

**EVERGREEN MARINE CORPORATION**

**FINANCIAL STATEMENTS AND REPORT OF**

**INDEPENDENT ACCOUNTANTS**

**JUNE 30, 2010 AND 2009**

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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.

## REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen Marine Corporation

We have audited the accompanying balance sheets of Evergreen Marine Corporation (the "Company") as of June 30, 2010 and 2009, and the related statements of income, of changes in stockholders' equity, and of cash flows for the six-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of certain investee companies accounted for under the equity method as of and for the six-month periods ended June 30, 2010 and 2009, were audited by other auditors, whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in the financial statements and information disclosed in Note 11 relating to these long-term equity investments, is based solely on the reports of the other auditors. Long-term equity investments in these investee companies amounted to 23,711,263 and 22,905,301 thousand New Taiwan dollars, constituting 28.93% and 27.07% of the total assets as of June 30, 2010 and 2009, and the related investment income was 2,452,752 thousand New Taiwan dollars and investment loss was 4,046,180 thousand New Taiwan dollars for the six-month periods then ended.

We conducted our audits in accordance with the "Rules Governing the Examination of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining,

on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Evergreen Marine Corporation as of June 30, 2010 and 2009, and the results of its operations and its cash flows for the six-month periods then ended in conformity with the “Rules Governing Preparation of Financial Statements by Securities Issuers”, “Business Entity Accounting Law”, “Regulations on Business Entity Accounting Handling” and generally accepted accounting principles in the Republic of China.

We have also reviewed the consolidated financial statements of Evergreen Marine Corporation and its subsidiaries as of and for the six-month periods ended June 30, 2010 and 2009, on which we have issued an unqualified opinion with explanatory paragraph thereon.

PricewaterhouseCoopers, Taiwan  
August 16, 2010  
Taipei, Taiwan  
Republic of China

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

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

EVERGREEN MARINE CORP. (TAIWAN) LTD.  
BALANCE SHEETS  
JUNE 30  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2010	2009
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4(1))	\$ 2,951,010	\$ 1,849,662
Financial assets at fair value through profit or loss - current (Note 4(2))	2,185,565	3,358,534
Notes receivable, net	4	10
Accounts receivable, net (Note 4(6))	543,868	607,760
Accounts receivable, net - related parties (Notes 4(6) and 5)	109,754	87,419
Other receivables	449,562	175,734
Other receivables - related parties (Note 5)	334,869	154,878
Other financial assets - current (Note 4(7))	174,958	244,300
Inventories	342,528	367,195
Prepaid expenses	192,080	158,960
Prepayments	5,287	17,595
Deferred income tax assets - current (Note 4(21))	378,878	324,367
Restricted assets (Note 6)	249,801	239,114
Other current assets - other (Notes 4(8) and 5)	2,368,475	1,596,670
<b>Total current assets</b>	<b>10,286,639</b>	<b>9,182,198</b>
<b>Funds and Investments</b>		
Financial assets at fair value through profit or loss - non-current (Note 4(2))	93,096	-
Available-for-sale financial assets - non-current (Note 4(3))	813,214	535,044
Held-to-maturity financial assets - non-current (Note 4(4))	1,170,000	200,000
Financial assets carried at cost - non-current (Note 4(5))	1,534,441	1,534,441
Long-term equity investments accounted for under the equity method (Note 4(9))	57,959,029	61,363,118
Other long-term investments	312	312
<b>Total funds and investments</b>	<b>61,570,092</b>	<b>63,632,915</b>
<b>Property, Plant and Equipment, Net (Notes 4(10), 5 and 6)</b>		
Land	1,972,540	1,972,540
Buildings	1,512,002	1,512,002
Loading and unloading equipment	4,530,476	4,359,730
Computer and communication equipment	114,620	119,637
Transportation equipment	14,042,115	15,594,985
Boats	2,090,470	3,311,986
Dock and wharf equipment	131,742	143,494
Office equipment	209,290	212,331
Cost and revaluation increments	24,603,255	27,226,705
Less: Accumulated depreciation	( 14,637,984)	( 15,771,529)
Construction in progress and prepayments for equipment	-	152,642
<b>Total property, plant and equipment, net</b>	<b>9,965,271</b>	<b>11,607,818</b>
<b>Intangible assets</b>		
Deferred pension costs	37,756	59,440
<b>Other Assets</b>		
Refundable deposits	43,409	41,954
Deferred expenses	60,830	99,705
<b>Total other assets</b>	<b>104,239</b>	<b>141,659</b>
<b>TOTAL ASSETS</b>	<b>\$ 81,963,997</b>	<b>\$ 84,624,030</b>

(Continued)

EVERGREEN MARINE CORP. (TAIWAN) LTD.  
BALANCE SHEETS  
JUNE 30  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2010	2009
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Short-term loans (Note 4(11))	\$ 3,112,841	\$ 2,963,218
Notes and bills payable (Note 4(12))	-	999,882
Financial liabilities at fair value through profit or loss - current (Note 4(13))	477,012	1,106,019
Notes payable	-	1,124
Accounts payable	1,361,560	1,208,956
Accounts payable - related parties (Note 5)	148,729	192,998
Income tax payable (Note 4(21))	-	32,333
Accrued expenses	615,301	1,457,886
Other payables	50,234	43,653
Receipts in advance	1,476	-
Long-term liabilities - current portion (Note 4(14))	2,300,000	567,500
Other current liabilities (Note 5)	551,389	248,135
<b>Total current liabilities</b>	<b>8,618,542</b>	<b>8,821,704</b>
<b>Long-term Liabilities</b>		
Financial liabilities at fair value through profit or loss - non-current (Note 4(13))	-	227,883
Bonds payable (Note 4(15))	4,417,148	-
Long-term loans (Note 4(16))	8,311,822	13,087,831
<b>Total long-term liabilities</b>	<b>12,728,970</b>	<b>13,315,714</b>
<b>Other Liabilities</b>		
Accrued pension liabilities	791,690	730,074
Guarantee deposits received	48	24
Deferred income tax liabilities - non-current (Note 4(21))	1,030,013	1,467,753
Other liabilities - other	324,288	477,577
<b>Total other liabilities</b>	<b>2,146,039</b>	<b>2,675,428</b>
<b>Total liabilities</b>	<b>23,493,551</b>	<b>24,812,846</b>
<b>Stockholders' Equity</b>		
<b>Capital (Note 4(17))</b>		
Common stock	30,625,992	30,609,390
<b>Capital Reserves (Note 4(18))</b>		
Paid-in capital in excess of par value of common stock	4,800,903	4,787,505
Capital reserve from donated assets	372	372
Capital reserve from long-term investments	1,611,001	1,560,794
Capital reserve from stock warrants	256,205	-
Capital reserve - other	6,713	6,713
<b>Retained Earnings (Note 4(19))</b>		
Legal reserve	7,586,240	7,586,240
Special reserve	957,344	957,344
Undistributed earnings	12,276,986	13,383,704
<b>Other Adjustments to Stockholders' Equity</b>		
Unrealized gain or loss on financial instruments	647,492	( 321,704)
Cumulative translation adjustments	185,983	1,713,730
Unrecognized pension cost	( 484,785)	( 472,904)
<b>Total stockholders' equity</b> (Note 7)	<b>58,470,446</b>	<b>59,811,184</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 81,963,997</b>	<b>\$ 84,624,030</b>

The accompanying notes are an integral part of these financial statements.  
See report of independent accountants dated August 16, 2010.

EVERGREEN MARINE CORP. (TAIWAN) LTD.  
STATEMENTS OF INCOME  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30,  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

	2010	2009		
Operating income (Notes 4(20) and 5)	\$ 8,596,132	\$ 7,715,022		
Operating costs (Notes 4(23) and 5)	( 7,685,379)	( 6,590,327)		
Gross profit, net	910,753	1,124,695		
Operating Expenses (Notes 4(23) and 5)				
General and administrative expenses	( 738,822)	( 744,428)		
Operating income	171,931	380,267		
Non-operating Income and Gains				
Interest income	13,899	47,821		
Gain on valuation of financial assets	194,070	1,415		
Gain on valuation of financial liabilities	484,138	1,017,817		
Investment income accounted for under the equity method (Note 4(9))	3,110,056	-		
Dividend income	83,692	3,450		
Gain on disposal of property, plant and equipment (Note 5)	467,518	589,004		
Gain on disposal of investments	7,351	7,333		
Foreign exchange gain, net	-	161,859		
Rental income (Note 5)	48,619	50,392		
Other non-operating income	23,358	25,826		
Non-operating Income and Gains	4,432,701	1,904,917		
Non-operating Expenses and Losses				
Interest expense	( 164,621)	( 114,468)		
Investment loss accounted for under the equity method (Note 4(9))	-	( 6,994,823)		
Loss on disposal of property, plant and equipment	( 331)	( 1,067)		
Foreign exchange loss	( 182,746)	-		
Financing charges	( 2,311)	( 2,316)		
Other non-operating losses	( 317)	( 592)		
Non-operating Expenses and Losses	( 350,326)	( 7,113,266)		
Income (loss) from continuing operations before income tax	4,254,306	( 4,828,082)		
Income tax (expense) benefit (Note 4(21))	( 219,743)	114,010		
Net income (loss)	\$ 4,034,563	\$ 4,714,072		
	Before Tax	After Tax	Before Tax	After Tax
Basic earnings (loss) per share (Note 4(22))				
Net income (loss)	\$ 1.39	\$ 1.32	(\$ 1.58)	(\$ 1.54)
Diluted earnings (loss) per share (Note 4(22))				
Net income (loss)	\$ 1.34	\$ 1.27	(\$ 1.58)	(\$ 1.54)

The accompanying notes are an integral part of these financial statements.  
See report of independent accountants dated August 16, 2010.

EVERGREEN MARINE CORP. (TAIWAN) LTD.  
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
 FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2010 AND 2009  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Common Stock	Capital Reserves	Retained Earnings			Other Adjustments to Stockholders' Equity			Total
			Legal reserve	Special reserve	Undistributed earnings	Unrealized gain or loss on financial instruments	Cumulative translation adjustments	Unrecognized pension cost	
<b>Year 2009</b>									
Balance at January 1, 2009	\$30,609,390	\$6,355,383	\$ 7,522,313	\$ 957,344	\$ 18,161,703	(\$ 776,363)	\$ 895,498	(\$ 479,092)	\$63,246,176
Appropriation of 2008 earnings									
Legal reserves	-	-	63,927	-	( 63,927)	-	-	-	-
Adjustments on retained earnings due to changes in investees' capital surplus based on percentage of shareholding	-	1	-	-	-	312,203	11,150	6,188	329,542
Translation adjustments arising from investees' financial statements denominated in foreign currencies	-	-	-	-	-	-	807,082	-	807,082
Unrealized gain on available-for-sale financial assets	-	-	-	-	-	142,456	-	-	142,456
Net loss for the six-month period ended June 30, 2009	-	-	-	-	( 4,714,072)	-	-	-	( 4,714,072)
Balance at June 30, 2009	<u>\$30,609,390</u>	<u>\$6,355,384</u>	<u>\$ 7,586,240</u>	<u>\$ 957,344</u>	<u>\$ 13,383,704</u>	<u>(\$ 321,704)</u>	<u>\$ 1,713,730</u>	<u>(\$ 472,904)</u>	<u>\$59,811,184</u>
<b>Year 2010</b>									
Balance at January 1, 2010	\$30,625,992	\$6,675,194	\$ 7,586,240	\$ 957,344	\$ 8,242,423	\$ 207,729	\$ 640,363	(\$ 483,688)	\$54,451,597
Adjustments on retained earnings due to changes in investees' capital surplus based on percentage of shareholding	-	-	-	-	-	318,860	72,462	( 1,097)	390,225
Translation adjustments arising from investees' financial statements denominated in foreign currencies	-	-	-	-	-	-	( 526,842)	-	( 526,842)
Unrealized gain on available-for-sale financial assets	-	-	-	-	-	120,903	-	-	120,903
Net income for the six-month period ended June 30, 2010	-	-	-	-	4,034,563	-	-	-	4,034,563
Balance at June 30, 2010	<u>\$30,625,992</u>	<u>\$6,675,194</u>	<u>\$ 7,586,240</u>	<u>\$ 957,344</u>	<u>\$ 12,276,986</u>	<u>\$ 647,492</u>	<u>\$ 185,983</u>	<u>(\$ 484,785)</u>	<u>\$58,470,446</u>

The accompanying notes are an integral part of these financial statements.  
 See report of independent accountants dated August 16, 2010.

EVERGREEN MARINE CORP. (TAIWAN) LTD.  
STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30,  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2010	2009
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net income (loss)	\$ 4,034,563	(\$ 4,714,072)
Adjustments to reconcile net income (loss) to net cash used by operating activities		
Depreciation	847,266	923,553
Amortization	11,031	13,194
Reclassification of depreciation of dock facilities to operating costs and others	147,509	143,040
Reclassification of amortization of deferred charges to others	19,559	17,438
Net gain on disposal of property, plant and equipment	( 467,349)	( 587,937)
Excess of equity-accounted investment (gain) loss over cash dividends	( 2,876,424)	6,994,823
Amortization of bond discounts	105,356	-
Changes in assets and liabilities		
Financial assets and liabilities at fair value through profit or loss	951,831	( 1,999,859)
Notes and accounts receivable	56,780	( 124,178)
Other receivables	255,162	253,567
Other financial assets	63,950	1,119,194
Ship fuel	35,359	( 34,781)
Prepaid expenses and prepayments	( 8,190)	9,653
Restricted assets	( 2,927)	( 106,927)
Agent accounts	( 57,979)	( 237,451)
Agency reciprocal accounts	( 482,207)	828,570
Other current assets	18,809	( 32,029)
Refundable deposits	( 876)	2,632
Notes and accounts payable	370,019	( 195,169)
Income tax payable	-	( 305,423)
Accrued expenses	189,155	( 846,176)
Other payables	25,365	( 5,308)
Receipts in advance	1,476	-
Other current liabilities	( 4,052)	( 14,044)
Accrued pension liability	38,704	31,601
Deferred income tax assets / liabilities	219,676	( 170,109)
Net cash used by operating activities	<u>3,491,566</u>	<u>963,802</u>

(Continued)



EVERGREEN MARINE CORP. (TAIWAN) LTD.  
STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30,  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2010	2009
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Financial assets and liabilities at fair value through profit or loss	(\$ 554,342)	(\$ 3,475,758)
Acquisition of held-to-maturity financial assets	( 470,000)	( 200,000)
Proceeds from sale of held-to-maturity financial assets	460,000	-
Acquisition of property, plant and equipment	( 27,026)	( 63,804)
Proceeds from disposal of property, plant and equipment	510,912	423,539
Increase in deferred charges	( 5,665)	( 42,603)
Net cash used in investing activities	( 86,121)	( 3,358,626)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in short-term loans	950,684	143,218
(Decrease) increase in short-term bills payable	( 99,959)	999,882
Decrease in long-term loans	( 3,386,856)	( 1,803,515)
Decrease in corporate bonds payable	-	( 202,100)
Increase in guarantee deposits received	24	-
Net cash used in financing activities	( 2,536,107)	( 862,515)
Increase (decrease) in cash and cash equivalents	869,338	( 3,257,339)
Cash and cash equivalents at beginning of period	2,081,672	5,107,001
Cash and cash equivalents at end of period	\$ 2,951,010	\$ 1,849,662
<u>Supplemental information of cash flow information</u>		
Interest paid	\$ 67,761	\$ 136,370
Less: Interest capitalized	-	-
Interest paid, net of interest capitalized	\$ 67,761	\$ 136,370
Income tax paid	\$ 709	\$ 361,523
Financing activities not affecting cash flows		
Long-term liabilities due within one year	\$ 2,300,000	\$ 567,500

The accompanying notes are an integral part of these financial statements.  
See report of independent accountants dated August 16, 2010.

