

Yang Ming Marine Transport Corporation

**Financial Statements for the
Six Months Ended June 30, 2011 and 2010 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Yang Ming Marine Transport Corporation

We have audited the accompanying balance sheets of Yang Ming Marine Transport Corporation as of June 30, 2011 and 2010 and the related statements of income, changes in stockholders' equity and cash flows for the six months then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except for the matter described in the next paragraph, we conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and 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 provide a reasonable basis for our opinion.

We were unable to obtain audited financial statements supporting the Corporation's investments in some equity-method investees with carrying value of NT\$4,001,958 thousand and NT\$7,599,440 thousand as of June 30, 2011 and 2010, respectively. We were unable to satisfy ourselves on the carrying value of the investments in the investees or the equity in their net income by other auditing procedures. The Corporation's equity of NT\$382,954 thousand and NT\$311,335 thousand in the net income of these investees was included in the net income for the six months ended June 30, 2011 and 2010, respectively, as stated in Note 9. Related other information on the Corporation's investments shown in Note 25 to the financial statements was not audited either.

In our opinion, except for the effects of such adjustment, if any, as might have been made had we applied audit procedures on the financial statements of investees referred to in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Yang Ming Marine Transport Corporation as of June 30, 2011 and 2010, and the results of its operations and its cash flows for the six months then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

We have also reviewed the consolidated financial statements of Yang Ming Marine Transport Corporation and subsidiaries as of and for the six months ended June 30, 2011 and 2010 and have issued a qualified review report dated August 3, 2011.

