$ -	\$ 7,296	\$ 7,296
		June 30, 2019				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable	Unfavourable	Favourable	Unfavourable	
Input	Change	change	change	change	change	
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 9,983	\$ 9,983
	Net asset value	±1%	-	-	68	68
			\$ -	\$ -	\$ 10,051	\$ 10,051

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.

(4) Information of major shareholder

Information of major shareholder: Please refer to table 9.

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:

	Six-month period ended June 30, 2020			
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	\$ 86,847,201	\$ 498,800	\$ -	\$ 87,346,001
Revenue from internal customers	13,967,797	-	(13,967,797)	-
Segment revenue	100,814,998	498,800	(13,967,797)	87,346,001
Interest income	214,431	11,040	-	225,471
Interest expense	(2,547,096)	(3,743)	-	(2,550,839)
Depreciation and amortisation	(10,525,637)	(125,227)	-	(10,650,864)
Share of income (loss) of associates and joint ventures accounted for using equity method	(25,548)	(43,511)	-	(69,059)
Other items	(70,110,227)	(519,766)	-	(70,629,993)
Segment profit (loss)	<u>\$ 17,820,921</u>	<u>(\$ 182,407)</u>	<u>(\$ 13,967,797)</u>	<u>\$ 3,670,717</u>
Recognizable assets	\$ 270,102,210	\$ 8,763,457	\$ -	\$ 278,865,667
Investments accounted for using equity method	22,844,616	5,564,052	-	28,408,668
Segment assets	<u>\$ 292,946,826</u>	<u>\$ 14,327,509</u>	<u>\$ -</u>	<u>\$ 307,274,335</u>
Segment liabilities	<u>\$ 231,013,853</u>	<u>\$ 953,391</u>	<u>\$ -</u>	<u>\$ 231,967,244</u>

	Six-month period ended June 30, 2019			
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	\$ 91,834,933	\$ 973,860	\$ -	\$ 92,808,793
Revenue from internal customers	<u>15,436,448</u>	<u>-</u>	<u>(15,436,448)</u>	<u>-</u>
Segment revenue	107,271,381	973,860	(15,436,448)	92,808,793
Interest income	371,592	13,982	-	385,574
Interest expense	(2,769,557)	(5,325)	-	(2,774,882)
Depreciation and amortisation	(9,990,416)	(128,847)	-	(10,119,263)
Share of loss of associates and joint ventures accounted for using equity method	581,111	(306,094)	-	275,017
Other items	(79,016,214)	(1,015,060)	-	(80,031,274)
Segment profit (loss)	<u>\$ 16,447,897</u>	<u>(\$ 467,484)</u>	<u>(\$ 15,436,448)</u>	<u>\$ 543,965</u>
Recognizable assets	\$ 262,850,637	\$ 9,753,629	\$ -	\$ 272,604,266
Investments accounted for using equity method	<u>22,246,054</u>	<u>6,019,335</u>	<u>-</u>	<u>28,265,389</u>
Segment assets	<u>\$ 285,096,691</u>	<u>\$ 15,772,964</u>	<u>\$ -</u>	<u>\$ 300,869,655</u>
Segment liabilities	<u>\$ 228,414,454</u>	<u>\$ 1,066,200</u>	<u>\$ -</u>	<u>\$ 229,480,654</u>

(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 six-month period ended June 30, 2020

Table 1

Expressed in thousands of TWD

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the six-month period ended June 30, 2020 (Note 3)	Balance at June 30, 2020 (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	\$ 63,674	\$ 61,866	\$ 58,920	1.27375~1.27950	2	\$ -	Working capital requirement	\$ -	None	\$ -	\$ 5,478,416	\$ 13,696,039	
1	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties	Yes	782,282	589,200	574,470	1.17663~1.29013	2	-	Working capital requirement	-	None	-	10,956,831	13,696,039	
1	Peony Investment S.A.	Colon Container Terminal S.A.	Receivables from related parties	Yes	241,572	241,572	241,572	1.27363~1.27663	2	-	Working capital requirement	-	None	-	5,478,416	13,696,039	
2	Clove Holding Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	539,714	353,520	353,520	1.27663~1.29800	2	-	Working capital requirement	-	None	-	536,146	1,072,293	
3	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	133,896	133,896	133,896	1.27363~1.29000	2	-	Working capital requirement	-	None	-	1,139,513	2,279,025	
4	Everport Terminal Services	Whitney Equipment LLC.	Receivables from related parties	Yes	265,140	265,140	265,140	2.555~2.555	2	-	Working capital requirement	-	None	-	408,718	1,021,794	

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 six-month period ended June 30, 2020

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 929,806*29.4600*20%=5,478,416

Clove Holding Ltd. : USD 90,996*29.4600*20%=536,146

Evergreen Marine (Hong Kong) Ltd. : USD 193,400*29.4600*20%=1,139,513

Everport Terminal Services : USD 69,368*29.4600*20%=408,718

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 929,806*29.4600*40%=10,956,831

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 90,996*29.4600*40%=1,072,293

Evergreen Marine (Hong Kong) Ltd. : USD 193,400*29.4600*40%=2,279,025

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 929,806*29.4600*50%=13,696,039

Everport Terminal Services : USD 69,368*29.4600*50%=1,021,794

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 six-month period ended June 30, 2020

Table 2

Expressed in thousands of TWD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2020 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2020 (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	\$ 143,670,451	\$ 52,023,307	\$ 50,057,492	\$ 29,835,036	\$ -	69.68%	\$ 179,588,063	Y	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	143,670,451	151,605	147,300	-	-	0.21%	179,588,063	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	2	143,670,451	34,362,054	33,728,921	29,074,125	-	46.95%	179,588,063	Y	N	N	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	2	143,670,451	104,254	101,294	50,132	-	0.14%	179,588,063	Y	N	N	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	35,917,613	2,323,801	1,126,550	757,711	-	1.57%	179,588,063	N	N	N	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	35,917,613	891,437	866,124	721,770	-	1.21%	179,588,063	N	N	N	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	2	143,670,451	2,657,778	2,562,275	964,831	-	3.57%	179,588,063	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	2	143,670,451	33,589,686	31,829,843	17,720,511	-	44.31%	179,588,063	Y	N	N	
1	Evergreen Marine (Hong Kong) Ltd.	Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	2	11,395,127	36,357	-	-	-	-	14,243,909	Y	N	Y	
1	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	6	2,848,782	522,855	253,474	170,485	-	4.45%	14,243,909	N	N	N	
1	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (Hong Kong) Ltd.	2	11,395,127	2,329,180	702,363	551,856	-	12.33%	14,243,909	N	N	N	