EVERGREEN MARINE CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

Established on September 25, 1968, Evergreen Marine Corporation (the "Company") is mainly engaged in domestic and international marine transportation, shipping agency services, and the distribution of containers. The Company was approved by the Securities and Futures Commission (SFC), Ministry of Finance (MOF) (currently known as the Securities and Futures Bureau (SFB), Financial Supervisory Commission, Executive Yuan) to be a public company on November 2, 1982 and was further approved by the SFC to be a listed company on July 6, 1987. The Company's shares have been publicly traded on the Taiwan Stock Exchange since September 21, 1987. The Company had 1,227 employees as of June 30, 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared in conformity with the "Rules Governing Preparation of Financial Statements by Securities Issuers", "Business Entity Accounting Law", "Regulations on Business Entity Accounting Handling", and accounting principles generally accepted in the Republic of China. The Company's significant accounting policies are summarized below:

(1) Classification of current and non-current assets and liabilities

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- a) Assets arising from operating activities that are expected to be realized or consumed, or are intended to be sold within the normal operating cycle;
  - b) Assets held mainly for trading purposes;
  - c) Assets that are expected to be realized within twelve months from the balance sheet date;
  - d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- a) Liabilities arising from operating activities that are expected to be paid off within the normal operating cycle;
  - b) Liabilities arising mainly from trading activities;
  - c) Liabilities that are to be paid off within twelve months from the balance sheet date;

d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

(2)Translation of financial statements of foreign subsidiaries

Assets and liabilities of foreign subsidiaries are translated into New Taiwan dollars using the exchange rates at the balance sheet date. Equity accounts are translated at historical rates except for beginning retained earnings, which are carried forward from prior year's balance. Dividends are translated at the rates prevailing at the date of declaration. Profit and loss accounts are translated at weighted-average rates of the year. The resulting translation differences are included in "cumulative translation adjustments" under stockholders' equity.

(3)Foreign currency transactions

A. The Company maintains its accounts in New Taiwan Dollars. Transactions denominated in foreign currencies are translated into New Taiwan Dollars at the spot exchange rates prevailing at the transaction dates. Exchange gains or losses due to the difference between the exchange rate on the transaction date and the exchange rate on the date of actual receipt and payment are recognized in current year's profit or loss.

B. Monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses are recognized in profit or loss.

C. When a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss shall be recognized directly in equity. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss shall be recognized in profit or loss. However, non-monetary items that are measured on a historical cost basis are translated using the exchange rate at the date of the transaction.

(4)Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks and other short-term highly liquid investments which are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value resulting from fluctuations in interest rates.

The Company's statement of cash flow is prepared on the basis of cash and cash equivalents.

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

A. Equity financial instruments are recognized and derecognized using trade date accounting; whereas debt, beneficiary certificates, and derivative financial instruments are recognized and derecognized using settlement date accounting. These instruments are initially recognized at their fair values.

B. These financial instruments are subsequently remeasured and stated at fair value, and the gain

or loss is recognized in profit or loss. The fair value of listed stocks, OTC stocks and closed-end mutual funds is based on latest quoted fair prices of the accounting period. The fair value of open-end and balanced mutual funds is based on the net asset value at the balance sheet date.

- C. When a derivative is an ineffective hedging instrument, it is initially recognized at fair value on the date a derivative contract is entered into and is subsequently remeasured at its fair value. If a derivative is a non-option derivative, the fair value initially recognized is zero.
- D. For call options, put options and conversion rights without characteristics of equity, which are embedded in corporate bonds payable, please refer to Note 2 (14).
- E. Financial assets and financial liabilities designated as at fair value through profit or loss at inception are those that conform to one of the following conditions :
  - a)Hybrid products.
  - b)As a result of the designation, measurement and recognition inconsistency could be decreased significantly or eliminated.
  - c)The financial products are managed under the method of risk management and investment strategy management established by the Company and performance of the product is assessed using fair value.

(6) Available-for-sale financial assets

- A. Equity financial instruments are recognized and derecognized using trade date accounting. These instruments are initially recognized at their fair values plus transaction costs that are directly attributable to the acquisition.
- B. The financial assets are remeasured and stated at fair value, and the gain or loss is recognized in equity, until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in equity shall be recognized in profit or loss. The fair value of listed stocks and OTC stocks and closed-end mutual funds are based on latest quoted fair prices of the accounting period. The fair values of open-end and balanced mutual funds are based on the net asset value at the balance sheet date.
- C. If there is any objective evidence that the financial asset is impaired, the cumulative loss that has been recognized directly in equity shall be transferred from equity to profit or loss. When the fair value of an equity instrument subsequently increases, impairment losses recognized previously in profit or loss shall not be reversed. When the fair value of a debt instrument subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss recognized in profit or loss.

(7)Held-to-maturity financial assets

- A. Held-to-maturity financial asset is recognized or derecognized using trade date accounting and is stated initially, at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
- B. The financial assets are carried at amortized cost.
- C. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. If the fair value of the financial asset subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. The book value after reversion should not exceed the amortized cost without recognition of impairment.

(8)Financial assets carried at cost

- A. Financial assets and financial liabilities carried at cost are recognized or derecognized using trade date accounting and are stated initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
- B. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. Such impairment loss shall not be reversed when the fair value of the asset subsequently increases.

(9)Inventories

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

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

- A. Long-term equity investments in which the Company holds more than 20% of the investee company's voting shares or has significant influence on the investee's operational decisions are accounted for under the equity method. The excess of the initial investment cost over the acquired net asset value of the investee attributable to goodwill is no longer amortized, effective January 1, 2006. Retrospective adjustment of the amount of goodwill amortized in previous year is not required. The excess of acquired net asset value of investee over the initial investment cost is allocated proportionately and applied as a reduction to the book values of identifiable non-current assets, and any remaining amount of such excess after this allocation is credited to extraordinary gains. Negative goodwill, incurred before December 31, 2005, should still be amortized. Investee companies of which the Company holds more than 50% voting shares of an investee or the Company holds less than 50% voting shares of an investee, but has effective control over the investee are included in the consolidated financial

statements.

- B. Exchange differences arising from translation of financial statements of overseas investee companies accounted for under the equity method are recorded as “cumulative translation adjustments” under stockholders’ equity.

(11)Property, plant and equipment

- A. Property, plant and equipment are stated at cost. Interests incurred on the loans used to bring the assets to the condition and location necessary for their intended uses are capitalized.
- B. Major improvements and renewals are capitalized and depreciated accordingly. Maintenance and repairs are expensed as incurred.
- C. Depreciation is calculated on a straight-line basis according to the respective assets’ useful lives regulated by the Ministry of Finance plus one year for salvage value. Salvage value of the fully depreciated assets, that are still in use, is depreciated based on one year of useful lives in the year the asset is fully depreciated and in the subsequent year, to the extent that the salvage value falls below \$3,000 dollars. When impairment loss is recognized, property, plant and equipment shall be depreciated over their remaining useful lives based on their carrying values adjusted for the impairment loss.

(12)Deferred expenses

Deferred expenses refer to the expenses incurred for decoration, computer software and cable installation. The expenses incurred for decoration are amortized on a straight-line basis over five years, and the remaining are amortized over 2-3 years.

(13)Asset impairment

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

(14)Corporate bonds payable

The difference between the issue price and face value of corporate bonds is accounted for as premium or discount which is required to be amortized over the period from the date of issuance to maturity date using the interest method and is recorded as “interest expense”.

- A. For the bonds payable issued after January 1, 2006, in which call option, put option and conversion rights are embedded, the issuer of a financial instrument shall classify the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument. These bonds are accounted for as follows:

- a) The difference between the issue price and face value of corporate bonds is accounted for as premium or discount which is required to be amortized over the period from the date of issuance to maturity date using the interest method and is recorded as “interest expense”.
  - b) The value of any derivative features (such as a call option and put option) embedded in the compound financial instrument is recognized as “financial assets or financial liabilities at fair value through profit or loss”. These derivative features are subsequently remeasured and stated at fair value on each balance sheet date, and the gain or loss is recognized in “gain or loss on valuation of financial assets or financial liabilities”. At the expiration date, if the fair value of common stock exceeds the exercise price of put option, the fair value of the put option is recognized as “paid-in capital”; however, if the fair value of common stock is lower than the exercise price, the fair value of the put option is recognized as “gain or loss”.
  - c) A conversion option embedded in the bonds issued by the Company, which is convertible to an equity instrument, is recognized in “capital reserve from stock warrants”. When a bondholder exercises his/her conversion rights, the liability component of the bonds (including corporate bonds and embedded derivatives) shall be revalued at fair value on the conversion date, and the resulting difference shall be recognized as “gain or loss” in the current period. The book value of the common stock issued due to the conversion shall be based on the adjusted book value of the above-mentioned liability component plus the book value of the stock warrants.
  - d) Costs incurred on issuance of convertible bonds are proportionally charged to the liabilities and equities of the underlying instruments based on initial recognition costs.
- B. If the bondholders have the right, within one year, to exercise the put option embedded in bonds, the Company should classify the bond under current liability. After the right expires, the corporate bonds unconverted or not exchanged should be reclassified under non-current liabilities.

(15) Pensions

- A. Under the defined benefit pension plan, net periodic pension costs are recognized in accordance with the actuarial calculations. Net periodic pension costs include service cost, interest cost, expected return on plan assets, amortization of unrecognized net transition obligation and gains or losses on plan assets. Unrecognized net transition obligation is amortized on a straight-line basis over 15 years. Under the defined contribution pension plan, net periodic pension costs are recognized as incurred.
- B. The amount contributed is recognized as pension cost as incurred on an accrual basis. According to R.O.C. SFAS No. 23, “Interim Financial Reporting and Disclosures “, the

Company can choose not to disclose information on pension, which is stated in paragraph 34 of R.O.C. SFAS No. 18, "Accounting for Pensions."

(16)Income taxes

- A. Inter-period and intra-period income tax allocation methods are employed. Over or under provision of prior years' income tax liabilities is included in current year's income tax. After an amendment of the tax law, in the year of its promulgation, deferred income tax assets and liabilities are to be recomputed. Net changes in deferred income tax assets and liabilities, resulting from the recompilation, are to be recognized in the income tax expense (benefit) of continuing operations.
- B. Investment tax credits arising from expenditures incurred on acquisitions of equipment or technology, research and development, employees' training, and equity investments are recognized in the year the related expenditures are incurred.
- C. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to distribute the earnings.

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

Effective January 1, 2008, pursuant to EITF 96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007, "Accounting for Employees' Bonuses and Directors' and Supervisors' Remuneration", the costs of employees' bonuses and directors' and supervisors' remuneration are accounted for as expenses and liabilities, provided that such a recognition is required under legal obligation or constructive obligation and those amounts can be estimated reasonably. However, if the accrued amounts for employees' bonuses and directors' and supervisors' remuneration are significantly different from the actual distributed amounts resolved by the stockholders at their annual stockholders' meeting subsequently, the differences shall be recognized as gain or loss in the following year. In addition, according to EITF 97-127 of the Accounting Research and Development Foundation, R.O.C., dated March 31, 2008, "Criteria for Listed Companies in Calculating the Number of Shares of Employees' Stock Bonus", the Company calculates the number of shares of employees' stock bonus based on the closing price of the Company's common stock at the previous day of the stockholders' meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

(18)Revenue, costs and expenses recognition

Revenues are recognized when the earning process is substantially completed and are realized or realizable. Costs and expenses are recognized as incurred.

(19)Use of estimates

- A. The preparation of financial statements in conformity with generally accepted accounting



principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those assumptions and estimates.

B. Accrued expenses are recorded at the amounts stated in the original supporting documents. Foreign port charges without supporting documents are estimated based on past records and period-end sailing schedules. Differences between the expenses actually incurred in the following year and the estimated accrued expenses are credited or charged to operating costs or expenses in the following year.

### 3.CHANGES IN ACCOUNTING PRINCIPLES

Effective January 1, 2009, the Company adopted the amendments to R.O.C. SFAS No. 10, "Accounting for Inventories". Such change in accounting principle had no effect on net income or earnings per share for six-month period ended June 30, 2009.

### 4.DETAILS OF SIGNIFICANT ACCOUNTS

#### (1)Cash and cash equivalents

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Cash	\$ 5,042	\$ 6,388
Checking accounts	503	1,766
Demand deposits	114,771	6,369
Foreign currency deposits	284,854	790,015
Time deposits (New Taiwan dollars)	1,708,900	-
Time deposits (Foreign currencies)	839,146	1,070,631
Less: Unrealized foreign exchange loss	( 2,206)	( 25,507)
	<u>\$ 2,951,010</u>	<u>\$ 1,849,662</u>

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

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Current items:		
Trading financial assets		
Listed (TSE and OTC) stocks	\$ 290	\$ 290
Beneficiary certificates	2,217,843	2,602,333
Interest rate swap (IRS)	-	2,481
Currency exchange swap (CCS)	14,814	6,198
Oil swap	1,603	-
Structural financial instruments	3,158	803,158
Embedded derivatives	<u>1,000</u>	<u>-</u>
	2,238,708	3,414,460
Adjustment	( <u>53,143</u> )	( <u>55,926</u> )
	<u>\$ 2,185,565</u>	<u>\$ 3,358,534</u>

Non-current items:

Financial assets designated as at fair value through profit or loss

Corporate bonds	100,000	-
Adjustment	( <u>6,904</u> )	<u>-</u>
	<u>\$ 93,096</u>	<u>\$ -</u>

A. For the six-month periods ended June 30, 2010 and 2009, the Company recognized net gain of \$194,070 and \$1,415, respectively.