August 3, 2011

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

YANG MING MARINE TRANSPORT CORPORATION

BALANCE SHEETS JUNE 30, 2011 AND 2010

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2011		2010		LIABILITIES AND STOCKHOLDERS' EQUITY	2011		2010	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 4)	\$ 8,748,957	10	\$ 4,976,757	6	Financial liabilities at fair value through profit or loss - current (Notes 2 and 5)	\$ 10,218	-	\$ 63,029	-
Financial assets at fair value through profit or loss - current (Notes 2 and 5)	1,187,023	1	589,469	1	Hedging derivative liabilities - current (Notes 2 and 22)	6,559	-	77,449	-
Available-for-sale financial assets - current (Notes 2 and 6)	562,449	1	3,835,463	4	Income tax payable (Notes 2 and 19)	232,223	-	26,963	-
Financial assets carried at cost - current (Notes 2 and 8)	-	-	427,789	-	Accrued expenses (Note 15)	6,367,139	7	5,266,930	6
Accounts receivable, net of allowance for doubtful accounts of \$15,689 thousand and \$27,114 thousand at June 30, 2011 and 2010 (Notes 2 and 3)	786,025	1	944,408	1	Accrued expenses - related parties (Note 23)	973,465	1	72,471	-
Accounts receivable from related parties (Notes 2, 3 and 23)	1,333,135	2	2,196,147	3	Dividends payable (Note 18)	3,221,507	4	18,424	-
Other receivables from related parties (Note 23)	61,912	-	963,486	1	Advances from customers	2,005,676	2	2,595,790	3
Shipping fuel, net (Notes 2 and 7)	5,526,469	6	4,212,561	5	Current portion of long-term interest-bearing debts (Notes 2, 10, 14, 24 and 25)	13,015,446	15	6,624,029	8
Prepaid expenses (Note 23)	356,150	1	328,379	-	Payable to shipping agents	771,501	1	1,146,524	1
Advances to shipping agents (Note 23)	1,134,418	1	1,755,098	2	Payable to shipping agents - related parties (Note 23)	1,205,629	2	802,898	1
Other current assets (Notes 2 and 19)	227,513	-	221,438	-	Other current liabilities	264,792	-	32,073	-
Total current assets	19,924,051	23	20,450,995	23	Total current liabilities	28,074,155	32	16,726,580	19
LONG-TERM INVESTMENTS (Notes 2, 6, 8, 9 and 23)					LONG-TERM LIABILITIES				
Available-for-sale financial assets - noncurrent	2,278,415	3	2,727,730	3	Bonds payable (Note 14)	8,927,461	10	18,407,461	21
Financial assets carried at cost - noncurrent	390,985	-	416,305	1	Long-term debts (Notes 14 and 24)	12,263,352	14	16,558,790	19
Investments accounted for using equity method	21,695,844	25	20,302,195	23	Obligations under capital leases - long-term portion (Notes 2, 10, 14, and 25)	587,653	1	749,814	1
Total long-term investments	24,365,244	28	23,446,230	27	Total long-term debts	21,778,466	25	35,716,065	41
PROPERTIES (Notes 2, 10, 23 and 24)					RESERVE FOR LAND VALUE INCREMENT TAX (Note 16)	479,639	-	479,639	1
Cost					OTHER LIABILITIES				
Land	330,069	-	330,069	-	Accrued pension cost (Notes 2 and 17)	1,124,576	2	1,104,109	1
Buildings	748,499	1	728,683	1	Deferred income tax liabilities - noncurrent (Notes 2 and 19)	232,256	-	-	-
Containers and chassis	23,530,587	27	22,611,626	26	Others	54,766	-	50,360	-
Ships	6,592,880	8	6,518,105	8	Total other liabilities	1,411,598	2	1,154,469	1
Leased containers and chassis	2,732,756	3	2,868,206	3	Total liabilities	51,743,858	59	54,076,753	62
Leasehold improvements	146,272	-	146,272	-	CAPITAL STOCK - \$10 PAR VALUE				
Miscellaneous equipment	2,150,918	2	2,689,170	3	Authorized - 3,600,000 thousand shares				
Total cost	36,231,981	41	35,892,131	41	Issued - 2,562,466 thousand shares	25,624,665	29	25,624,665	29
Less: Accumulated depreciation	22,221,341	25	19,861,272	23	Stock dividends to be distributed	2,562,466	3	-	-
Net properties	14,010,640	16	16,030,859	18	Total capital stock	28,187,131	32	25,624,665	29
INTANGIBLE ASSETS					CAPITAL SURPLUS				
Computer software (Note 2)	19,933	-	27,002	-	Additional paid-in capital	4,710,566	6	4,710,566	5
Deferred pension cost (Notes 2 and 17)	1,961	-	-	-	Long-term investments	8,927	-	8,927	-
Total intangible assets	21,894	-	27,002	-	Total capital surplus	4,719,493	6	4,719,493	5
OTHER ASSETS					RETAINED EARNINGS				
Assets leased to others, net (Notes 2, 11 and 24)	3,957,812	5	3,999,168	5	Legal reserve	1,178,785	1	-	-
Nonoperating assets, net (Notes 2, 12 and 24)	323,589	-	324,170	-	Special reserve	82,530	-	-	-
Advances on long-term rent agreements (Note 13)	839,861	1	880,968	1	Unappropriated earnings	2,154,161	3	2,712,920	3
Deferred charges, net (Note 2)	2,773	-	18,556	-	Total retained earnings	3,415,476	4	2,712,920	3
Deferred income tax assets - noncurrent (Notes 2 and 19)	-	-	427,908	1	OTHER EQUITY				
Long-term other receivables from related parties (Notes 9 and 23)	23,735,562	27	21,648,358	25	Cumulative translation adjustments	(514,879)	(1)	266,048	-
Refundable deposits (Note 25)	322,688	-	324,106	-	Net loss not recognized as pension cost	(26,499)	-	(25,379)	-
Miscellaneous	13,950	-	186,771	-	Unrealized gain (loss) on financial instruments	(6,516)	-	390,591	1
Total other assets	29,196,235	33	27,810,005	32	Total other equity	(547,894)	(1)	631,260	1
TOTAL	\$ 87,518,064	100	\$ 87,765,091	100	Total stockholders' equity	35,774,206	41	33,688,338	38
					TOTAL	\$ 87,518,064	100	\$ 87,765,091	100

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche audit report dated August 3, 2011)