Evergreen Marine Corporation (Taiwan) Ltd.
Provision of endorsements and guarantees to others
For the six-month period ended June 30, 2020

Table 2

Expressed in thousands of TWD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2020 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2020 (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)											
2	Greencompass Marine S.A.	Everport Terminal Services Inc.	1	\$ 7,366,452	\$ 150,065	\$ 147,300	\$ 147,300	\$ -	1.00%	\$ 36,832,259	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: $71,835,225 * 250\% = 179,588,063$

Limit on endorsement or guarantees provided by the Company for a single entity is \$35,917,613 (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 \$143,670,451.)

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: $USD 193,400 * 29.46 * 250\% = 14,243,909$

Limit on endorsements or guarantees provided for a single entity : 2,848,782 (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 \$11,395,127.)

According to the credit policy of Greencompass Marine S.A., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees: $USD 500,099 * 29.46 * 250\% = 36,832,259$

Limit on endorsements or guarantees provided for a single entity : 7,366,452 (Amounting to 50% of its net worth).

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 chairman 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 six-month period ended June 30, 2020

Table 3

Expressed in thousands of shares/thousands of TWD/thousands of foreign currency

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2020				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	\$ 6,772	5.68%	\$ 6,772	
	Linden Technologies, Inc.		"	50	3,935	1.44%	3,935	
	TopLogis, Inc.		"	2,464	27,876	17.48%	27,876	
	Ever Accord Construction Corp.	Other related party	"	10,500	129,720	17.50%	129,720	
	Central Reinsurance Corp.		"	49,866	930,010	8.45%	930,010	
	Financial bonds:							
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		Financial asset measured at amortised 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 178	5.27%	USD 178	
	South Asia Gateway Terminals (Private) Ltd.		"	18,942	USD 12,035	5.00%	USD 12,035	
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 TWD 100 million or 20% of paid-in capital or more

For the six-month period ended June 30, 2020

Table 4

Expressed in thousands of TWD/thousands of foreign currency

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	\$ 688,889	3%	30~60 days	\$ -	-	(\$ 95,922)	3%	
	Greencompass Marine S.A.	Subsidiary	Purchases	853,411	3%	30~60 days	-	-	(441)	-	
			Sales	1,128,686	4%	30~60 days	-	-	6,214	-	
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Purchases	411,430	1%	30~60 days	-	-	(63,763)	2%	
	Italia Marittima S.p.A.	Associates	Purchases	142,587	1%	30~60 days	-	-	(4,550)	-	
			Sales	175,461	1%	30~60 days	-	-	233	-	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	182,983	1%	30~60 days	-	-	(15,893)	-	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	143,771	1%	30~60 days	-	-	-	-	
	Evergreen International Corp.	Other related parties	Purchases	269,658	1%	30~60 days	-	-	(41,996)	1%	
	Evergreen Marine (UK) Limited	Subsidiary	Purchases	304,344	1%	30~60 days	-	-	(44,853)	1%	
			Sales	373,578	2%	30~60 days	-	-	982	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	222,310	1%	30~60 days	-	-	(20,819)	1%	
			Sales	837,420	4%	30~60 days	-	-	555	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Purchases	427,321	2%	30~60 days	-	-	(18,158)	1%	
Sales			426,997	2%	30~60 days	-	-	91	-		
Evergreen Shipping Agency (Europe) GmbH (EEU)	Subsidiary	Purchases	149,450	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)	
Evergreen Marine Corporation	Evergreen International S.A.(EIS)	Other related parties	Sales	\$ 139,088	1%	30~60 days	\$ -	-	\$ -	-	
	Gaining Enterprise S.A.	Other related parties	Purchases	299,795	1%	30~60 days	-	-	-	-	
Taiwan Terminal Services Co.,Ltd.	Evergreen Marine Corp.	The parent	Sales	411,430	100%	30~60 days	-	-	63,763	99%	(Note)
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	Sales	USD 22,962	12%	30~60 days	-	-	USD 3,256	11%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 48,655	26%	30 days	-	-	USD 6,135	20%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 12,942	7%	30 days	-	-	USD 1,329	4%	(Note)
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 36,381	19%	30 days	-	-	USD 4,685	16%	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 17,656	9%	30 days	-	-	USD 2,412	8%	(Note)
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 14,244	3%	30~60 days	-	-	USD 616	-	(Note)
			Purchases	USD 14,233	3%	30~60 days	-	-	(USD 3)	-	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 19,169	4%	30~60 days	-	-	USD 20	-	(Note)
			Purchases	USD 14,692	3%	30~60 days	-	-	(USD 581)	1%	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 4,331	1%	30~60 days	-	-	-	-	
			Purchases	USD 17,325	4%	30~60 days	-	-	(USD 763)	1%	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 23,374	5%	30~60 days	-	-	-	-	
			Purchases	USD 5,210	1%	30~60 days	-	-	(USD 36)	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Sales	USD 3,405	1%	30~60 days	-	-	USD 148	-	
			Purchases	USD 6,755	2%	30~60 days	-	-	-	-	
Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 10,332	2%	30~60 days	-	-	USD 20	-	(Note)	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Purchases	USD 45,414	10%	30~60 days	\$ -	-	(USD 436)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 17,656	4%	30 days	-	-	(USD 2,412)	2%	(Note)
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 4,217	1%	30~60 days	-	-	(USD 1)	-	
	Master International Shipping Agency Co., Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 14,047	3%	30~60 days	-	-	(USD 2,308)	2%	(Note)
Greencompass Marine S.A.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 16,537	1%	30~60 days	-	-	USD 1,033	1%	(Note)
			Purchases	USD 11,870	1%	30~60 days	-	-	(USD 439)	-	(Note)
	Evergreen Marine Corp.	The parent	Sales	USD 28,446	2%	30~60 days	-	-	USD 15	-	(Note)
			Purchases	USD 37,622	3%	30~60 days	-	-	(USD 211)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 12,942	1%	30 days	-	-	(USD 1,329)	1%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 39,448	3%	30~60 days	-	-	USD 1,701	1%	
			Purchases	USD 12,139	1%	30~60 days	-	-	(USD 3,270)	1%	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 9,820	1%	30~60 days	-	-	-	-	
			Purchases	USD 17,557	2%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 8,424	1%	30~60 days	-	-	-	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 6,015	1%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 4,588	-	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 14,692	1%	30~60 days	-	-	USD 581	-	(Note)
			Purchases	USD 19,169	2%	30~60 days	-	-	(USD 20)	-	(Note)
Evergreen Marine (UK) Limited	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 11,870	2%	30~60 days	-	-	USD 439	-	(Note)