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

(3) Available-for-sale financial assets

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Non-current items:		
Listed (TSE and OTC) stocks		
Central Reinsurance Corp.	\$ 490,801	\$ 490,801
Fubon Financial Holding Co., Ltd.	<u>3,871</u>	<u>3,871</u>
	494,672	494,672
Adjustments	<u>318,542</u>	<u>40,372</u>
	<u>\$ 813,214</u>	<u>\$ 535,044</u>

(4) Held-to-maturity financial assets

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Non-current item:		
Corporate bonds	\$ 1,170,000	\$ 200,000

(5) Financial assets carried at cost

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Non-current item:		
Unlisted stocks	\$ 1,534,441	\$ 1,534,441

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

(6) Accounts receivable, net

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Non-related parties	\$ 538,944	\$ 612,220
Add: Unrealized foreign exchange gain (loss)	4,924	( 4,460)
Less: Allowance for doubtful accounts	-	-
	<u>543,868</u>	<u>607,760</u>
Related parties	109,754	87,419
	<u>\$ 653,622</u>	<u>\$ 695,179</u>

(7) Other financial assets - current

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Futures transaction margin	\$ 174,958	\$ 244,300

(8) Other current assets

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Agency accounts	\$ 622,960	\$ 642,546
Agency reciprocal accounts	1,667,453	855,210
Temporary debits	78,062	98,914
	<u>\$ 2,368,475</u>	<u>\$ 1,596,670</u>

A. Agency accounts

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

B. Agency reciprocal accounts

Temporary accounts between the Company and Evergreen International S.A., Gaining Enterprise S.A., Greencompass Marine S.A., Italia Marittima S.p.A., Evergreen Marine (UK)

Limited, Evergreen Marine (Hong Kong) LTD and Evergreen Marine (Singapore) Pte. Ltd. These accounts occur as these ship owners incur foreign port expenses and related rental expenses.

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

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

Investee company	June 30, 2010	Carrying amount	
	Percentage of ownership	June 30, 2010	June 30, 2009
Peony Investment S.A.	100.00%	\$ 40,808,493	\$ 47,504,542
Taiwan Terminal Services Co., Ltd.	55.00%	86,013	88,377
Charng Yang Development Co., Ltd.	40.00%	547,572	516,570
Evergreen International Storage and Transport Corporation	39.74%	8,180,284	7,738,215
Evergreen Security Corporation	31.25%	82,931	71,772
EVA Airways Corporation	19.32%	7,409,705	4,822,788
Taipei Port Container Terminal Corporation	21.03%	844,031	620,854
		<u>\$ 57,959,029</u>	<u>\$ 61,363,118</u>

B.Investment income (loss) accounted for under the equity method for the six-month periods ended June 30, 2010 and 2009 is set forth below:

Investee company	For the six-month periods ended June 30,	
	2010	2009
Peony Investment S.A.	\$ 1,801,310	(\$ 6,863,332)
Taiwan Terminal Services Co., Ltd.	( 2,271)	6,450
Charng Yang Development Co., Ltd.	28,714	23,816
Evergreen International Storage and Transport Corporation	284,506	166,409
Evergreen Security Corporation	9,011	6,618
EVA Airways Corporation	1,008,231	( 320,322)
Taipei Port Container Terminal Corporation	( 19,445)	( 14,462)
	<u>\$ 3,110,056</u>	<u>(\$ 6,994,823)</u>

C. On July 23, 2009, the Company issued its first domestic secured exchangeable bonds based on the resolution by the Board of Directors. Pursuant to the terms of issuance, the bondholders may exchange the exchangeable bonds into the common stocks of Evergreen International Storage and Transport Corporation (EITC) during the period from one month after the exchangeable bonds are issued to 10 days before the maturity of the exchangeable bonds. The Company has already appropriated 82,481 thousand shares of common stock of Evergreen International Storage and Transport Corporation to the account in Taiwan Depository and Clearing Corporation, for the use of exchange from exchangeable bonds to common stock of EITC. (For details of the issuance terms of the exchangeable bonds, please refer to Note 4(15)).

(10) Property, plant and equipment

Asset	June 30, 2010		
	Initial cost	Accumulated depreciation	Net book value
Land	\$ 1,972,540	\$ -	\$ 1,972,540
Building	1,512,002	( 485,215)	1,026,787
Loading and unloading equipment	4,530,476	( 3,705,622)	824,854
Computer and communication equipment	114,620	( 96,157)	18,463
Transportation equipment	14,042,115	( 8,596,541)	5,445,574
Ships	2,090,470	( 1,584,015)	506,455
Dock and wharf equipment	131,742	-	131,742
Office equipment	209,290	( 170,434)	38,856
	<u>\$ 24,603,255</u>	<u>(\$ 14,637,984)</u>	<u>\$ 9,965,271</u>
Asset	June 30, 2009		
Asset	Initial cost	Accumulated depreciation	Net book value
Land	\$ 1,972,540	\$ -	\$ 1,972,540
Building	1,512,002	( 455,524)	1,056,478
Loading and unloading equipment	4,359,730	( 3,434,097)	925,633
Computer and communication equipment	119,637	( 94,413)	25,224
Transportation equipment	15,594,985	( 9,170,060)	6,424,925
Ships	3,311,986	( 2,456,367)	855,619
Dock and wharf equipment	143,494	-	143,494
Office equipment	212,331	( 161,068)	51,263
	27,226,705	( 15,771,529)	11,455,176
Prepayments for equipment	152,642	-	152,642
	<u>\$ 27,379,347</u>	<u>(\$ 15,771,529)</u>	<u>\$ 11,607,818</u>

A. All the aforementioned ships have been insured based on the market value of each vessel or the

requirement of the creditor banks. As of June 30, 2010 and 2009, the insurance coverage amounted to USD48,000 and USD97,500, respectively. In addition, the ships were covered by the protection and indemnity insurance with GARD. The indemnity amounts were unlimited except for oil pollution which was limited to USD 5 billion and USD8 billion as of June 30, 2010 and 2009, respectively.

B. The Company's loading and unloading equipment were covered by the general insurance for construction machinery with insurance coverage amounting to \$1,416,287 and \$1,633,845 as of June 30, 2010 and 2009, respectively. The fire and car insurance coverage for the office equipment and building was \$815,343 and \$907,898 as of June 30, 2010 and 2009, respectively. Container facilities were insured with full coverage amounting to USD251,112 and USD302,722 as of June 30, 2010 and 2009, respectively.

C. The Company entered into a construction agreement with Kaohsiung Harbor Bureau to complete the extension project of Piers No. 79~81 of Kaohsiung Harbor. The Company is entitled to use the piers free of charge for 10 years commencing from the date of completion. Upon expiration of the 10-year period, the Company is obliged to return the piers to the Bureau but has the privilege to lease the piers. The construction project was reclassified to dock facilities upon completion in the beginning of 2000, and is amortized on a straight-line basis over 10 years with the amortization recognized as loading and discharging expenses.

(11)Short-term loans

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Unsecured loans	\$ 3,112,841	\$ 2,963,218

(12)Notes and bills payable

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Notes and bills payable	\$ -	\$ 1,000,000
Less: Unamortized discount	-	( 118)
	<u>\$ -</u>	<u>\$ 999,882</u>

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

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Current items:		
Trading financial liabilities		
Oil swap	\$ 55,206	\$ 677,361
Currency exchange swap	-	106,800
Foreign exchange rate option	307,556	321,858
Embedded derivatives	114,250	-
	<u>\$ 477,012</u>	<u>\$ 1,106,019</u>
Non-current item:		
Oil swap	<u>\$ -</u>	<u>\$ 227,883</u>

A. As of June 30, 2010 and 2009, the Company recognized net gain of \$484,138 and \$1,017,817, respectively.

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

(14) Long-term liabilities - current portion

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Corporate bonds payable	\$ -	\$ 30,000
Long-term bank loans	2,300,000	537,500
	<u>\$ 2,300,000</u>	<u>\$ 567,500</u>

(15) Corporate bonds payable

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Domestic unsecured convertible bonds	\$ 2,500,000	\$ 30,000
Domestic secured exchangeable bonds	2,500,000	-
Less: discount on corporate bonds	( 582,852)	-
	4,417,148	30,000
Less: Current portion	-	( 30,000)
	<u>\$ 4,417,148</u>	<u>\$ -</u>

A. On July 23, 2009, the Company issued its first domestic secured exchangeable bonds (referred herein as the “Exchangeable Bonds”) at face value, totaling \$2.5 billion. The major terms of the issuance are set forth below:

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

b) Coupon rate: 0% per annum

c) Principal repayment and interest payment

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

d) Collaterals

(a) The redemption of the Exchangeable Bonds are guaranteed by Bank Sinopec and Credit Agricola Corporate and Investment Bank, referred herein as the “Guarantors”. The guaranty period is from the issuance date of the Exchangeable Bonds to the date all the debts are paid off. Additionally, the portion the Guarantors insure includes principal plus accrued interest and debt ancillary to the main liability.

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

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

e) Object exchanged

Common stock of Evergreen International Storage and Transport Corporation (EITC) which belongs to the Company. ( Related information is stated in Note 4 (9))

f) Redemption at the Company’s option

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

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

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



g)Terms of exchange

(a)exchange period

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

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

(b) exchange price

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

h)Entitlement to cash dividends

The bondholders who request to exchange the Exchangeable Bonds during the period from January 1 of the current year to any date which is more than 3 trading days before the announcement of cash or stock dividends are entitled to the cash or stock dividends resolved by the stockholders in the current year. Exchange of the Exchangeable Bonds is prohibited during the period from 3 trading days before the announcement of cash or stock dividends to the ex-dividend date.

The bondholders who request to exchange the Exchangeable Bonds during the period from the date following the ex-dividend date to December 31 of the current year are not entitled to the cash or stock dividends resolved by the stockholders in the current year, but are entitled to the cash or stock dividends resolved by the stockholders in the following year.

i)Others

The Company did not repurchase the Exchangeable Bonds and the bondholders did not exercise the exchange right before June 30, 2010.

B. On August 7, 2009, the Company issued its third domestic unsecured registered convertible bonds (referred herein as the “Third Bonds”) at face value, totaling \$2.5 billion. The major terms of the issuance are set forth below:

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

b)Coupon rate: 0% per annum

c)Principal repayment and interest payment

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

d)Collaterals

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

e)Redemption at the Company's option

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

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

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

f)Redemption at the bondholders' option

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

g)Terms of conversion

(a) Conversion period

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

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

(b) Conversion price

The base day for setting conversion price is July 30, 2009. The conversion price can be any of the three average closing prices of the Company's common stock during the 1, 3 and 5 trading days before the base day multiplied by 101.00%. If any cash or stock dividends are distributed before the base day, the closing price used in the computation of the conversion price must be adjusted for the effect of the dividend distribution. If any cash or stock dividends are distributed during the period from the date on which the conversion price is set to the date on which the Third Bonds are issued, the conversion price is required to be adjusted in accordance with the adjusting formula specified in the bond agreement. The conversion price at the issuance of the Third Bonds was set at \$20.04 (in dollars).

h) Entitlement to cash dividends

The bondholders who request to convert the Third Bonds during the period from January 1 of the current year to any date which is more than 3 trading days before the announcement of cash or stock dividends are entitled to the cash or stock dividends resolved by the stockholders in the current year. Conversion of the Third Bonds is prohibited during the period from 3 trading days before the announcement of cash or stock dividends to the ex-dividend date.

The bondholders who request to convert the Third Bonds during the period from the date following the ex-dividend date to December 31 of the current year are not entitled to the cash or stock dividends resolved by the stockholders in the current year, but are entitled to the cash or stock dividends resolved by the stockholders in the following year.

i) Others

The Company did not repurchase the Third Bonds and the bondholders did not exercise the conversion right before June 30, 2010.

C. The conversion rights and debt component of the Third Bonds, abovementioned, are recognized separately in accordance with R.O.C. SFAS No. 36.

The issuance cost of the Third Bonds is allocated to debt and equity components by the

amount initially recognized. Accordingly, the account of “Capital reserve from stock warrants” on book amounts to \$256,205.

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

(16)Long-term loans

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Secured bank loans	\$ 1,750,000	\$ 2,000,000
Unsecured bank loans	8,863,148	11,719,850
Add: Exchange loss ( gain )	3,306 (	85,975)
Less: deferred charges - hosting fee credit	( 4,632)	( 8,544)
	<u>10,611,822</u>	<u>13,625,331</u>
Less: Current portion	( 2,300,000)	( 537,500)
	<u>\$ 8,311,822</u>	<u>\$ 13,087,831</u>

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

(17)Capital stock

As of June 30, 2010, the Company’s authorized capital was \$36,000,000, and the paid-in capital was \$30,625,992, divided into 3,062,599 thousand shares of common stocks, with a par value of \$10 per share.

(18)Capital surplus

A. The Securities and Exchange Act requires that capital reserves shall be exclusively used to cover accumulated deficits or to increase capital and shall not be used for any other purpose. However, capital reserve arising from paid-in capital in excess of par value on issuance of common stock and donations can be capitalized once a year, provided that the Company has no accumulated deficits and the amount to be capitalized does not exceed 10% of the paid-in capital.

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

(19)Appropriation of retained earnings and dividend policy

A. According to the Company’s Articles of Incorporation, if there is any profit for a fiscal year, the Company shall first make provision for income tax and cover prior years’ losses, then appropriate 10% of the residual amount as legal reserve. Dividends shall be proposed by the Board of Directors and resolved by the stockholders. Bonuses paid to employees shall be at least 0.5% of the total distributed amount and the remuneration paid to the directors and supervisors shall not exceed 5% of the total distributed amount. The Company is currently at the stable growth stage. In order to facilitate future expansion plans, dividends to stockholders

are distributed mutually in the form of both cash and stocks with the basic principle that the ratio of cash dividends to total stock dividends shall not be lower than 10%.

B. Legal reserve

Utilization of the legal reserve is limited to offsetting deficits and capital increase. Capitalization of the legal reserve is permitted, provided that the balance of the reserve exceeds 50% of the Company's paid-in capital and the amount capitalized does not exceed 50% of the balance of the reserve.

C. Special reserve

If there is any negative stockholders' equity item recognized by the Company, such as unrealized loss on financial product, cumulative translation adjustments and unrecognition pension cost, the Company is required to set aside an amount equal to the amount of the negative stockholders' equity item as special reserve from the after-tax net income. Additionally the amount set aside could be offset using unrealized gain, if any. If the negative stockholders' equity items are subsequently reversed, an amount not exceeding the reversed amount can be appropriated from the special reserve.

D. Appropriation of the 2009 and 2008 earnings as resolved by the stockholders on June 18, 2010 and June 19, 2009, respectively, are set forth below:

	2009		2008	
	Total Amount	Dividend per share (in dollars)	Total Amount	Dividend per share (in dollars)
Legal reserve	\$ -		\$ 63,927	
Cash dividends	-	\$ -	-	\$ -
Remuneration to directors and supervisors	-		-	
Cash bonus to employees	-		-	
	\$ -		\$ 63,927	

Appropriation of 2009 earnings, abovementioned, is the same as that proposed made by the Board of Directors on April 28, 2010. Information on the appropriation of the Company's earnings as resolved by the Board of Directors and approved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

E. Based on the resolution by the Company's stockholders in 2010, the 2009 earnings is neither to be distributed to employees nor paid to the directors and supervisors. There is also no estimation of bonus to employees or remuneration to the directors and supervisors in the 2009 financial statements. As a result, no difference between 2009 and 2008 exists. As of June 30, 2010, the Company recognized no bonus to employees or remuneration to the directors and

supervisors in order to facilitate future expansion plans.