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (UK) Limited	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Purchases	USD 16,537	3%	30~60 days	\$ -	-	(USD 1,033)	1%	(Note)
	Evergreen Marine Corp.	The Parent	Sales	USD 10,144	2%	30~60 days	-	-	USD 1,523	1%	(Note)
			Purchases	USD 12,452	2%	30~60 days	-	-	(USD 33)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 36,381	7%	30 days	-	-	(USD 4,685)	3%	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Purchases	USD 3,505	1%	30~60 days	-	-	(USD 185)	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 15,555	3%	30~60 days	-	-	USD 342	-	
			Purchases	USD 3,858	1%	30~60 days	-	-	(USD 1,179)	1%	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 9,605	2%	30~60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 45,414	8%	30~60 days	-	-	USD 436	-	(Note)
Purchases			USD 10,332	2%	30~60 days	-	-	(USD 20)	-	(Note)	
Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	Sales	MYR 70,763	100%	45 days	-	-	MYR 25,523	100%	
Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	EUR 4,163	21%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	EUR 5,269	27%	30~60 days	-	-	EUR 937	2%	
	Evergreen Marine Corp.	The Parent	Sales	EUR 4,520	23%	30~60 days	-	-	-	-	(Note)
Master International Shipping Agency Co. Ltd.	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 98,826	100%	30~60 days	-	-	CNY 16,343	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 TWD 100 million or 20% of paid-in capital or more
June 30, 2020

Table 5

Expressed in thousands of TWD/thousands of foreign currency

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Clove Holding Ltd.	Colon Container Terminal, S.A.	Investee of Clove Holding Ltd. accounted for using equity method	USD 12,235	-	\$ -	-	\$ -	-	
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	MYR 25,523	-	-	-	MYR 25,523	-	
Peony Investment S.A.	Clove Holding Ltd.	Subsidiary	USD 19,813	-	-	-	-	-	Note
Peony Investment S.A.	Colon Container Terminal, S.A.	Investee of Clove Holding Ltd. accounted for using equity method	USD 8,207	-	-	-	-	-	
Everport Terminal Services Inc.	Evergreen Marine (UK) Limited	Indirectly subsidiary of the Parent Company	USD 4,685	-	-	-	USD 4,083	-	Note
Everport Terminal Services Inc.	Evergreen Marine (Singapore) Pte. Ltd.	Other related party	USD 6,135	-	-	-	USD 5,347	-	
Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal, S.A.	Investee of Evergreen Marine (Hong Kong) Limited accounted for using equity method	USD 4,547	-	-	-	-	-	

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 six-month period ended June 30, 2020

Table 6

Expressed in thousands of TWD

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	\$ 411,430	Note 4	0.47
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Shipowner's account - credit	102,382	"	0.03
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating revenue	1,128,686	"	1.29
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating cost	853,411	"	0.98
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Shipowner's account - debit	217,328	"	0.07
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating revenue	373,578	"	0.43
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating cost	304,344	"	0.35
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Shipowner's account - credit	370,095	"	0.12
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating revenue	426,997	"	0.49
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating cost	427,321	"	0.49
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	1	Operating cost	149,450	"	0.17
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Operating cost	688,889	"	0.79
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	1	Shipowner's account - debit	100,518	"	0.03
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Operating cost	356,118	"	0.41
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	137,639	"	0.16
1	Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	575,076	"	0.66
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Operating cost	388,266	"	0.44
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Shipowner's account - debit	303,831	"	0.10
2	Evergreen Marine (UK) Limited	Greencompass Marine S.A.	3	Operating cost	496,118	"	0.57
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	1,362,465	"	1.56

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)
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	\$ 309,967	Note 4	0.35
2	Evergreen Marine (UK) Limited	Evergreen Shipping Agency (Europe) GmbH	3	Shipowner's account - credit	112,422	"	0.04
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Operating cost	1,091,474	"	1.25
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Account payables	138,025	"	0.04
3	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Operating cost	440,776	"	0.50
3	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	529,682	"	0.61
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Operating cost	421,416	"	0.48
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Shipowner's account - credit	139,430	"	0.05
4	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	583,684	"	0.19

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.

Evergreen Marine Corporation (Taiwan) Ltd.
Information on investees (not including investee company of Mainland China)
For the six-month period ended June 30, 2020

Table 7

Expressed in thousands of shares/thousands of TWD

Investor	Investee (Note 1、Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2020			Net profit (loss) of the investee For the six-month period ended June 30, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the six-month period ended June 30, 2020 (Note 2(3))	Footnote
				Balance as of June 30, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	\$ 14,301,195	\$ 14,301,195	4,765	100.00	\$ 27,307,366	\$ 1,607,717	\$ 1,624,788	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	53,224	(2,366)	(1,301)	// (Note)
	Everport Terminal Services Inc.	U.S.A	Terminal services	3,001	3,001	1	94.43	1,778,968	118,044	111,467	// (Note)
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	6,283,222	6,283,222	6,320	79.00	7,775,366	987,171	737,986	// (Note)
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	9,103	9,103	1,062	59.00	30,680	16,721	9,865	// (Note)
	Chang Yang Development Co., Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	522,864	83,785	33,514	Investee accounted for using equity method
	Evergreen International Storage and Transport Corporation	Taiwan	Container transportation and gas stations	4,840,408	4,840,408	430,692	40.36	8,891,012	365,635	147,568	//
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	107,571	20,923	6,538	//
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	11,276,823	11,276,823	776,541	16.00	10,959,263	(1,834,366)	(293,487)	//
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,446,196	1,094,073	144,799	27.85	1,481,822	173,982	46,583	//
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	-	3,151	-	-	-	443	39	//
VIP Greenport Joint Stock Company	Vietnam	Terminal services	178,750	178,750	13,750	21.74	280,132	95,375	20,734	//	
Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,548,102	1,548,102	10	100.00	2,680,731	2,091	2,091	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Europe) GmbH	Germany	Shipping agency	244,989	244,989	-	100.00	302,314	15,748	15,748	// (Note)
	Evergreen Shipping Agency (Korea) Corporation	South Korea	Shipping agency	71,470	71,470	121	100.00	45,585	12,446	12,446	// (Note)
	Greencompass Marine S.A.	Republic of Panama	Marine transportation	10,414,110	10,414,110	3,535	100.00	14,732,903	1,177,361	1,177,361	// (Note)
	Evergreen Shipping Agency (India) Pvt. Ltd.	India	Shipping agency	34,666	34,666	100	99.99	166,093	18,518	18,517	// (Note)
	Evergreen Argentina S.A.	Argentina	Leasing	4,124	4,124	150	95.00	41,646	(1,431)	(1,360)	// (Note)

Investor	Investee (Note 1 · Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2020			Net profit (loss) of the investee For the six-month period ended June 30, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the six-month period ended June 30, 2020 (Note 2(3))	Footnote
				Balance as of June 30, 2020	Balance as of December 31, 2019	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	\$ 251,174	\$ 230,994	17	95.03	\$ 612,644	\$ 41,847	\$ 39,768	Indirect subsidiary of the Company (Note)
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	23,695	23,695	2	17.39	13,473	(4,263)	(741)	" (Note)
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Malaysia	Container manufacturing	804,106	804,106	42,120	84.44	901,382	4,975	4,201	" (Note)
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	198,717	198,717	6	100.00	198,570	57,432	57,432	" (Note)
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	69,290	69,290	1	55.00	70,870	378	208	" (Note)
	Evergreen Marine (UK) Limited	U.K	Marine transportation	3,950,664	3,950,664	765	51.00	864,258	159,419	81,304	" (Note)
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	50,329	50,329	1	100.00	34,900	28,015	28,015	" (Note)
	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	24,982	24,982	-	51.00	23,411	45,548	23,229	" (Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	66,079	66,079	680	85.00	63,221	25,204	21,424	" (Note)
	Evergreen Agency (South Africa) (Pty) Ltd.	South Africa	Shipping agency	17,116	17,116	5,500	55.00	64,364	15,418	8,480	" (Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	36,265	36,265	-	100.00	428,155	89,032	89,032	" (Note)
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	28,665	28,665	0.441	49.00	99,334	31,386	15,379	Investee company of Peony accounted for using equity method
	Luanta Investment (Netherlands) N.V.	Curaçao	Investment holding company	1,400,507	1,400,507	460	50.00	1,849,171	(1,528)	(764)	"
	Balsam Investment (Netherlands) N.V.	Curaçao	Investment holding company	12,305,042	12,305,042	0.451	49.00	407,923	(299,478)	(146,744)	"
	Evergreen Shipping Agency Co. (U.A.E.) LLC	United Arab Emirates	Shipping agency	61,336	61,336	-	49.00	83,174	91,780	44,972	"
Greenpen Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	12,551	12,551	1,500	30.00	32,128	2,597	779	"	
Evergreen Marine Corp. (Malaysia) SDN.BHD.	Malaysia	Shipping agency	277,342	277,342	500	100.00	921,823	118,505	118,505	Indirect subsidiary of the Company (Note)	

Investor	Investee (Note 1 · Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2020			Net profit (loss) of the investee For the six-month period ended June 30, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the six-month period ended June 30, 2020 (Note 2(3))	Footnote
				Balance as of June 30, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	\$ 78,069	\$ 78,069	80	1.00	\$ 98,422	\$ 987,171	\$ 9,342	Investee company of Peony accounted for using equity method
	Ics Depot Services Snd. Bhd.	Malaysia	Depot services	32,818	32,818	286	28.65	64,901	13,887	3,978	// (Note)
Clove Holding Ltd.	Colon Container Terminal, S.A.	Republic of Panama	Inland container storage and loading	673,456	673,456	22,860	40.00	2,538,757	(4,939)	(1,975)	Investee company of Clove Holding Ltd. accounted for using equity method
	Everport Terminal Services Inc.	U.S.A	Terminal services	191,606	191,606	0.059	5.57	264,619	118,044	6,577	Indirect subsidiary of the Company (Note)
Everport Terminal Services Inc.	Whitney Equipment LLC.	U.S.A	Equipment Leasing Company	5,892	5,892	-	100.00	225,552	9,751	9,751	// (Note)
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	97,260	97,260	8	72.95	56,519	(4,263)	(3,110)	// (Note)
Evergreen Marine (Hong Kong) Limited	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	459,576	459,576	5,144	9.00	591,655	(4,939)	(444)	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	17,676	2,917	600	100.00	18,293	443	443	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	5,892	5,892	200	100.00	53,038	17,255	17,255	// (Note)
	Evergreen Shipping Agency (Peru) S.A.C.	Peru	Shipping agency	8,178	8,178	900	60.00	35,668	46,712	28,027	// (Note)
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	10,341	10,341	80	75.00	31,820	32,080	24,060	// (Note)
	Evergreen Shipping Agency Mexico S.A. de C.V.	Mexico	Shipping agency	6,753	6,753	44	60.00	20,424	24,538	14,723	// (Note)
	Evergreen Shipping Agency (Chile) SPA.	Chile	Shipping agency	9,392	9,392	2	60.00	24,783	22,515	13,509	// (Note)
	Evergreen Shipping Agency (Greece) Societe Anonyme.	Greece	Shipping agency	7,963	7,963	2	60.00	29,169	19,524	11,715	// (Note)
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	150	150	18	1.00	520	16,721	167	// (Note)

Investor	Investee (Note 1 · Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2020			Net profit (loss) of the investee For the six-month period ended June 30, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the six-month period ended June 30, 2020 (Note 2(3))	Footnote
				Balance as of June 30, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Evergreen Marine (Hong Kong) Limited	Evergreen Shipping Agency (Brazil) Ltd.	Brazil	Shipping agency	\$ 7,288	\$ -	120	60.00	\$ 6,542	\$ -	\$ -	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency Lanka (Private) Ltd.	Lanka	Shipping agency	3,571	3,571	2,160	40.00	10,296	33,338	13,335	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method