(20) Operating revenues

	<u>For the six-month periods ended June 30,</u>	
	<u>2010</u>	<u>2009</u>
Marine freight income	\$ 8,117,903	\$ 7,042,658
Ship rental income	231,186	391,863
Commission income and agency service income	116,337	129,659
Others	130,706	150,842
	<u>\$ 8,596,132</u>	<u>\$ 7,715,022</u>

(21) Income tax

	<u>For the six-month periods ended June 30,</u>	
	<u>2010</u>	<u>2009</u>
Income tax expense (benefit)	\$ 219,743	(\$ 114,010)
Add (Less):		
Prepaid and withholding taxes	( 642)	( 23,766)
Separate income tax	( 67)	-
Net change in deferred income tax assets/ liabilities	( 219,676)	170,109
Income tax (refundable) payable	<u>(\$ 642)</u>	<u>\$ 32,333</u>

A. Deferred income tax assets and liabilities

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Total deferred income tax assets-current	\$ 391,996	\$ 325,153
Total deferred income tax assets-non-current	52,665	77,065
Total deferred income tax liabilities-current	( 13,118)	( 786)
Total deferred income tax liabilities-non-current	( 1,082,678)	( 1,544,818)
Valuation allowance for deferred income tax assets	-	-
	<u>(\$ 651,135)</u>	<u>(\$ 1,143,386)</u>

B. Details of temporary differences resulting in deferred income tax assets and liabilities are as follows:

	June 30, 2010		June 30, 2009	
	Amount	Tax effect	Amount	Tax effect
Current items:				
Bad debts expense	\$ 1,688	\$ 287	\$ 1,290	\$ 258
Unrealized foreign exchange loss (gain)	20,986	3,567	( 3,931)	( 786)
Loss on valuation of financial assets	70,618	12,005	48,371	9,674
Loss (gain) on valuation of financial liabilities	( 77,166)	( 13,118)	1,318,956	263,791
Loss carryforwards	2,095,310	356,203	257,147	51,430
Investment tax credits		19,934		-
		<u>\$ 378,878</u>		<u>\$ 324,367</u>
Non-current items:				
Deferred income on disposal of ships	-	\$ -	153,288	\$ 30,658
Pension expense	309,796	52,665	232,036	46,407
Equity-accounted investment income	( 6,368,696)	( 1,082,678)	( 7,724,091)	( 1,544,818)
		<u>(\$ 1,030,013)</u>		<u>(\$ 1,467,753)</u>

C. The Company is eligible for investment tax credits under the Statute for Upgrading Industry. Details as of June 30, 2010 are as follows:

Qualifying item	Total tax credits	Unused tax credits	Final year tax credits are due
Machinery and equipment	\$ 19,644	\$ 19,644	2014
Employees' training	290	290	2014

D. As of June 30, 2010, losses available to be carried forward were as follows:

Year in which losses incurred	Amount filed / approved	Losses available to be carried forward	Unused loss carryforwards	Final year losses can be carried forward
2009	\$ 2,511,384	\$ 426,935	\$ 356,203	2019

E. As of June 30, 2010, the Company's income tax returns through 2007 have been assessed and approved by the Tax Authority.

F. Unappropriated retained earnings

	June 30, 2010	June 30, 2009
Earnings generated in and before 1997	\$ 5,570,596	\$ 5,570,596
Earnings generated in and after 1998	2,671,827	12,527,180
	<u>\$ 8,242,423</u>	<u>\$ 18,097,776</u>

The unappropriated retained earnings represents the accumulated unappropriated retained earnings accounted for in accordance with the "Business Entity Accounting Law". Net income for the six-month periods ended June 30, 2010 and 2009 was not included.

G.As of June 30, 2010 and 2009, the balances of the imputation tax credit account were \$2,405,482 and \$2,057,596, respectively. The creditable tax rate was 48.15% for 2009 and was estimated to be 48.15% for 2010.

(22)Earnings (losses) per share

	For the six-month period ended June 30, 2010				
	Amount		Weighted-average outstanding common shares (in thousands)	Earnings per share (in dollars)	
	Before tax	After tax		Before tax	After tax
<u>Basic EPS</u>					
Net income	\$ 4,254,306	\$ 4,034,563	3,062,599	\$ 1.39	\$ 1.32
Dilutive effect of common stock equivalents:					
Convertible bonds	<u>25,304</u>	<u>25,262</u>	<u>124,751</u>		
<u>Dilutive EPS</u>					
Net income plus dilutive effect of common stock equivalents	<u>\$ 4,279,610</u>	<u>\$ 4,059,825</u>	<u>3,187,350</u>	<u>\$ 1.34</u>	<u>\$ 1.27</u>



For the six month period ended June 30, 2009					
	Amount		Weighted-average outstanding common shares (in thousands)	Losses per share (in dollars)	
	Before tax	After tax		Before tax	After tax
<u>Basic EPS</u>					
Net losses	(\$ 4,828,082)	(\$ 4,714,072)	3,060,939	<u>(\$ 1.58)</u>	<u>(\$ 1.54)</u>
Dilutive effect of common stock equivalents:					
Convertible bonds	Note	Note	Note		
<u>Dilutive EPS</u>					
Net losses plus dilutive effect of common stock equivalents	<u>(\$ 4,828,082)</u>	<u>(\$ 4,714,072)</u>	<u>3,060,939</u>	<u>(\$ 1.58)</u>	<u>(\$ 1.54)</u>

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

(23) Personnel, depreciation and amortization expenses

Personnel, depreciation and amortization expenses are summarized as follows:

	For the six-month period ended June 30, 2010		
	Operating cost	Operating expense	Total
Personnel expenses			
Salaries	\$ 134,623	\$ 354,146	\$ 488,769
Labor and health insurance	6,431	27,514	33,945
Pension expense	9,713	56,117	65,830
Others	10,567	11,128	21,695
Depreciation	777,531	69,736	847,267
Amortization	147,509	11,031	158,540

	<u>For the six-month period ended June 30, 2009</u>		
	<u>Operating cost</u>	<u>Operating expense</u>	<u>Total</u>
Personnel expenses			
Salaries	\$ 184,706	\$ 361,597	\$ 546,303
Labor and health insurance	8,185	28,842	37,027
Pension expense	18,452	48,886	67,338
Others	12,630	10,702	23,332
Depreciation	850,769	72,784	923,553
Amortization	143,040	13,194	156,234

## 5. RELATED PARTY TRANSACTIONS

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

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Evergreen International S.A. (EIS)	Major stockholder of the Company
Taiwan Terminal Services Co., Ltd. (TTSC)	Subsidiary of the Company
Peony Investment S.A. (Peony)	Subsidiary of the Company
Evergreen International Storage and Transport Corporation (EITC)	Investee accounted for under the equity method
EVA Airways Corporation (EVA)	Investee accounted for under the equity method
Evergreen Security Corporation (ESRC)	Investee accounted for under the equity method
Chang Yang Development Co., Ltd. (CYD)	Investee accounted for under the equity method
Taipei Port Container Terminal Corporation (TPCT)	Investee accounted for under the equity method
Evergreen International Corporation (EIC)	Investee of the Company's major stockholder
Evergreen Airline Services Corporation (EGAS)	Investee of the Company's major stockholder
Evergreen Marine (Singapore) Pte. Ltd. (EMS)	Investee of the Company's major stockholder (Established in March, 2009)
Evergreen Marine (Hong Kong) Ltd. (EGH)	Investee of the Company's major stockholder
Chang Yung-Fa Charity Foundation	Its chairman being the Company's director
Chang Yung-Fa Foundation	Its chairman being the Company's director
Shenzhen Greentrans Transportation Co., Ltd. (SGTC)	Indirect subsidiary of the Company
Vigor Enterprise S.A. (VIGOR)	Indirect subsidiary of the Company
Clove Holding Ltd. (CLOVE)	Indirect subsidiary of the Company
Evergreen Marine (UK) Limited (EMU)	Indirect subsidiary of the Company
PT. Multi Bina Transport (MBT)	Indirect subsidiary of the Company
PT. Multi Bina Pura International (MBPI)	Indirect subsidiary of the Company
Greencompass Marine S.A. (GMS)	Indirect subsidiary of the Company
Evergreen Heavy Industrial Co., (Malaysia) Berhad.(EHIC(M))	Indirect subsidiary of the Company
Evergreen Shipping Agency (Deutschland) GmbH (EGD)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Ireland) Ltd. (EGUD)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Netherlands) B.V. (EGN)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Poland) SP.ZO.O (EGD-WWX)	Indirect subsidiary of the Company

Names of related parties	Relationship with the Company
Evergreen Argentina S.A. (EGB)	Indirect subsidiary of the Company
Evergreen Shipping Agency France S.A. (EGF)	Indirect subsidiary of the Company
Evergreen Shipping (Spain) S.L. (EES)	Indirect subsidiary of the Company
Island Equipment LLC. (Island)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Italy) S.p.A. (EIT)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Vietnam) Corp. (EGV)	Indirect subsidiary of the Company
Evergreen Agency (South Africa) (PTY) Ltd. (ESA)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Australia) Pty. Ltd. (EMA)	Indirect subsidiary of the Company
PT. Evergreen Shipping Agency Indonesia (EMI)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Thailand) Co., Ltd. (EGT)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Singapore) Pte. Ltd. (EGS)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Korea) Corporation (EGK)	Indirect subsidiary of the Company
Evergreen Shipping Agency (India) Pvt. Ltd. (EGI)	Indirect subsidiary of the Company
Evergreen Shipping Agency (Russia) Ltd. (ERU)	Indirect subsidiary of the Company
Ample Holding Ltd. (AMPLE)	Indirect subsidiary of the Company
Armand Investment (Netherlands) N.V. (Armand N.V.)	Indirect subsidiary of the Company
Armand Estate B.V. (Armand B.V.)	Indirect subsidiary of the Company
Luanta Investment (Netherlands) N.V. (Luanta)	Investee of Peony
Ningbo Victory Container Co., Ltd. (NVC)	Investee of Peony
Qingdao Evergreen Container Storage and Transportation Co., Ltd. (QECT)	Investee of Peony
Kingtrans International Logistics (Tianjin) Co.,Ltd (KTIL)	Investee of Peony
Green Peninsula Agencies SDN. BHD. (GPA)	Investee of Peony
Whitney Equipment LLC. (WHITNEY)	Indirect subsidiary of the Company

Names of related parties	Relationship with the Company
Hemlock Equipment LLC. (HEMLOCK)	Indirect subsidiary of the Company
Taranto Container Terminal S.p.A. (TCT)	Investee of Luanta
Italia Marittima S.p.A.(ITS)	Investee of Balsam
Evergreen Container Terminal (Thailand) Ltd. (ECTT)	Investee of Peony
Colon Container Terminal S.A. (CCT)	Investee of Peony
Gaining Enterprise S.A. (GESA)	Investee of EITC
Balsam Investment N. V. (Balsam)	Investee of Peony
Seaside Transportation Service LLC. (STS)	Investee of Island with significant influence
Sinotrans Group Shenzhen Co. (SGSC)	Investee of SGTC with significant influence

(2) Significant transactions and balances with related parties

A. Operating revenue from related parties

	For the six-month periods ended June 30,			
	2010		2009	
	Amount	% of Total Operating Revenue	Amount	% of Total Operating Revenue
EIC	\$ 885,208	10	\$ 967,951	13
EITC	48,734	1	51,712	1
EGH	10,720	-	9,296	-
GMS	249,825	3	165,663	2
EIS	23,739	1	46,352	1
EMU	19,974	-	29,019	-
GESA	14,055	-	11,965	-
ITS	11,476	-	6,123	-
EMS	20,487	-	2,357	-
Others	1,478	-	1,541	-
	<u>\$ 1,285,696</u>	<u>15</u>	<u>\$ 1,291,979</u>	<u>17</u>

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

B. Expenditures on services rendered by related parties

	For the six-month periods ended June 30,			
	2010		2009	
	Amount	% of Total Operating Costs and Expenses	Amount	% of Total Operating Costs and Expenses
EITC	\$ 376,853	4	\$ 405,568	6
TTSC	315,283	4	323,590	4
EIC	162,233	2	178,027	2
TPCT	24,812	1	-	-
ESRC	24,006	1	21,761	-
GESA	817,686	8	876,018	12
GMS	118,740	1	122,972	2
EIS	-	-	50,486	1
EGH	27,349	1	23,460	1
EMI	18,908	-	16,110	-
EGT	8,629	-	14,819	-
Others	33,083	1	19,073	-
	<u>\$ 1,927,582</u>	<u>23</u>	<u>\$ 2,051,884</u>	<u>28</u>

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

C. Asset transactions

a) Acquisitions of property, plant, and equipment

	Items	For the six-month periods ended June 30,	
		2010	2009
EIC	Office equipment	\$ 274	\$ -

b) Disposal of property, plant and equipment

	Item	For the six-month periods ended June 30,			
		2010		2009	
		Sales Price	Gain on disposal	Sales Price	Gain on disposal
EITC	Transportation equipment	\$ -	\$ -	\$ 90	\$ 86
Chang Yung -Fa Charity Foundation	Transportation equipment	88	82	-	-
		<u>\$ 88</u>	<u>\$ 82</u>	<u>\$ 90</u>	<u>\$ 86</u>

D. Lease

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

		For the six-month periods ended June 30,			
		2010		2009	
		% of Total		% of Total	
		Rental		Rental	
	Leasehold Property	Amount	income	Amount	income
EIC	Office buildings	\$ 47,210	97	\$ 48,963	97
"	Vehicles	561	2	752	1
Chang Yung -Fa Charity Foundation	Office buildings	103	-	-	-
ESRC	Parking lots	44	-	48	-
		<u>\$ 47,918</u>	<u>99</u>	<u>\$ 49,763</u>	<u>98</u>

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

		For the six-month periods ended June 30,			
		2010		2009	
		% of Total		% of Total	
		Rental		Rental	
	Leasehold Property	Amount	Expenses	Amount	Expenses
EIC	Office buildings	\$ 21,557	99	\$ 24,067	99
EVA	Parking lots	189	1	329	1
		<u>\$ 21,746</u>	<u>100</u>	<u>\$ 24,396</u>	<u>100</u>

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

		For the six-month periods ended June 30,			
		2010		2009	
		% of Total		% of Total	
		Vessel and		Vessel and	
		Slot Rental		Slot Rental	
	Amount	Expenses	Amount	Expenses	
EITC	\$ 302,479	20	\$ 320,470	20	
GESA	817,686	53	876,018	53	
GMS	118,740	8	122,972	7	
EIS	-	-	50,486	3	
	<u>\$ 1,238,905</u>	<u>81</u>	<u>\$ 1,369,946</u>	<u>83</u>	

E. Receivables from and payables to related parties

The receivables from and payables to related parties bear no interest, and are set forth as follows:

	June 30, 2010		June 30, 2009	
	Amount	% of Account Balance	Amount	% of Account Balance
<u>Accounts receivable</u>				
EIC	\$ 56,950	9	\$ 39,878	6
EITC	24,371	4	24,867	3
EIS	10,841	1	6,780	1
Others	17,592	2	15,894	3
	<u>\$ 109,754</u>	<u>16</u>	<u>\$ 87,419</u>	<u>13</u>
	June 30, 2010		June 30, 2009	
	Amount	% of Account Balance	Amount	% of Account Balance
<u>Other receivables</u>				
EITC	\$ 214,521	27	\$ 173	-
EIC	80,500	10	109,785	33
ITS	18	-	15,775	5
GMS	7,638	2	10,138	3
EIS	26,394	3	11,396	3
Others	5,798	1	7,611	2
	<u>\$ 334,869</u>	<u>43</u>	<u>\$ 154,878</u>	<u>46</u>
	June 30, 2010		June 30, 2009	
	Amount	% of Account Balance	Amount	% of Account Balance
<u>Accounts Payable</u>				
TTSC	\$ 41,569	3	\$ 41,522	3
EIC	22,054	2	27,525	2
EIS	57,917	4	59,095	4
EGH	266	-	21,124	2
EGI	6,689	-	13,213	1
EMI	-	-	12,869	1
Others	20,234	1	17,650	1
	<u>\$ 148,729</u>	<u>10</u>	<u>\$ 192,998</u>	<u>14</u>



(3)Endorsements and guarantees for related parties

Endorsements and guarantees issued by the Company are as follows:

<u>Companies receiving guarantees</u>	<u>June 30, 2010</u>		<u>June 30, 2009</u>	
PEONY	USD	5,000	USD	5,000
EMU	USD	601,605	USD	613,325
GMS	USD	578,303	USD	507,383
CCT	USD	28,680	USD	28,680
TCT	USD	20,250	USD	20,250
WHITNEY	USD	94,164	USD	45,811
HEMLOCK	USD	17,600	USD	17,600
ESA	USD	500	USD	-
BALSAM	USD	49,000	USD	-
ITS	USD	-	USD	10,000

(4)Significant contracts with related parties

- A. The Company entered into an agreement with EIC for consulting services on business management, computer information, and shipping affairs. Except for payments made on behalf of the Company which are charged on actual amounts, the remaining fees are charged on an hourly basis or by cost plus method. The contract took effect on July 1, 1996 and continues to be effective unless terminated.
- B. The Company entered into an agreement with EIC for services, such as cargo-forwarding and freight-collecting. As of June 30, 2010 and 2009, the receivables were \$56,950 and \$39,878, respectively. The contract has been effective since 2002 unless terminated.
- C. The Company entered into an agreement with ESRC for security service in the Taipei office, the Kaohsiung office, and the Kaohsiung container yards. The monthly service fees were \$940 for Taipei and \$1,614 for Kaohsiung.
- D. The Company entered into agency agreements with its related parties to manage petty cash required by their vessels, and payments of Taiwanese crew salaries and insurance premiums. The transactions are recorded as “temporary debits”. As of June 30, 2010 and 2009, the balances of the accounts are as follows:

a) Debit balances of temporary debits

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
EIS	\$ 5,955	\$ 14,484
GMS	9,952	12,927
GESA	9,493	7,832
EMU	5,917	4,901
EGH	5,123	2,784
EMS	10,416	-
	<u>\$ 46,856</u>	<u>\$ 42,928</u>

b) Credit balance of temporary debits

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
EMS	<u>\$ -</u>	<u>\$ 259</u>

E. The Company entered into agency agreements with its related parties, whereby the related parties act as the Company's overseas agents to deal with foreign port formalities, such as arrival and departure of the Company's ships, cargo stevedoring and forwarding, freight collection, and payment of expenses incurred in foreign ports. The transactions are recorded as "agency accounts in other (liabilities)-current". As of June 30, 2010 and 2009, the balances of the accounts are as follows:

a) Debit balances of agency accounts

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
EIC	\$ 13,543	\$ -
EMI	28,027	33,486
EGT	-	1,167
EGUD	1,441	1,100
EGS	3,762	1,714
EGI	68,283	78,085
EGV	-	26,788
ERU	1,017	350
EIT	7,077	991
EGF	-	253
ESA	13	61
EGD-WWX	208	-
	<u>\$ 123,371</u>	<u>\$ 143,995</u>

b) Credit balances of agency accounts

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
EIC	\$ -	\$ 3,252
EGD	1,368	308
EGB	1,073	-
EGV	1,180	-
EGK	616	1,558
EGT	506	-
EGN	1,331	6,692
EGF	174	-
EES	475	70
EMA	214	48
EGD-WWX	-	99
	<u>\$ 6,937</u>	<u>\$ 12,027</u>

F. Temporary accounts, between the Company and Evergreen International S.A., Gaining Enterprise S.A., Greencompass Marine S.A., Italia Marittima S.p.A., Evergreen Marine (UK) Limited, Evergreen Marine (HongKong) Ltd. and Evergreen Marine (Singapore) Pte. Ltd., incurred due to foreign port formalities and pier rental expenses are recognized as agency reciprocal accounts in "Other assets (liabilities) – current". Details of the balances as of June 30, 2010 and 2009 are as follows:

a) Debit balances of agency reciprocal accounts

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
EIS	\$ 1,136,383	\$ 138,248
ITS	323,571	603,168
GMS	109,402	-
EMS	66,546	-
EMU	9,011	78,125
GESA	22,540	35,669
	<u>\$ 1,667,453</u>	<u>\$ 855,210</u>

b) Credit balances of agency reciprocal accounts

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
EGH	\$ 293,987	\$ 44,579
EMS	-	7,655
GMS	-	9,745
	<u>\$ 293,987</u>	<u>\$ 61,979</u>

G. The Company has been commissioned by its related parties to manage their vessel affairs. The management fees are charged monthly and are recorded as operating revenues. Details of the management fees recognized for the six-month periods ended June 30, 2010 and 2009 are as follows:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
EITC	\$ 46,099	\$ 48,177
EIS	21,481	41,630
GMS	35,554	39,400
EMU	17,598	26,679
ITS	4,013	3,194
GESA	10,447	8,469
EGH	9,676	8,205
EMS	17,568	2,081
	<u>\$ 162,436</u>	<u>\$ 177,835</u>

#### 6.PLEDGED ASSETS

The Company's assets pledged as collaterals as of June 30, 2010 and 2009 are as follows:

<u>Pledged assets</u>	<u>Book value</u>		<u>Purpose</u>
	<u>June 30, 2010</u>	<u>June 30, 2009</u>	
Restricted assets - current			Performance
- Time deposits	\$ 249,801	\$ 239,114	guarantee
Property, plant and equipment			
-Land	1,800,093	1,800,093	Long-term loan
-Buildings	852,544	878,314	"
Long-term equity investments accounted for under the equity method			For issuance terms
-Evergreen International Storage and Transport Corporation	1,591,083	-	of corporate bonds
	<u>\$ 4,493,521</u>	<u>\$ 2,917,521</u>	

#### 7.COMMITMENTS AND CONTINGENT LIABILITIES

A.Details of the stand-by letters of credit issued by the banks on behalf of the Company are as follows:

<u>Guarantor</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Deutsche Bank	USD 5,000	USD 5,000

B.Endorsements and guarantees issued by the company are as follows:

Companies receiving guarantees	June 30, 2010		June 30, 2009	
PEONY	USD	5,000	USD	5,000
EMU	USD	601,605	USD	613,325
GMS	USD	578,303	USD	507,383
CCT	USD	28,680	USD	28,680
TCT	USD	20,250	USD	20,250
ITS	USD	-	USD	10,000
ESA	USD	500	USD	-
WHITNEY	USD	94,164	USD	45,811
HEMLOCK	USD	17,600	USD	17,600
BALSAM	USD	49,000	USD	-

C. A former stockholder of the Company sold some of its shares through issuance of global depository receipts (GDRs). The issuance of GDRs was approved by the SEC on June 19, 1996 as per Letter (85) Tai-Cai-Zheng (1) No. 35410. On August 2, 1996, the GDRs were approved by the UK governing authority to be listed on the London Stock Exchange and were issued in Asia, Europe and the US. The initial number of units issued was 5,449,592, representing 54,495,920 shares of the Company's common stock at \$50.50 (in dollars) per share, and the number of supplementary units issued was 817,438. In total, the number of units issued was 6,267,030, representing 62,670,300 shares of the Company's common stock at \$50.50 (in dollars) per share, and the GDRs issued amounted to USD 115 million. Another 2,053,122 units, representing 20,531,279 shares of the Company's common stocks, were issued during the period from 1997 to June 30, 2010. As of June 30, 2010, 8,116,650 units were redeemed and 203,502 units were outstanding, representing 2,035,079 shares of the Company's common stocks.

D. As of June 30, 2010, the long-term and medium-term loan facilities granted by the financial institutions with the resolution from the Board of Directors to finance the Company's purchase of new containers and general working capital requirement amounted to \$21,468,437 and the unutilized credits was \$10,851,609.

E. As of June 30, 2010, the estimated amount of ship rental expense in the following years under long-term contracts is set forth as follows:

Year	Amount	
Second half year of 2010	USD	43,075
2011		57,405
2012		51,903
2013		38,927
	USD	191,310

F. As of June 30, 2010, the amount of guaranteed notes issued by the Company for loans borrowed was \$3,200,000.

8. SIGNIFICANT CATASTROPHE

None.

9. SUBSEQUENT EVENTS

None.

10. OTHERS

(1) Financial statement disclosure

Certain accounts in the financial statements as of June 30, 2009 were reclassified to conform to the financial statement as of June 30, 2010.

(2) Fair value information of financial instruments

	June 30, 2010		
		Fair Value	
	Book value	Quotations in an active market	Estimated using a valuation technique
<u>Non-derivative financial instruments :</u>			
Assets			
Cash and cash equivalents	\$ 2,951,010	\$ -	\$ 2,951,010
Notes and accounts receivable	1,438,057	-	1,438,057
Financial assets at fair value through profit or loss			
Equity securities	204	204	-
Beneficiary certificates	2,164,932	2,164,932	-
Corporate bonds	93,096	-	93,096
Other financial assets - current	174,958	-	174,958
Restricted assets - current	249,801	-	249,801
Available-for-sale financial assets - non-current	813,214	813,214	-
Held-to-maturity financial assets - non-current	1,170,000	-	1,170,000
Financial assets carried at cost - non-current	1,534,441	-	-
Refundable deposits	43,409	-	43,409
Liabilities			
Short-term loans	3,112,841	-	3,112,841
Notes and accounts payable	2,175,824	-	2,175,824
Corporate bonds payable (including current portion)	4,417,148	-	4,417,148
Long-term loans (including current portion)	10,611,822	-	10,611,822
Guarantee deposits received	48	-	48
<u>Derivative financial instruments :</u>			
Assets			
Oil swap	1,603	-	1,603
Cross currency swap	14,814	-	14,814
Structured and equity-linked financial instruments	3,012	-	3,012
Embedded derivatives	1,000	-	1,000
Liabilities			
Oil swap	55,206	-	55,206
Foreign exchange option (FX option)	307,557	-	307,557
Embedded derivatives	114,250	-	114,250

June 30, 2009

	Book value	Fair Value	
		Quotations in an active market	Estimated using a valuation technique
<u>Non-derivative financial instruments :</u>			
Assets			
Cash and cash equivalents	\$ 1,849,662	\$ -	\$ 1,849,662
Notes and accounts receivable	1,025,802	-	1,025,802
Financial assets at fair value through profit or loss			
Equity securities	125	125	-
Beneficiary certificates	2,551,139	2,551,139	-
Other financial assets - current	244,300	-	244,300
Restricted assets - current	239,114	-	239,114
Available-for-sale financial assets - non-current	535,044	535,044	-
Held-to-maturity financial assets-current	200,000	-	200,000
Financial assets carried at cost - non-current	1,534,441	-	-
Refundable deposits	41,954	-	41,954
Liabilities			
Short-term loans	2,963,218	-	2,963,218
Short-term notes and bills payable	999,882	-	999,882
Notes and accounts payable	2,936,950	-	2,936,950
Corporate bonds payable (including current portion)	30,000	-	30,000
Long-term loans (including current portion)	13,625,331	-	13,625,331
Guarantee deposits received	24	-	24
<u>Derivative financial instruments :</u>			
Assets			
Interest rate swap (IRS)	2,481	-	2,481
Cross Currency swap	6,198	-	6,198
Structured and equity-linked financial instruments	798,591	-	798,591
Liabilities			
Cross currency swap	106,800	-	106,800
Oil swap	321,858	-	321,858
Foreign exchange option (FX option)	905,244	-	905,244

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

A. The fair values of short-term financial instruments were determined using their carrying value because of the short maturities of these instruments. This method applies to cash and



cash equivalents, notes and accounts receivable/payable, other financial assets, refundable deposits, restricted assets, short-term debts, short-term bills payable and guarantee deposits received.

- B. For financial assets at fair value through profit or loss and available-for-sale financial assets with quoted market price available in an active market, the fair value is determined using the quoted market price. When there is no quoted market price for reference, a substitute valuation technique is used to measure the fair value which incorporates all factors that market participants would consider in making estimations and assumptions for setting a price and wherein such information is available to the Company.
- C. Held-to-maturity financial assets are those with fixed or determinable payments and a fixed time-to-maturity which the Company has positive intent and ability to hold. Upon measurement, held-to-maturity financial assets are carried at amortized cost. Any profits or losses incurred due to changes in fair value should be recognized in the income statement when the financial asset is derecognized, impaired or amortized.
- D. Financial assets carried at the cost, consists of unlisted stocks or those not actively traded in an active market. Their fair value could not be measured reliably; hence, such instruments are measured at cost in compliance with applicable accounting standards. For bond investments with no active market, the carrying value is used to estimate its fair value when there is no market price for reference.
- E. Fair values of long-term loans are estimated based on the present values of future cash flows. For bank loans associated with floating interest rate, the carrying value represents its fair value.
- F. Fair values of corporate bonds payable are determined as the quoted market prices when available. When the quoted market prices are not available, fair values are estimated based on financial information or other information.
- G. The fair values of derivative financial instruments are determined based on the estimated amounts to be received or paid upon termination of contracts on the balance sheet date. Unrealized gains or losses arising from unsettled contracts are generally included. Quotation prices from counterparties are available for reference in setting fair values of the Company's derivative financial instruments.

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

- A. For the six-month periods ended June 30, 2010 and 2009, total interest income for financial assets or financial liabilities that are not at fair value through profit or loss amounted to \$13,899 and \$47,821, respectively whereas the total interest expense amounted to \$164,621 and \$114,468, respectively.
- B. For the six-month periods ended June 30, 2010 and 2009, the adjustments of shareholders' equity resulting from available-for-sale financial assets was debit \$120,903 and \$142,456, respectively; whereas the total loss or gain deducted from the adjustment of shareholders' equity resulting from available-for-sale financial assets was both \$0.