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 June 30, 2020' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the six-month period ended June 30, 2020' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the six-month period ended June 30, 2020' 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 six-month period ended June 30, 2020

Table 8

Expressed in thousands of TWD

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, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six-month period ended June 30, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2020	Net income (loss) of the investee for the six-month period ended June 30, 2020	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. For the six-month period ended June 30, 2020 (Note 2(2)B)	Book value of investments in Mainland China as of June 30, 2020	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2020	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	\$ 519,942	(2)	\$ 210,978	\$ -	\$ -	\$ 210,978	\$ 19,682	40.00	\$ 7,873	\$ 305,381	\$ -	
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	176,817	(2)	41,740	-	-	41,740	75,820	40.00	30,328	183,281	-	
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	324,217	(2)	278,847	-	-	278,847	22,348	46.20	10,325	190,289	-	(Note)
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	1,807,596	(2)	2,399,822	-	-	2,399,822	16,941	80.00	(23,267)	3,065,530	-	(Note)
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	178,897	(2)	265,490	-	-	265,490	182	80.00	174	141,667	-	(Note)
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	255,226	(2)	461,947	-	-	461,947	2,065	80.00	(2,335)	385,466	-	(Note)
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	206,938	(2)	376,569	-	-	376,569	1,767	80.00	77	234,925	-	(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, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six-month period ended June 30, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2020	Net income (loss) of the investee for the six-month period ended June 30, 2020	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. For the six-month period ended June 30, 2020 (Note 2(2)B)	Book value of investments in Mainland China as of June 30, 2020	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Evergreen Shipping Agency (China) Co., Ltd.	Shipping agency	\$ 20,802	(2)	\$ 81,952	\$ -	\$ -	\$ 81,952	\$ 21,509	41.60	(\$ 9,679)	\$ 14,123	\$ -	(Note)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2020	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.	\$ 4,117,345	\$ 4,660,623	\$ 45,184,254

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 six-month period ended June 30, 2020' 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.

Evergreen Marine Corporation (Taiwan) Ltd.
Major shareholders information
For the six-month period ended June 30, 2020

Table 9

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Evergreen International S.A.(EIS)	391,786,816	8.14%
Chang, Kuo-Hua	319,646,157	6.64%
Evergreen International Corp.	262,411,866	5.45%

Note 1: The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed was the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.

Evergreen Marine Corporation (Taiwan) Ltd.
Provision of endorsements and guarantees to others
For the six-month period ended June 30, 2020

Table 2

Expressed in thousands of TWD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2020 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2020 (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	\$ 143,670,451	\$ 52,023,307	\$ 50,057,492	\$ 29,835,036	\$ -	69.68%	\$ 179,588,063	Y	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	143,670,451	151,605	147,300	-	-	0.21%	179,588,063	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	2	143,670,451	34,362,054	33,728,921	29,074,125	-	46.95%	179,588,063	Y	N	N	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	2	143,670,451	104,254	101,294	50,132	-	0.14%	179,588,063	Y	N	N	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	35,917,613	2,323,801	1,126,550	757,711	-	1.57%	179,588,063	N	N	N	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	35,917,613	891,437	866,124	721,770	-	1.21%	179,588,063	N	N	N	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	2	143,670,451	2,657,778	2,562,275	964,831	-	3.57%	179,588,063	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	2	143,670,451	33,589,686	31,829,843	17,720,511	-	44.31%	179,588,063	Y	N	N	
1	Evergreen Marine (Hong Kong) Ltd.	Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	2	11,395,127	36,357	-	-	-	-	14,243,909	Y	N	Y	
1	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	6	2,848,782	522,855	253,474	170,485	-	4.45%	14,243,909	N	N	N	
1	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (Hong Kong) Ltd.	2	11,395,127	2,329,180	702,363	551,856	-	12.33%	14,243,909	N	N	N	

Evergreen Marine Corporation (Taiwan) Ltd.
Provision of endorsements and guarantees to others
For the six-month period ended June 30, 2020

Table 2

Expressed in thousands of TWD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2020 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2020 (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)											
2	Greencompass Marine S.A.	Everport Terminal Services Inc.	1	\$ 7,366,452	\$ 150,065	\$ 147,300	\$ 147,300	\$ -	1.00%	\$ 36,832,259	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: $71,835,225 * 250\% = 179,588,063$

Limit on endorsement or guarantees provided by the Company for a single entity is \$35,917,613 (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 \$143,670,451.)

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: $USD 193,400 * 29.46 * 250\% = 14,243,909$

Limit on endorsements or guarantees provided for a single entity : 2,848,782 (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 \$11,395,127.)

According to the credit policy of Greencompass Marine S.A., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees: $USD 500,099 * 29.46 * 250\% = 36,832,259$

Limit on endorsements or guarantees provided for a single entity : 7,366,452 (Amounting to 50% of its net worth).

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 chairman 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 six-month period ended June 30, 2020

Table 3

Expressed in thousands of shares/thousands of TWD/thousands of foreign currency

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of June 30, 2020				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	\$ 6,772	5.68%	\$ 6,772	
	Linden Technologies, Inc.		"	50	3,935	1.44%	3,935	
	TopLogis, Inc.		"	2,464	27,876	17.48%	27,876	
	Ever Accord Construction Corp.	Other related party	"	10,500	129,720	17.50%	129,720	
	Central Reinsurance Corp.		"	49,866	930,010	8.45%	930,010	
	Financial bonds:							
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		Financial asset measured at amortised 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 178	5.27%	USD 178	
	South Asia Gateway Terminals (Private) Ltd.		"	18,942	USD 12,035	5.00%	USD 12,035	
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 TWD 100 million or 20% of paid-in capital or more

For the six-month period ended June 30, 2020

Table 4

Expressed in thousands of TWD/thousands of foreign currency

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	\$ 688,889	3%	30~60 days	\$ -	-	(\$ 95,922)	3%	
	Greencompass Marine S.A.	Subsidiary	Purchases	853,411	3%	30~60 days	-	-	(441)	-	
			Sales	1,128,686	4%	30~60 days	-	-	6,214	-	
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Purchases	411,430	1%	30~60 days	-	-	(63,763)	2%	
	Italia Marittima S.p.A.	Associates	Purchases	142,587	1%	30~60 days	-	-	(4,550)	-	
			Sales	175,461	1%	30~60 days	-	-	233	-	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	182,983	1%	30~60 days	-	-	(15,893)	-	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	143,771	1%	30~60 days	-	-	-	-	
	Evergreen International Corp.	Other related parties	Purchases	269,658	1%	30~60 days	-	-	(41,996)	1%	
	Evergreen Marine (UK) Limited	Subsidiary	Purchases	304,344	1%	30~60 days	-	-	(44,853)	1%	
			Sales	373,578	2%	30~60 days	-	-	982	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	222,310	1%	30~60 days	-	-	(20,819)	1%	
			Sales	837,420	4%	30~60 days	-	-	555	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Purchases	427,321	2%	30~60 days	-	-	(18,158)	1%	
Sales			426,997	2%	30~60 days	-	-	91	-		
Evergreen Shipping Agency (Europe) GmbH (EEU)	Subsidiary	Purchases	149,450	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)	
Evergreen Marine Corporation	Evergreen International S.A.(EIS)	Other related parties	Sales	\$ 139,088	1%	30~60 days	\$ -	-	\$ -	-	
	Gaining Enterprise S.A.	Other related parties	Purchases	299,795	1%	30~60 days	-	-	-	-	
Taiwan Terminal Services Co.,Ltd.	Evergreen Marine Corp.	The parent	Sales	411,430	100%	30~60 days	-	-	63,763	99%	(Note)
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	Sales	USD 22,962	12%	30~60 days	-	-	USD 3,256	11%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 48,655	26%	30 days	-	-	USD 6,135	20%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 12,942	7%	30 days	-	-	USD 1,329	4%	(Note)
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 36,381	19%	30 days	-	-	USD 4,685	16%	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 17,656	9%	30 days	-	-	USD 2,412	8%	(Note)
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 14,244	3%	30~60 days	-	-	USD 616	-	(Note)
			Purchases	USD 14,233	3%	30~60 days	-	-	(USD 3)	-	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 19,169	4%	30~60 days	-	-	USD 20	-	(Note)
			Purchases	USD 14,692	3%	30~60 days	-	-	(USD 581)	1%	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 4,331	1%	30~60 days	-	-	-	-	
			Purchases	USD 17,325	4%	30~60 days	-	-	(USD 763)	1%	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 23,374	5%	30~60 days	-	-	-	-	
			Purchases	USD 5,210	1%	30~60 days	-	-	(USD 36)	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Sales	USD 3,405	1%	30~60 days	-	-	USD 148	-	
			Purchases	USD 6,755	2%	30~60 days	-	-	-	-	
Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 10,332	2%	30~60 days	-	-	USD 20	-	(Note)	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Purchases	USD 45,414	10%	30~60 days	\$ -	-	(USD 436)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 17,656	4%	30 days	-	-	(USD 2,412)	2%	(Note)
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 4,217	1%	30~60 days	-	-	(USD 1)	-	
	Master International Shipping Agency Co., Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 14,047	3%	30~60 days	-	-	(USD 2,308)	2%	(Note)
Greencompass Marine S.A.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 16,537	1%	30~60 days	-	-	USD 1,033	1%	(Note)
			Purchases	USD 11,870	1%	30~60 days	-	-	(USD 439)	-	(Note)
	Evergreen Marine Corp.	The parent	Sales	USD 28,446	2%	30~60 days	-	-	USD 15	-	(Note)
			Purchases	USD 37,622	3%	30~60 days	-	-	(USD 211)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 12,942	1%	30 days	-	-	(USD 1,329)	1%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 39,448	3%	30~60 days	-	-	USD 1,701	1%	
			Purchases	USD 12,139	1%	30~60 days	-	-	(USD 3,270)	1%	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 9,820	1%	30~60 days	-	-	-	-	
			Purchases	USD 17,557	2%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 8,424	1%	30~60 days	-	-	-	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 6,015	1%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 4,588	-	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 14,692	1%	30~60 days	-	-	USD 581	-	(Note)
			Purchases	USD 19,169	2%	30~60 days	-	-	(USD 20)	-	(Note)
Evergreen Marine (UK) Limited	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 11,870	2%	30~60 days	-	-	USD 439	-	(Note)

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (UK) Limited	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Purchases	USD 16,537	3%	30~60 days	\$ -	-	(USD 1,033)	1%	(Note)
	Evergreen Marine Corp.	The Parent	Sales	USD 10,144	2%	30~60 days	-	-	USD 1,523	1%	(Note)
			Purchases	USD 12,452	2%	30~60 days	-	-	(USD 33)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 36,381	7%	30 days	-	-	(USD 4,685)	3%	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Purchases	USD 3,505	1%	30~60 days	-	-	(USD 185)	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 15,555	3%	30~60 days	-	-	USD 342	-	
			Purchases	USD 3,858	1%	30~60 days	-	-	(USD 1,179)	1%	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 9,605	2%	30~60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 45,414	8%	30~60 days	-	-	USD 436	-	(Note)
Purchases			USD 10,332	2%	30~60 days	-	-	(USD 20)	-	(Note)	
Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	Sales	MYR 70,763	100%	45 days	-	-	MYR 25,523	100%	
Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	EUR 4,163	21%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	EUR 5,269	27%	30~60 days	-	-	EUR 937	2%	
	Evergreen Marine Corp.	The Parent	Sales	EUR 4,520	23%	30~60 days	-	-	-	-	(Note)
Master International Shipping Agency Co. Ltd.	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 98,826	100%	30~60 days	-	-	CNY 16,343	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 TWD 100 million or 20% of paid-in capital or more
June 30, 2020