(4)Information on interest rate risk positions

As of June 30, 2010 and 2009, the financial assets with fair value risk due to the change of interest rate amounted to \$0 and \$2,481, respectively. The financial assets with cash flow risk due to the change of interest rate amounted to \$398,297 and \$782,372; respectively. Whereas, the financial liabilities with cash flow risk due to the change of interest rate amounted to \$10,616,454 and \$13,633,875, respectively.

(5)Risk policy and hedging strategy

The financial instruments held by the Company, other than derivative instruments, are composed of cash and cash equivalents, stocks, funds, bank loan, and corporate bonds. Such financial instruments are held for maintaining adequate operating capital. The Company also held other financial assets and liabilities, such as accounts receivable and payable generated from operating activities.

The transactions associated with derivative instruments mainly include interest rate swap and oil swap. The primary objective is to avoid the interest rate risk and fuel price variation arising from operating and financing activities.

The primary risks of financial instruments are cash flow risk associated with interest rate fluctuations, exchange rate risk, credit risk, and liquidity risk. The risk management policies are set forth below:

Cash flow risk associated with interest rate fluctuations

The Company's major exposure to cash flow risk associated with interest rate variations comes primarily from long-term financing with floating interest. The Company adopts a combination of fixed and floating interest rates methods upon issuance of loans to manage such interest rate risks. In addition, the Company also engages in interest rate swaps to minimize cost of borrowings.

As of June 30, 2010, the carrying values of the Company's financial instruments exposed to interest rate are summarized in the order of maturity as follows:

a) Fixed interest rate

	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>over 3 years</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,547,062	\$ -	\$ -	\$ -	\$ 2,547,062
Bank loan	( 3,112,841)	-	-	-	( 3,112,841)

b) Floating interest rate

	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>over 3 years</u>	<u>Total</u>
Cash and cash equivalents	\$ 398,297	\$ -	\$ -	\$ -	\$ 398,297
Bank loan	( 2,300,000)	( 3,114,287)	( 3,282,525)	( 1,919,642)	( 10,616,454)

The interest of financial instruments associated with the floating interest rates is remeasured within a year period and the interest for financial instruments associated with the fixed interest rate is fixed to maturity. The financial instruments not included in the above table are not subject to interest payments and thus, do not have inherent interest rate risk.

Exchange rate risk

Although the Company is exposed to exchange rate risk, the Company has stable cash inflows denominated in foreign currencies for meeting cash outflows denominated in foreign currency due to the fact that the Company operates in the international transportation industry. In order to minimize exchange rate risk, the Company also engages in activities, such as borrowing of US dollar loans, etc.

Credit risk

The Company only deals with third parties with good credit standings. In compliance with the Company's policies, strict credit assessment is to be performed by the Company prior to providing credit to customers. The occurrence of bad debts is also minimized by the Company's practices in continuously monitoring and assessing collections on notes and accounts receivables and making adjustments to the credit terms granted for each customer based on the conclusion drawn from such assessment. Moreover, the Company is restricted from engaging in credit trading with other business units operating under other functional currencies unless permission from the highest instruction unit has been received.

Other financial instruments held by the Company are subject to credit risk arising from the failure of counterparty to settle their contractual obligations as and when they fall due. Since the Company only deals with third parties with qualifying credit standings, no collateral is required by the Company which also represents that the maximum credit exposure amount equals to the relative carrying value. The maximum credit exposure amount for various financial assets held by the Company is analyzed as below:

Financial instruments	June 30, 2010	
	Book value	Maximum credit exposure amount
Financial assets at fair value through profit or loss		
Trading financial assets	\$ 2,185,565	\$ 2,185,565
Financial assets designated as at fair value through profit or loss	93,096	93,096
Available-for-sale financial assets		
Equity security	813,214	813,214
Held-to-maturity financial assets		
Corporate bonds	1,170,000	1,170,000
Financial assets carried at cost		
Stocks	1,534,441	1,534,441
Financial instruments	June 30, 2009	
	Book value	Maximum credit exposure amount
Financial assets at fair value through profit or loss		
Trading financial assets	\$ 3,358,534	\$ 3,358,534
Available-for-sale financial assets- non-current		
Equity security	535,044	535,044
Held-to-maturity financial assets		
Corporate bonds	200,000	200,000
Financial assets carried at cost		
Stocks	1,534,441	1,534,441

Credit risk refers to the risk of counterparty's failure to settle contractual obligations as and when they fall due. The credit risk presented in the above table is the positive net amount of all contracts with positive fair values at the balance sheet date. The credit risk amount presented is the loss that may be incurred by the Company in the case of counterparty's default. Since the counterparties of the Company are business enterprises or financial institutions with good credit rating, the potential credit risk event is remote. In addition, since the Company is not concentrated in transactions with one individual or counterparty, no concentration of credit risk is evident.

#### Liquidity risk

The Company achieves the objectives of effective use of capital and stabilization of capital by adjusting capital through the use of cash and cash equivalents, financial instruments held for trading, bank loans and corporate bonds, etc. The operating capital of the Company is sufficient in meeting capital on demand; therefore, no significant liquidity risk is expected.

11. ADDITIONAL DISCLOSURES REQUIRED BY THE SECURITIES AND FUTURE

(1) Related information of significant transactions

A. Loans granted during the six-month period ended June 30, 2010 : None.

B. Endorsements and guarantees provided during the six-month period ended June 30, 2010

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount during the six-month period ended June 30, 2010	Outstanding endorsement/ guarantee amount at June 30, 2010	Amount of endorsement/ guarantee secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the Company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)
0	Evergreen Marine Corporation	Greencompass Marine S.A.	3	\$ 107,443,570	\$ 19,297,596	\$ 18,642,750	\$ -	34.70%	\$ 134,304,463
					(USD 601,593)	(USD 578,303)			
0	Evergreen Marine Corporation	Peony Investment S.A.	2	107,443,570	161,185	161,185	-	0.30%	
					(USD 5,000)	(USD 5,000)			
0	Evergreen Marine Corporation	Evergreen Marine (UK) Ltd.	3	107,443,570	19,643,049	19,393,929	-	36.10%	
					(USD 613,184)	(USD 601,605)			
0	Evergreen Marine Corporation	Taranto Container Terminal S.p.A.	6	26,860,893	652,799	652,799	-	1.22%	
					(USD 20,250)	(USD 20,250)			
0	Evergreen Marine Corporation	Whitney Equipment LLC.	3	107,443,570	3,035,565	3,035,565	-	5.65%	
					(USD 94,164)	(USD 94,164)			
0	Evergreen Marine Corporation	Hemlock Equipment LLC.	3	107,443,570	567,371	567,371	-	1.06%	
					(USD 17,600)	(USD 17,600)			
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	26,860,893	924,557	924,557	-	1.72%	
					(USD 28,680)	(USD 28,680)			
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	26,860,893	1,579,613	1,579,613	-	2.94%	
					(USD 49,000)	(USD 49,000)			
0	Evergreen Marine Corporation	Evergreen Agency (South Africa) (PTY) Ltd.	3	107,443,570	16,119	16,119	-	0.03%	
					(USD 500)	(USD 500)			

Note 1: The number are assigned as follows:

"0" denotes issuer

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

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

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

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

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

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

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

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

Note 3: According to the Company's credit policy, the total amount of endorsements or guarantees provided by the Company or its subsidiaries should not exceeded 250% of the net worth states in the latest financial statements.

The calculation is as follows:

The Company: NT\$53,721,785 \*250%=NT\$134,304,463

C. Marketable securities held as of June 30, 2010

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	June 30, 2010				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Evergreen Marine Corporation	Stock:							
	Peony Investment S.A.	Subsidiary of the Company	Long-term equity investment accounted for by the equity method	4,765	\$ 40,808,493	100.00	\$ 40,803,038	
	Taiwan Terminal Service Co., Ltd.	"	"	5,500	86,013	55.00	86,013	
	Charng Yang Development Co., Ltd.	Investee company accounted for by the equity method	"	42,504	547,572	40.00	547,572	
	Evergreen International Storage and Transport Corp.	"	"	424,062	8,180,284	39.74	9,520,199	6/30 market price
	Evergreen Security Corporation	"	"	4,000	82,931	31.25	82,931	
	EVA Airways Corporation	"	"	572,257	7,409,705	19.32	10,872,892	6/30 market price
	Taipei Port Container Terminal Corporation	"	"	88,344	844,031	21.03	842,483	
	Power World Fund Inc.	None	Financial assets carried at cost - non-current	1,290	12,898	5.68	8,076	
	Fubon Securities Finance Co., Ltd.	"	"	19,717	190,322	4.93	270,076	
	Taiwan HSR Consortium	"	"	126,735	1,250,000	2.15	525,950	
	Linden Technologies, Inc.	"	"	50	15,372	2.53	-	Convertible Preferred Stocks(no fair value)
	Ever Accord Construction Corp.	"	"	5,250	43,749	17.50	73,493	
	TopLogis, Inc.	"	"	2,464	22,100	17.48	2,983	
	Central Reinsurance Corp.	"	Available-for-sale financial assets - non-current	46,561	758,939	8.45	758,939	
	Fubon Financial Holding Co., Ltd.	"	"	1,503	54,275	0.02	54,275	

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	June 30, 2010				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Evergreen Marine Corporation	China Man-Made Fiber Corporation	None	Financial assets at fair value through profit or loss	22	204	-	204	
	Beneficiary certificates:							
	TIIM Bond Fund	None	Financial assets at fair value through profit or loss	51,709	747,339		747,339	
	Mega Diamond Bond Fund	"	"	3,856	46,083		46,083	
	Yuanta Wan Tai Bond Fund	"	"	11,267	163,225		163,225	
	Fuh-Hwa Bond Fund	"	"	24,365	337,116		337,116	
	Union Bond Fund	"	"	31,306	395,289		395,289	
	TLG Solomon Bond Fund	"	"	7,452	90,023		90,023	
	Manulife Wan Li Bond Fund	"	"	13,837	183,161		183,161	
	FSITC Asian Emerging Market Fund	"	"	1,000	9,600		9,600	
	Cathy High Income Fund of Funds	"	"	5,500	55,181		55,181	
	Yuanta Global Lower Duration Bond Fund	"	"	6,000	60,546		60,546	
	Lydia Capital Alternative Investment Fund	"	"	400	77,369		77,369	
	Financial bonds:							
	TLG Private Placement Subordinated Mandatory Convertible Bond at Maturity	None	Financial assets at fair value through profit or loss -non-current	-	93,096		93,096	
	Bank of Taichung 1st Unsecured Subordinated Financial Debentures Issue in 2010	"	Held-to-Maturity Securities -non-current	-	220,000		220,000	
	Ta Chong Bank 1st Unsecured Subordinate Financial Debentures-B Issue in 2009	"	"	-	100,000		100,000	
	Sunny Bank 1st Subordinate Financial Debentures-B Issue in 2010	"	"	-	50,000		50,000	
	Tachong Commercial Bank Credit Linked Note	"	"	-	800,000		800,000	



D. Acquisition or disposal of the same security with the accumulated cost exceeding \$100 million or 20% of the Company's paid-in capital for the six-month period ended June 30, 2010

Securities held by	Marketable securities	General ledger account	Counterparty	Relationship with the Company	Beginning balance		Addition		Disposal				Ending balance	
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount
Evergreen Marine Corporation	Beneficiary Certificates:													
	Pca Well Pool Fund	Financial Assets at fair value through profit or loss	Open market transaction	None	771	\$ 10,004	32,937	\$ 428,000	33,708	\$ 438,072	\$ 438,004	\$ 68	-	\$ -
	Fubon Chi-Hsiang Fund	"	"	"	7,001	105,042	55,220	829,000	62,221	934,253	934,042	211	-	-
	Polaris De-Li Fund	"	"	"	2,057	32,072	44,280	691,000	46,337	723,174	723,072	102	-	-
	Polaris De-Bao Fund	"	"	"	13,243	152,014	38,499	442,000	51,742	594,191	594,014	177	-	-
	Union Bond Fund	"	"	"	30,391	383,044	128,457	1,621,000	127,542	1,609,207	1,608,843	364	31,306	395,201
	KGI Victory Fund	"	"	"	8,124	90,033	7,664	85,000	15,788	175,086	175,033	53	-	-
	IBT 1699 Bond Fund	"	"	"	13,906	179,239	-	-	13,906	179,490	179,239	251	-	-
	Hua Nan Phoenix Bond Fund	"	"	"	3,210	50,000	6,419	100,000	9,629	150,039	150,000	39	-	-
	Schroder New Era Bond Fund	"	"	"	8,921	100,004	-	-	8,921	100,157	100,004	153	-	-
	Paradigm Pion Fund	"	"	"	23,361	258,011	47,046	520,000	70,407	778,185	778,011	174	-	-
	Capital Income Fund	"	"	"	5,192	80,005	1,296	20,000	6,488	100,026	100,005	21	-	-

Securities held by	Marketable securities	General ledger account	Counterparty	Relationship with the Company	Beginning balance		Addition		Disposal				Ending balance	
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount
Evergreen Marine Corporation	Yuanta Wan Tai Bond Fund	"	"	"	17,281	250,000	14,641	212,000	20,655	299,079	298,954	125	11,267	163,046
	The Rsit Enhanced Bond Fund	"	"	"	25,976	297,005	48,851	559,000	74,827	856,287	856,005	282	-	-
	TIIM Bond Fund	"	"	"	27,378	395,000	138,944	2,007,000	114,613	1,655,208	1,654,885	323	51,709	747,115
	Jih Sun Bond Fund	"	"	"	-	-	49,459	699,000	49,459	699,131	699,000	131	-	-
	PineBridge Taiwan Bond Fund	"	"	"	3,420	45,040	10,014	132,000	13,434	177,085	177,040	45	-	-
	TLG Solomon Bond Fund	"	"	"	10,527	127,002	15,071	182,000	18,146	219,114	218,998	116	7,452	90,004
	Fuh-Hwa Bond Fund	"	"	"	4,204	58,067	40,142	555,000	19,982	276,148	276,066	82	24,365	337,001
	Mega Diamond Bond Fund	"	"	"	17,859	213,010	58,621	700,000	72,624	867,382	866,959	423	3,856	46,051
	Cathay Bond Fund	"	"	"	9,376	112,000	32,188	385,000	41,564	497,148	497,000	148	-	-
	Deutsche Far Eastern DWS Taiwan Bond Security Investment Trust Fund	"	"	"	-	-	9,302	104,000	9,302	104,012	104,000	12	-	-

- E. Acquisition of real estate properties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month period ended June 30, 2010 : None.
- F. Disposal of real estate properties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month period ended June 30, 2010 : None.
- G. Purchases from or sales to related parties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month period ended June 30, 2010

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transactions term compared to a third party transactions		Notes/accounts receivable (payable)		Remark
			Purchases/Sales	Amount	% of total purchases/sales	Credit term	Unit price	Credit term	Balance	% of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Evergreen International Storage & Transport Corp. (EITC)	Investee accounted for by equity method	Purchases	\$ 376,853	4.47%	30~60 days	\$ -	-	(\$ 7,107)	0.47%	
	Evergreen International Corp.	Investee of the Company's major shareholder	Sales	885,208	10.30%	30~60 days	-	-	56,950	8.71%	
	"	"	Purchases	162,233	1.89%	30~60 days	-	-	( 22,054)	1.46%	
	Taiwan Terminal Services Co., Ltd.	Subsidiary of the Company	Purchases	315,283	3.74%	30~60 days	-	-	( 41,569)	2.75%	
	Gaining Enterprise S.A.	Subsidiary of EITC accounted for by equity method	Purchases	817,686	9.71%	30~60 days	-	-	-	-	
	Greencompass Marine S.A.	Indirect subsidiary of the Company	Sales	249,824	2.91%	30~60 days	-	-	6,711	1.03%	
	"	"	Purchases	118,740	1.38%	30~60 days	-	-	-	-	

- H. Receivables from related parties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month period ended June 30, 2010

Creditor	Counterparty	Relationship with the Company	Balance	Turnover rate	Overdue receivables		Amount received subsequent to the balance sheet date	Allowance for bad debts
					Amount	Action Taken		
Evergreen Marine Corporation	Evergreen International Storage & Transport Corp. (EITC)	Investee accounted for by equity method	\$238,892		\$ -	-	\$ -	\$ -
	Evergreen International Corp.	Investee of the Company's major shareholder	137,450		-	-	96,370	-

- I. Derivative financial instruments undertaken for the six-month period ended June 30, 2010 : For related information, please see Note 10(2).