Table 5

Expressed in thousands of TWD/thousands of foreign currency

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Clove Holding Ltd.	Colon Container Terminal, S.A.	Investee of Clove Holding Ltd. accounted for using equity method	USD 12,235	-	\$ -	-	\$ -	-	
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	MYR 25,523	-	-	-	MYR 25,523	-	
Peony Investment S.A.	Clove Holding Ltd.	Subsidiary	USD 19,813	-	-	-	-	-	Note
Peony Investment S.A.	Colon Container Terminal, S.A.	Investee of Clove Holding Ltd. accounted for using equity method	USD 8,207	-	-	-	-	-	
Everport Terminal Services Inc.	Evergreen Marine (UK) Limited	Indirectly subsidiary of the Parent Company	USD 4,685	-	-	-	USD 4,083	-	Note
Everport Terminal Services Inc.	Evergreen Marine (Singapore) Pte. Ltd.	Other related party	USD 6,135	-	-	-	USD 5,347	-	
Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal, S.A.	Investee of Evergreen Marine (Hong Kong) Limited accounted for using equity method	USD 4,547	-	-	-	-	-	

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 six-month period ended June 30, 2020

Table 6

Expressed in thousands of TWD

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	\$ 411,430	Note 4	0.47
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Shipowner's account - credit	102,382	"	0.03
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating revenue	1,128,686	"	1.29
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating cost	853,411	"	0.98
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Shipowner's account - debit	217,328	"	0.07
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating revenue	373,578	"	0.43
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating cost	304,344	"	0.35
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Shipowner's account - credit	370,095	"	0.12
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating revenue	426,997	"	0.49
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating cost	427,321	"	0.49
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	1	Operating cost	149,450	"	0.17
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Operating cost	688,889	"	0.79
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	1	Shipowner's account - debit	100,518	"	0.03
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Operating cost	356,118	"	0.41
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	137,639	"	0.16
1	Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	575,076	"	0.66
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Operating cost	388,266	"	0.44
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Shipowner's account - debit	303,831	"	0.10
2	Evergreen Marine (UK) Limited	Greencompass Marine S.A.	3	Operating cost	496,118	"	0.57
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	1,362,465	"	1.56

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)
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	\$ 309,967	Note 4	0.35
2	Evergreen Marine (UK) Limited	Evergreen Shipping Agency (Europe) GmbH	3	Shipowner's account - credit	112,422	"	0.04
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Operating cost	1,091,474	"	1.25
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Account payables	138,025	"	0.04
3	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Operating cost	440,776	"	0.50
3	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	529,682	"	0.61
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Operating cost	421,416	"	0.48
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Shipowner's account - credit	139,430	"	0.05
4	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	583,684	"	0.19

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.

Evergreen Marine Corporation (Taiwan) Ltd.
Information on investees (not including investee company of Mainland China)
For the six-month period ended June 30, 2020

Table 7

Expressed in thousands of shares/thousands of TWD

Investor	Investee (Note 1、Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2020			Net profit (loss) of the investee For the six-month period ended June 30, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the six-month period ended June 30, 2020 (Note 2(3))	Footnote
				Balance as of June 30, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	\$ 14,301,195	\$ 14,301,195	4,765	100.00	\$ 27,307,366	\$ 1,607,717	\$ 1,624,788	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	53,224	(2,366)	(1,301)	// (Note)
	Everport Terminal Services Inc.	U.S.A	Terminal services	3,001	3,001	1	94.43	1,778,968	118,044	111,467	// (Note)
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	6,283,222	6,283,222	6,320	79.00	7,775,366	987,171	737,986	// (Note)
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	9,103	9,103	1,062	59.00	30,680	16,721	9,865	// (Note)
	Chang Yang Development Co., Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	522,864	83,785	33,514	Investee accounted for using equity method
	Evergreen International Storage and Transport Corporation	Taiwan	Container transportation and gas stations	4,840,408	4,840,408	430,692	40.36	8,891,012	365,635	147,568	//
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	107,571	20,923	6,538	//
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	11,276,823	11,276,823	776,541	16.00	10,959,263	(1,834,366)	(293,487)	//
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,446,196	1,094,073	144,799	27.85	1,481,822	173,982	46,583	//
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	-	3,151	-	-	-	443	39	//
VIP Greenport Joint Stock Company	Vietnam	Terminal services	178,750	178,750	13,750	21.74	280,132	95,375	20,734	//	
Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,548,102	1,548,102	10	100.00	2,680,731	2,091	2,091	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Europe) GmbH	Germany	Shipping agency	244,989	244,989	-	100.00	302,314	15,748	15,748	// (Note)
	Evergreen Shipping Agency (Korea) Corporation	South Korea	Shipping agency	71,470	71,470	121	100.00	45,585	12,446	12,446	// (Note)
	Greencompass Marine S.A.	Republic of Panama	Marine transportation	10,414,110	10,414,110	3,535	100.00	14,732,903	1,177,361	1,177,361	// (Note)
	Evergreen Shipping Agency (India) Pvt. Ltd.	India	Shipping agency	34,666	34,666	100	99.99	166,093	18,518	18,517	// (Note)
	Evergreen Argentina S.A.	Argentina	Leasing	4,124	4,124	150	95.00	41,646	(1,431)	(1,360)	// (Note)

Investor	Investee (Note 1 · Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2020			Net profit (loss) of the investee For the six-month period ended June 30, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the six-month period ended June 30, 2020 (Note 2(3))	Footnote
				Balance as of June 30, 2020	Balance as of December 31, 2019	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	\$ 251,174	\$ 230,994	17	95.03	\$ 612,644	\$ 41,847	\$ 39,768	Indirect subsidiary of the Company (Note)
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	23,695	23,695	2	17.39	13,473	(4,263)	(741)	" (Note)
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Malaysia	Container manufacturing	804,106	804,106	42,120	84.44	901,382	4,975	4,201	" (Note)
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	198,717	198,717	6	100.00	198,570	57,432	57,432	" (Note)
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	69,290	69,290	1	55.00	70,870	378	208	" (Note)
	Evergreen Marine (UK) Limited	U.K	Marine transportation	3,950,664	3,950,664	765	51.00	864,258	159,419	81,304	" (Note)
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	50,329	50,329	1	100.00	34,900	28,015	28,015	" (Note)
	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	24,982	24,982	-	51.00	23,411	45,548	23,229	" (Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	66,079	66,079	680	85.00	63,221	25,204	21,424	" (Note)
	Evergreen Agency (South Africa) (Pty) Ltd.	South Africa	Shipping agency	17,116	17,116	5,500	55.00	64,364	15,418	8,480	" (Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	36,265	36,265	-	100.00	428,155	89,032	89,032	" (Note)
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	28,665	28,665	0.441	49.00	99,334	31,386	15,379	Investee company of Peony accounted for using equity method
	Luanta Investment (Netherlands) N.V.	Curaçao	Investment holding company	1,400,507	1,400,507	460	50.00	1,849,171	(1,528)	(764)	"
	Balsam Investment (Netherlands) N.V.	Curaçao	Investment holding company	12,305,042	12,305,042	0.451	49.00	407,923	(299,478)	(146,744)	"
	Evergreen Shipping Agency Co. (U.A.E.) LLC	United Arab Emirates	Shipping agency	61,336	61,336	-	49.00	83,174	91,780	44,972	"
Greenpen Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	12,551	12,551	1,500	30.00	32,128	2,597	779	"	
Evergreen Marine Corp. (Malaysia) SDN.BHD.	Malaysia	Shipping agency	277,342	277,342	500	100.00	921,823	118,505	118,505	Indirect subsidiary of the Company (Note)	