(2) Disclosure information of investee company

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

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 2010			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Evergreen Marine Corporation	Peony Investment S.A.	East 53rd Street, Marbella, MMG Building, 2nd Floor, Panama, Republic of Panama	Investment activities	USD 476,500	USD 476,500	4,765	100.00	\$ 40,808,493	\$ 1,801,849	\$ 1,801,310	Subsidiary of the Company
	Taiwan Terminal Services Co., Ltd.	2F No.177 Szu Wei 4th Rd. Lingya District, Kaohsiung, Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	86,013	( 4,129)	( 2,271)	"
	Charng Yang Development Co., Ltd.	2F, No.369, Jingguo Rd., Taoyuan City, Taoyuan County, Taiwan	Development, rental, and sale of residential and commercial	320,000	320,000	42,504	40.00	547,572	71,786	28,714	Investee accounted for under the equity method
	Evergreen International Storage and Transport Corporation	No.899, Jingguo Rd., Taoyuan City, Taoyuan County, Taiwan	Container transportation and gas stations	4,753,514	4,753,514	424,062	39.74	8,180,284	644,224	284,506	"
	Evergreen Security Corporation	4&5F, No.111, Sungjiang Rd., Taipei, Taiwan	General security guards services	25,000	25,000	4,000	31.25	82,931	28,836	9,011	"
	EVA Airways Corporation	11F, No.376, Section 1, Hsinnan Rd., Lu Chu Township, Taoyuan County, Taiwan	International passenger and cargo transportation	10,767,879	10,767,879	572,257	19.32	7,409,705	5,219,788	1,008,231	"

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 2010			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Evergreen Marine Corporation	Taipei Port Container Terminal Corporation	No.25 Sijhuwei, Syuntang Village, Bali Township, Taipei County, Taiwan	Container distribution and cargo stevedoring	883,731	883,731	88,344	21.03	844,031	( 92,447)	( 19,445)	Investee accounted for under the equity method
Peony Investment S.A.	Greencompass Marine S. A.	East 53rd Street, Marbella, MMG Building, 2nd Floor, Panama, Republic of Panama	Marine transportation	USD 353,500	USD 353,500	3,535	100.00	USD 760,474	USD 10,368	USD 10,368	Indirect subsidiary of the Company
	Vigor Enterprise S.A.	East 53rd Street, Marbella, MMG Building, 2nd Floor, Panama, Republic of Panama	Investment holding company	USD 500	USD 500	5	100.00	USD 535	(USD 7)	(USD 7)	"
	Clove Holding Ltd.	Craigmuir Chambers, P. O. Box71, Road Town, Tortola, B.V.I.	Investment holding company	USD 52,549	USD 52,549	10	100.00	USD 117,055	USD 1,990	USD 1,990	"
	Evergreen Marine (UK) Ltd.	160 Euston Road, London NW 12 DX, U.K.	Marine transportation	USD 1,503	USD 1,503	765	51.00	USD 61,562	USD 57,582	USD 29,367	"

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 2010			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Heavy Industrial Corp (M) Berhad	Lot 139, Jalan, Cecair, Phase 2 Free Trade Zone Johor Port Authority, 81700 Pasir Gudang, Johor, Johore Bahru, Malaysia	Container manufacturing	USD 27,295	USD 27,295	42,120	84.44	USD 43,684	USD 2,470	USD 2,086	Indirect subsidiary of the Company
	PT. Multi Bina Pura International	JL Raya Cakung Cilincing, RT, 002-05, Desa Rorotan P.O. Box 6043 Jakarta 14260. Indonesia Lot 139, Jalan	Loading and discharging operations of container yards and inland transportation	USD 20,204	USD 20,204	68	95.30	USD 16,043	USD 1,060	USD 1,011	"
	PT. Multi Bina Transport	JL Raya Cakung Cilincing, RT, 002-05, Desa Rorotan P.O. Box 6043 Jakarta 14260. Indonesia Lot 139, Jalan	Loading and discharging operations of container yards and inland transportation	USD 804	USD 804	2	17.39	USD 626	USD 403	USD 70	"
	PT. Evergreen Shipping Agency Indonesia	Gedung Price waterhouse coopers 9-10th Floors Jl. H.R. Rasuna said kav. C-03 Jakarta 12920, Indonesia	Shipping agency	USD 973	USD 973	-	51.00	USD 1,217	USD 845	USD 431	"

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 2010			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	ShenZhen Greentrans Transportation Co., Ltd.	San Jiao Long Warehouse & Storage Zone, Fu kang Rd., Hengang town, Shenzhen, China	Loading, discharging, storage, repair, cleaning and transportation of containers	USD 3,134	USD 3,134	-	55.00	USD 3,174	(USD 495)	(USD 272)	Indirect subsidiary of the Company
	Evergreen Shipping Agency (Singapore) PTE. Ltd.	333 Jalan Besar, Singapore 209018	Shipping agency	USD 2,157	USD 2,157	765	51.00	USD 4,311	USD 140	USD 71	"
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Green Tower, 24-25th Floors 3656/81 Rama IV Road Klongton Klongtoey Bangkok 10110	Shipping agency	USD 1,474	USD 1,474	408	51.00	USD 1,876	USD 964	USD 492	"
	Evergreen Shipping Agency (Korea) Corp.	15th Fl., Korea Express Center, 83-5, 4-Ka, Jung-Ang Dong Jung-Ku, Pusan, Republic of Korea	Shipping agency	USD 2,426	USD 2,426	121	100.00	USD 1,442	USD 219	USD 219	"
	Armand Investment (Netherlands) N.V.	Van Engelenweg 21A Curacao Netherlands Antilles	Investment holding company	USD 3,710	USD 3,710	4	70.00	USD 8,555	(USD 310)	(USD 217)	"

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 2010			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Building Amsinckstrasse 55 20097 Hamburg, Germany	Shipping agency	USD 8,316	USD 8,316	-	100.00	USD 7,999	USD 112	USD 112	Indirect subsidiary of the Company
	Evergreen Shipping Agency (Ireland) Ltd.	22 Fitzwilliam Place, Dublin 2, Ireland	Shipping agency	USD 95	USD 95	-	100.00	USD 171	USD 17	USD 17	"
	Evergreen Shipping Agency (India) Pvt. Ltd.	J.N. Heredia Marg Ballard Estate Mumbai 400 038, India	Shipping agency	USD 184	USD 184	100	99.99	USD 1,781	USD 23	USD 23	"
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Level 13,181 Miller Street, North Sydney NSW 2060 Australia	Shipping agency	USD 247	USD 247	1	67.50	USD 131	USD 26	17	"
	Evergreen Shipping Agency (Netherlands) B.V.	Oudelandseweg 33, 3194AR, Hoogvliet, Rotterdam, The Netherlands	Shipping agency	USD 3,977	USD 3,977	-	100.00	USD 4,362	USD 362	USD 362	"
	Evergreen Shipping Agency France S.A.	Tour Franklin-La Defense 8, 92042 Paris La Defense Cedex-France.	Shipping agency	USD 907	USD 907	1	99.40	USD 1,199	USD 159	USD 158	"



Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 2010			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Shipping (Spain) S.L.	Calle Siete Aguas, 11 - Eetlo. 46023 Valencia, Spain	Shipping agency	USD 3,870	USD 3,870	3	55.00	USD 4,286	USD 2,493	USD 1,371	Indirect subsidiary of the Company
	Evergreen Shipping Agency (Poland) SP. ZO. O	UL. Postepu 18, 02-676 Warszawa, Poland	Shipping agency	USD 662	USD 662	2	100.00	USD 519	USD 7	USD 7	"
	Evergreen Argentina S.A.	Pje. Carabelas 344, CABA, Bs. As. Argentina	Leasing	USD 140	USD 140	150	95.00	USD 101	USD 7	7	"
	Evergreen Shipping Agency (Italy) S.p.A.	Scali Cerere, 9 Livorno Italy	Shipping agency	USD 2,352	USD 2,352	1	55.00	USD 2,008	(USD 101)	(USD 56)	"
	Evergreen Shipping Agency (Russia) Ltd.	6 Sofiyskaya Street, ST Petersburg, 192236 Russia	Shipping agency	USD 848	USD 848	-	51.00	USD 450	USD 719	USD 367	"
	Evergreen Shipping Agency (Vietnam) Corp.	13F, 37 Ton Duc Thang St., Dist 1., HCMC, Vietnam	Shipping agency	USD 454	USD 454	-	51.00	USD 702	USD 809	USD 413	"
	Evergreen Agency (South Africa) (PTY) Ltd.	Bedfordview Office Park No. 3 Riley Road Bedfordview 2007, 2008 Gauteng Province, Johannesburg, Gauteng, 2008, P.O.Box1471	Shipping agency	USD 550	USD 550	5,500	55.00	USD 2,317	USD 1,042	USD 573	"

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 2010			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Qingdao Evergreen Container Storage & Transportation Co., Ltd.	No.114 Huangho E. Rd., Huangdao District Qingdao, China	Inland container transportation, container storage, loading, discharging, leasing, repair, clearing, and related activities	USD 4,447	USD 4,447	-	40.00	USD 6,395	USD 1,244	USD 498	Investee company of Peony accounted for under the equity method
	Kingstrans International Logistics (Tianjing) Co., Ltd.	No.12 Yuejin Rd. Tianjin Port International Logistics Center, Tanggu District, Tianjin, China	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 2,000	USD 2,000	-	20.00	USD 2,149	USD 186	37	"
	Ningbo Victory Container Co., Ltd.	No.201 Xiaoshan Rd., Taipingyang Industrial Area, Beilun, Ningbo, Zhejiang, China	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	USD 1,199	USD 1,199	-	40.00	USD 2,400	USD 229	USD 92	"
	Luanta Investment (NetherLands) N.V.	21-A Van Engelenweg, Curacao, Netherlands, Antilles	Investment holding company	USD 21,973	USD 21,973	460	50.00	USD 81,313	(USD 6,869)	(USD 3,435)	"

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 2010			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Peony Investment S.A.	Balsam Investment (NetherLands) N.V.	21-A Van Engelenweg, Curacao, Netherlands, Antilles	Investment holding company	USD 50,715	USD 50,715	-	49.00	USD 67,388	USD 4,481	USD 2,196	Investee company of Peony accounted for under the equity method
	Green Peninsula Agencies SDN. BHD	NO.7, Jalan Jurutera U1/23, Section U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia	Investment holding company	USD 7,255	USD 7,255	1,500	30.00	USD 7,912	USD 2,309	USD 693	"
	Evergreen Container Terminal (Thailand) Ltd.	33/4 Moo 1, Chaokhun Tahan Road, Sun District Klong 3, Lat Krabang District, Bangkok 10520	Inland container storage and loading	USD 25,539	USD 25,539	11,025	48.18	USD 30,383	USD 14,721	USD 7,093	"
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Amsteldijk 166, 1101LH, Amsterdam	Investment holding company	USD 13,460	USD 13,460	-	100.00	USD 12,116	(USD 304)	(USD 304)	Indirect subsidiary of the Company
Armand Estate B.V.	Taipei Port Container Terminal Corporation	No.25 Sijahuwei, Syuntang Village,Bali Township, Taipei County, Taiwan	Container distribution and cargo stevedoring	USD 12,678	USD 12,678	41	9.76	USD 12,126	(USD 2,901)	(USD 283)	Investee company of Armand Estate B.V. accounted for under the equity method

Investor	Investee	Location	Main activities	Initial investment amount		Shares held as of June 30, 2010			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remark
				Ending Balance	Beginning balance	No. of shares (in thousands)	Ownership (%)	Book value			
Clove Holding Ltd.	Ample Holding Ltd.	Craigmuir Chambers,P.O.BOX71, Road Town,Tortola, B.V.I.	Investment holding company	USD 9	USD 9	9	90.00	USD 31,484	USD 1,096	USD 987	Indirect subsidiary of the Company
	Island Equipment LLC.	655 Deep Valley Drive, Suite 300, Rolling Hills Estates, CA	Investment holding company	USD 144	USD 144	-	36.00	USD 1,559	USD 453	USD 163	"
Ample Holding Ltd.	Colon Container Terminal S.A.	COCO SOLO NORTH ADM BUILDING PANAMA	Inland container storage and loading	USD 22,860	USD 22,860	22,860	40.00	USD 67,314	USD 2,998	USD 1,199	Investee company of Ample Holding Ltd. accounted for under the equity method
Island Equipment LLC.	Whitney Equipment LLC.	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	Equipment leasing company	USD 200	USD 200	-	100.00	USD 1,181	USD 52	USD 52	Indirect subsidiary of the Company
	Hemlock Equipment LLC.	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	Equipment leasing company	USD 200	USD 200	-	100.00	USD 3,349	USD 415	USD 415	"

B.Loans granted for the six-month period ended June 30, 2010

No.	Creditor	Borrower	General ledger account	Maximum outstanding balance for the six-month period ended June 30, 2010	Balance at June 30, 2010	Interest rate (%)	Nature of loan (Note 1)	Amount of transaction with the borrower	Reason for short-term financing (Note 2)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)
											Item	Value		
1	Peony Investment S.A.	Evergreen Shipping Agency (India) Private Limited.	Receivables from related parties	USD 500	USD -	1.098	2	USD -	Working capital requirement	USD -	-	USD -	NTD 10,744,357	NTD 21,488,714
		Kingtrans International Logistics (Tianjin)Co.,Ltd	"	USD 1,500	USD 1,500	1.696	2	USD -	"	USD -	-	USD -	NTD 10,744,357	NTD 21,488,714
		Luanta Investment (NetherLands) N.V.	"	USD 9,313	USD 9,313	3.636~3.996	2	USD -	"	USD -	-	USD -	NTD 10,744,357	NTD 21,488,714
2	Clove Holding Ltd.	Island Equipment LLC.	"	USD 4,791	USD -	1.292	2	USD -	"	USD -	-	USD -	NTD 10,744,357	NTD 21,488,714
3	Evergreen Marine (UK) Limited	Island Equipment LLC.	"	USD 1,996	USD -	1.292	2	USD -	"	USD -	-	USD -	NTD 10,744,357	NTD 21,488,714
		Kingtrans International Logistics (Tianjin)Co.,Ltd	"	USD 1,500	USD 1,500	1.696	2	USD -	"	USD -	-	USD -	NTD 10,744,357	NTD 21,488,714
4	Greencompass Marine S. A.	Italia Marittima S.p.A.	"	USD 10,000	USD -	1.284	2	USD -	"	USD -	-	USD -	NTD 10,744,357	NTD 21,488,714