Investor	Investee (Note 1 · Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2020			Net profit (loss) of the investee For the six-month period ended June 30, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the six-month period ended June 30, 2020 (Note 2(3))	Footnote
				Balance as of June 30, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	\$ 78,069	\$ 78,069	80	1.00	\$ 98,422	\$ 987,171	\$ 9,342	Investee company of Peony accounted for using equity method
	Ics Depot Services Snd. Bhd.	Malaysia	Depot services	32,818	32,818	286	28.65	64,901	13,887	3,978	// (Note)
Clove Holding Ltd.	Colon Container Terminal, S.A.	Republic of Panama	Inland container storage and loading	673,456	673,456	22,860	40.00	2,538,757	(4,939)	(1,975)	Investee company of Clove Holding Ltd. accounted for using equity method
	Everport Terminal Services Inc.	U.S.A	Terminal services	191,606	191,606	0.059	5.57	264,619	118,044	6,577	Indirect subsidiary of the Company (Note)
Everport Terminal Services Inc.	Whitney Equipment LLC.	U.S.A	Equipment Leasing Company	5,892	5,892	-	100.00	225,552	9,751	9,751	// (Note)
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	97,260	97,260	8	72.95	56,519	(4,263)	(3,110)	// (Note)
Evergreen Marine (Hong Kong) Limited	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	459,576	459,576	5,144	9.00	591,655	(4,939)	(444)	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	17,676	2,917	600	100.00	18,293	443	443	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	5,892	5,892	200	100.00	53,038	17,255	17,255	// (Note)
	Evergreen Shipping Agency (Peru) S.A.C.	Peru	Shipping agency	8,178	8,178	900	60.00	35,668	46,712	28,027	// (Note)
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	10,341	10,341	80	75.00	31,820	32,080	24,060	// (Note)
	Evergreen Shipping Agency Mexico S.A. de C.V.	Mexico	Shipping agency	6,753	6,753	44	60.00	20,424	24,538	14,723	// (Note)
	Evergreen Shipping Agency (Chile) SPA.	Chile	Shipping agency	9,392	9,392	2	60.00	24,783	22,515	13,509	// (Note)
	Evergreen Shipping Agency (Greece) Societe Anonyme.	Greece	Shipping agency	7,963	7,963	2	60.00	29,169	19,524	11,715	// (Note)
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	150	150	18	1.00	520	16,721	167	// (Note)

Investor	Investee (Note 1 · Note 2)	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2020			Net profit (loss) of the investee For the six-month period ended June 30, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the six-month period ended June 30, 2020 (Note 2(3))	Footnote
				Balance as of June 30, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Evergreen Marine (Hong Kong) Limited	Evergreen Shipping Agency (Brazil) Ltd.	Brazil	Shipping agency	\$ 7,288	\$ -	120	60.00	\$ 6,542	\$ -	\$ -	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency Lanka (Private) Ltd.	Lanka	Shipping agency	3,571	3,571	2,160	40.00	10,296	33,338	13,335	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method

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 June 30, 2020' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the six-month period ended June 30, 2020' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the six-month period ended June 30, 2020' 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 six-month period ended June 30, 2020

Table 8

Expressed in thousands of TWD

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, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six-month period ended June 30, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2020	Net income (loss) of the investee for the six-month period ended June 30, 2020	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. For the six-month period ended June 30, 2020 (Note 2(2)B)	Book value of investments in Mainland China as of June 30, 2020	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2020	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	\$ 519,942	(2)	\$ 210,978	\$ -	\$ -	\$ 210,978	\$ 19,682	40.00	\$ 7,873	\$ 305,381	\$ -	
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	176,817	(2)	41,740	-	-	41,740	75,820	40.00	30,328	183,281	-	
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	324,217	(2)	278,847	-	-	278,847	22,348	46.20	10,325	190,289	-	(Note)
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	1,807,596	(2)	2,399,822	-	-	2,399,822	16,941	80.00	(23,267)	3,065,530	-	(Note)
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	178,897	(2)	265,490	-	-	265,490	182	80.00	174	141,667	-	(Note)
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	255,226	(2)	461,947	-	-	461,947	2,065	80.00	(2,335)	385,466	-	(Note)
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	206,938	(2)	376,569	-	-	376,569	1,767	80.00	77	234,925	-	(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, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six-month period ended June 30, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2020	Net income (loss) of the investee for the six-month period ended June 30, 2020	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. For the six-month period ended June 30, 2020 (Note 2(2)B)	Book value of investments in Mainland China as of June 30, 2020	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Evergreen Shipping Agency (China) Co., Ltd.	Shipping agency	\$ 20,802	(2)	\$ 81,952	\$ -	\$ -	\$ 81,952	\$ 21,509	41.60	(\$ 9,679)	\$ 14,123	\$ -	(Note)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2020	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.	\$ 4,117,345	\$ 4,660,623	\$ 45,184,254

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 six-month period ended June 30, 2020' 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.

Evergreen Marine Corporation (Taiwan) Ltd.
Major shareholders information
For the six-month period ended June 30, 2020

Table 9

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Evergreen International S.A.(EIS)	391,786,816	8.14%
Chang, Kuo-Hua	319,646,157	6.64%
Evergreen International Corp.	262,411,866	5.45%

Note 1: The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed was the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.