Note 1: Nature of loans extended

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

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

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

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

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

The calculation is as follows:

The Company:  $\text{NTD}53,721,785 * 20\% = \text{NTD}10,744,357$

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

The calculation is as follows:

$\text{NTD}53,721,785 * 40\% = \text{NTD}21,488,714$

C. Endorsements and guarantees provided during the six-month period ended June 30, 2010 : None.

D. Marketable securities held as of June 30, 2010

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	June 30, 2010				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Peony Investment S.A.	Clove Holding Ltd.	Indirect subsidiary of the Company	Long-term equity investment accounted for by the equity method	10	USD 117,055	100.00	USD 117,055	
	Evergreen Shipping Agency (Deutschland) GmbH	"	"	-	USD 7,999	100.00	USD 7,999	
	Evergreen Shipping Agency (Ireland) Ltd.	"	"	-	USD 171	100.00	USD 171	
	Evergreen Shipping Agency (Korea) Corporation	"	"	121	USD 1,442	100.00	USD 1,442	
	Evergreen Shipping Agency (Netherlands) B.V.	"	"	-	USD 4,362	100.00	USD 4,362	
	Evergreen Shipping Agency (Poland) SP.ZO.O	"	"	2	USD 519	100.00	USD 519	
	Greencompass Marine S.A.	"	"	3,535	USD 760,474	100.00	USD 760,474	
	Vigor Enterprise S.A.	"	"	5	USD 535	100.00	USD 535	
	Evergreen Shipping Agency (India) Private Limited.	"	"	100	USD 1,781	99.99	USD 1,781	
	Evergreen Argentina S.A.	"	"	150	USD 101	95.00	USD 101	
	Evergreen Shipping Agency France S.A.	"	"	1	USD 1,199	99.40	USD 1,199	
	PT Multi Bina Pura International	"	"	68	USD 16,043	95.30	USD 16,043	
	PT Multi Bina Transport	"	"	2	USD 626	17.39	USD 626	
	Evergreen Heavy Industrial Corp (M) Berhad	"	"	42,120	USD 43,684	84.44	USD 43,684	
	Armand Investment (Netherlands) N.V.	"	"	4	USD 8,555	70.00	USD 8,555	
	Evergreen Shipping (Spain) S.L.	"	"	3	USD 4,286	55.00	USD 4,286	
	Evergreen Shipping Agency (Italy) S.p.A.	"	"	1	USD 2,008	55.00	USD 2,008	
Shenzhen Greentrans Transportation Co., Ltd.	"	"	-	USD 3,174	55.00	USD 3,174		

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	June 30, 2010				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Peony Investment S.A.	Evergreen Marine (UK) Ltd.	Indirect subsidiary of the Company	Long-term equity investment accounted for by the equity method	765	USD 61,562	51.00	USD 61,562	
	Evergreen Shipping Agency (Australia) Pty Ltd.	"	"	1	USD 131	67.50	USD 131	
	Evergreen Shipping Agency (Russia) Limited	"	"	-	USD 450	51.00	USD 450	
	Evergreen Shipping Agency (Singapore) Pte. Ltd.	"	"	765	USD 4,311	51.00	USD 4,311	
	Evergreen Shipping Agency (Thailand) Co., Ltd.	"	"	408	USD 1,876	51.00	USD 1,876	
	Evergreen Shipping Agency (Vietnam) Corp.	"	"	-	USD 702	51.00	USD 702	
	PT. Evergreen Shipping Agency Indonesia	"	"	-	USD 1,217	51.00	USD 1,217	
	Evergreen Agency (South Africa) (PTY) Ltd.	"	"	5,500	USD 2,317	55.00	USD 2,317	
	Luenta Investment (Netherlands) N.V.	Investee of Peony Investment S.A. accounted for by the equity method	"	460	USD 81,313	50.00	USD 81,313	
	Balsam Investment (Netherlands) N.V.	"	"	-	USD 67,388	49.00	USD 67,388	
	Evergreen Container Terminal (Thailand) Limited	"	"	11,025	USD 30,383	48.18	USD 30,383	
	Ningbo Victory Container Co., Ltd.	"	"	-	USD 2,400	40.00	USD 2,400	
	Qingdao Evergreen Container Storage & Transportation Co., Ltd.	"	"	-	USD 6,395	40.00	USD 6,395	
	Green Peninsula Agencies SDN. BHD.	"	"	1,500	USD 7,912	30.00	USD 7,912	
	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	"	"	-	USD 2,149	20.00	USD 2,149	
	Dongbu Pusan Container Terminal Co. Ltd.	None	Financial assets carried at cost - non-current	300	USD 1,556	15.00	USD 1,556	
	Hutchison Inland Container Depots Ltd.	"	"	1	USD 1,492	7.50	USD 1,492	
Colombo - South Asia Gateway Terminal	"	"	18,942	USD 2,412	5.00	USD 2,412		



Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	June 30, 2010				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indirect subsidiary of the Peony	Long-term equity investment accounted for by the equity method	8	IDR 23,850,803	72.95	IDR 23,850,803	
Clove Holding Ltd.	Ample Holding LTD.	"	"	9	USD 31,484	90.00	USD 31,484	
	Island Equipment LLC.	"	"	-	USD 1,559	36.00	USD 1,559	
	Classic Outlook Investment Ltd.	Investee of the Clove accounted for by cost method	Financial assets carried at cost - non-current	-	USD 102,359	2.25	USD 102,359	
	Everup Profits Ltd.	"	"	-	USD -	2.25	USD -	
Ample Holding Ltd.	Colon Container Terminal S. A.	Investee of the Ample accounted for by the equity method	Long-term equity investment accounted for by the equity method	22,860	USD 67,314	40.00	USD 67,314	
Island Equipment LLC.	Whitney Equipment LLC.	Investee of the Island accounted for by the equity method	"	-	USD 1,181	100.00	USD 1,181	
	Hemlock Equipment LLC.	"	"	-	USD 3,349	100.00	USD 3,349	
Evergreen Marine (UK) Limited	Island Equipment LLC.	Investee of the EMU accounted for by the equity method	"	-	GBP 334	15.00	GBP 334	
	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	"	"	-	GBP 933	20.00	GBP 933	
	Evergreen Shipping Agency (UK) Limited	Investee of the EMU accounted for by cost method	Financial assets carried at cost - non-current	-	GBP -	100.00	GBP -	
	Lloyd triestino UK Limited	"	"	-	GBP -	100.00	GBP -	
Armand Investment (Netherlands) N.V.	Armand Estate B.V.	Indirect subsidiary of the Peony	Long-term equity investment accounted for by the equity method	-	USD 12,116	100.00	USD 12,116	
Armand Estate B.V.	Taipei Port Container Terminal Corporation	Investee of the Armand Estate B.V. accounted for by the equity method	"	41	USD 12,126	9.76	USD 12,126	

Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	June 30, 2010				Remark
				Number of shares (in thousands)	Book value	Ownership (%)	Market value	
Greencompass Marine S.A.	Lydia Capital Alternative Investment Fund	None	Financial assets at fair value - current	8	USD 450	-	USD 450	
	Financial bonds	"	Held to-maturity-financial assets - non-current	50	USD 5,000	-	USD 5,000	
	Bonds	Investee of the company accounted for under the equity method	"	18,200	USD 56,582	-	USD 56,582	
Evergreen Shipping Agency (Singapore) Pte Ltd.	RTW AIR SERVICES (S) PL	Investee of the EGS accounted for by cost method	Financial assets carried at cost - non-current	30	SGD 37	2.00	SGD 37	
Evergreen Shipping Agency (Thailand) Co., Ltd.	Green Siam Air Service Co.	Investee of the EGT accounted for by cost method	"	4	THB 1,160	2.00	THB 1,160	
Evergreen Shipping Agency (Deutschland) GmbH	Evergreen Shipping Agency (Austria) GmbH	Investee of the EGD accounted for by cost method	"	-	EUR 18	100.00	EUR 18	
	Zoll Pool Hafen Hamburg AG	"	"	10	EUR 10	6.25	EUR 10	
	Evergreen Shipping Agency (Switzerland) S.A.	"	"	-	EUR 69	100.00	EUR 69	

E.Acquisition or disposal of the same security with the accumulated cost exceeding \$100 million or 20% of the Company's paid-in capital for the six-month period ended June 30, 2010 : None.

F.Acquisition of real estate properties exceeding \$100 million or 20% of the Company's paid-in capital or the six-month period ended June 30, 2010 : None.

G.Disposal of real estate properties exceeding \$100 million or 20% of the Company's paid-in capital or the six-month period ended June 30, 2010 : None.

H.Purchases from or sales to related parties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month period ended June 30, 2010

Purchaser/seller	Counterparty	Relationship with the Company	Transaction				Differences in transactions term compared to a third party transactions		Notes/accounts receivable (payable)		Remark
			Purchases/Sales	Amount	% of total purchases/sales	Credit term	Unit price	Credit term	Balance	% of total notes/accounts receivable (payable)	
Greencompass Marine S. A.	Evergreen Marine Corp.	The parent	Purchases	USD 6,365	1.00%	15~30 days	-	-	USD -	-	
	"	"	Sales	USD 3,801	0.58%	15~30 days	-	-	USD -	-	
	Evergreen Marine (Hong Kong) Ltd.	Related party	Purchases	USD 10,343	1.62%	15~30 days	-	-	USD -	-	
	"	"	Sales	USD 5,877	0.90%	15~30 days	-	-	USD -	-	
	Evergreen International S.A.	Related party	Purchases	USD 11,662	1.82%	15~30 days	-	-	USD -	-	
	Evergreen Heavy Industrial Co., (Malaysia) Bhd.	Related party	Purchases	USD 20,967	3.28%	15~30 days	-	-	USD -	-	
Evergreen Heavy Industrial Co. , (Malaysia) Bhd.	Greencompass Marine S.A.	Related party	Sales	MYR 76,382	100.00%	45 days	-	-	MYR 15,057	100.00%	

I. Receivables from related parties exceeding \$100 million or 20% of the Company's paid-in capital for the six-month period ended June 30, 2010

Creditor	Counterparty	Relationship with the Company	Balance	Turnover rate	Overdue receivables		Amount received subsequent to	Allowance for bad debts
					Amount	Action Taken		
Evergreen Heavy Industrial Co., (Malaysia) Bhd.	Greencompass Marine S.A.	Related party	MYR 15,057		\$ -	-	MYR -	\$ -
Greencompass Marine S.A.	Evergreen Shipping (Spain) S.L.	Related party	USD 6,792		-	-	USD 6,792	-
	Evergreen Shipping Agency (Italy) S.p.A.	"	USD 5,854			-	USD 5,854	-
	Evergreen International Corp.	Investee of the Company's major shareholder	USD 5,747		-	-	USD 5,747	-

J. Derivative financial instruments transactions:

Greencompass Marine S. A. and Evergreen Marine (UK) Limited – investees of the Company – are engaged in interest rate swaps and currency exchange options in order to hedge the risks resulting from the fluctuation of interest rates and exchange rates. As of June 30, 2010, the outstanding derivative instruments are as follows:

	<u>June 30, 2010</u>	
	Notional Principal	
<u>Derivative instruments</u>	<u>(Contractual Amount)</u>	<u>Fair Value</u>
Interest rate swaps (IRS)	USD 41,433	(USD 9,599)
Cross Currency Swaps (CCS)	USD 1,342	USD 294

(3) Disclosure of information on indirect investments in Mainland China

Investee in Mainland China	Main activities	Paid-in Capital	Investment method (Note 1)	Accumulated amount of remittance to Mainland China as of January 1, 2010	Amount remitted		Accumulated amount of remittance to Mainland China as of June 30, 2010	Ownership held by the Company (direct/ indirect)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2010 (Note 2)	Book value of investment in Mainland China as of June 30, 2010	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2010
					to Mainland China	back to Taiwan					
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, and discharging	RMB 24,119	(2)	\$ 32,817 (USD 1,018)	-	-	\$ 32,817 (USD 1,018)	40.00	\$ 2,920 (USD 92)	\$ 77,380 (USD 2,400)	-
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, container storage, loading, and discharging	RMB 92,500	(2)	\$ 143,358 (USD 4,447)	-	-	\$ 143,358 (USD 4,447)	40.00	\$ 15,856 (USD 498)	\$ 206,166 (USD 6,395)	-
Shenzhen Greentrans Transportation Co., Ltd.	Inland container loading, discharging, restore, repair, clearing, and related activities	RMB 44,960	(2)	\$ 101,031 (USD 3,134)	-	-	\$ 101,031 (USD 3,134)	55.00	(\$ 8,682) (USD -272)	102,312 (USD 3,174)	-
Shenzhen Hutchison Inland Container Depots Co., Ltd.	Inland container yards	HKD 92,000	(2)	\$ 26,104 (HKD 6,304)	-	-	\$ 26,104 (HKD 6,304)	6.85	\$ -	\$ 26,104 (HKD 6,304)	-

Investee in Mainland China	Main activities	Paid-in Capital	Investment method (Note1)	Accumulated amount of remittance to Mainland China as of January 1, 2010	Amount remitted		Accumulated amount of remittance to Mainland China as of June 30, 2010	Ownership held by the Company (direct/ indirect)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2010 (Note 2)	Book value of investment in Mainland China as of June 30, 2010	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2010
					to Mainland China	back to Taiwan					
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, container storage, loading, discharging, leasing, repair, cleaning, and related activities	RMB 77,929	(2)	\$ 128,948 (USD 4,000)	\$ -	-	\$ 128,948 (USD 4,000)	30.20	\$ 381 (USD 12)	\$ 138,703 USD 4,303	\$ -

Balance of investments in Mainland China as of June 30, 2010	Investment Amount Approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 3)	Quota of Investments in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs (MOEA)
\$431,258 (USD 12,599) (HKD 6,304)	\$1,163,498 (USD 36,092)	\$35,082,268

(Net worth of the Company:NT\$58,470,446)

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

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

Note 2: Investment income (loss) for the year

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

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

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

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

(c) Others

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

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



## 12.SEGMENT INFORMATION

In accordance with SFAS No. 23, segment information disclosure requirements are not applicable for interim financial statements reporting.