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 2011 AND 2010

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2011		2010	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 23)	\$ 48,043,326	100	\$ 48,387,333	100
OPERATING COSTS (Notes 2, 20 and 23)	<u>50,486,567</u>	<u>105</u>	<u>44,640,212</u>	<u>92</u>
GROSS INCOME (LOSS)	<u>(2,443,241)</u>	<u>(5)</u>	<u>3,747,121</u>	<u>8</u>
OPERATING EXPENSES (Notes 20 and 23)				
Selling expenses	653,879	2	726,439	2
General and administrative expenses	<u>164,940</u>	<u>-</u>	<u>206,268</u>	<u>-</u>
Total operating expenses	<u>818,819</u>	<u>2</u>	<u>932,707</u>	<u>2</u>
OPERATING INCOME (LOSS)	<u>(3,262,060)</u>	<u>(7)</u>	<u>2,814,414</u>	<u>6</u>
NONOPERATING INCOME AND GAINS				
Interest income (Note 23)	281,424	1	234,763	1
Investment income recognized under equity method (Notes 2 and 9)	212,412	1	70,072	-
Gain on disposal of financial instruments, net	208,636	1	80,700	-
Exchange gain, net (Note 2)	177,122	-	-	-
Gain on disposal of properties (Note 23)	155,339	-	150,367	1
Valuation gain on financial assets, net (Notes 2 and 5)	59,684	-	51,073	-
Rent income (Note 23)	54,009	-	42,263	-
Others (Note 23)	<u>66,712</u>	<u>-</u>	<u>95,795</u>	<u>-</u>
Total nonoperating income and gains	<u>1,215,338</u>	<u>3</u>	<u>725,033</u>	<u>2</u>
NONOPERATING EXPENSES AND LOSSES				
Interest expense	432,457	1	465,846	1
Valuation loss on financial liabilities, net (Notes 2 and 5)	10,218	-	69,137	-
Exchange loss (Note 2)	-	-	208,245	1
Others (Note 20)	<u>46,724</u>	<u>-</u>	<u>77,774</u>	<u>-</u>
Total nonoperating expenses and losses	<u>489,399</u>	<u>1</u>	<u>821,002</u>	<u>2</u>
INCOME (LOSS) BEFORE INCOME TAX	(2,536,121)	(5)	2,718,445	6
INCOME TAX EXPENSE (Notes 2 and 19)	<u>70,707</u>	<u>-</u>	<u>5,525</u>	<u>-</u>
NET INCOME (LOSS)	<u>\$ (2,606,828)</u>	<u>(5)</u>	<u>\$ 2,712,920</u>	<u>6</u>

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YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 2011 AND 2010

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2011		2010	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS (LOSS) PER SHARE (Note 21)				
Basic	<u>\$ (0.99)</u>	<u>\$ (1.02)</u>	<u>\$ 1.06</u>	<u>\$ 1.06</u>
Diluted	<u>\$ (0.99)</u>	<u>\$ (1.02)</u>	<u>\$ 1.06</u>	<u>\$ 1.06</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche audit report dated August 3, 2011)

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YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Dividend Per Share)

	Capital Stock (Notes 2 and 18)			Capital Surplus (Notes 2 and 18)			Retained Earnings (Notes 2 and 18)			Other Items of Stockholders' Equity (Notes 2 and 18)			Total Stockholders' Equity
	Shares (Thousands)	Amount	Stock Dividends to Be Distributed	Additional Paid-in Capital	Treasury Stock Transactions	Long-term Investment	Legal Reserve	Special Reserve	Unappropriated Earnings (Deficit)	Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Unrealized Gain or Loss on Financial Instruments	
BALANCE, JANUARY 1, 2011	2,562,466	\$ 25,624,665	\$ -	\$ 4,710,566	\$ -	\$ 8,927	\$ -	\$ -	\$ 11,787,853	\$ (469,051)	\$ (26,499)	\$ 413,020	\$ 42,049,481
Appropriation of 2010 earnings													
Legal reserve	-	-	-	-	-	-	1,178,785	-	(1,178,785)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	82,530	(82,530)	-	-	-	-
Cash dividends - \$1.25 per share	-	-	-	-	-	-	-	-	(3,203,083)	-	-	-	(3,203,083)
Stock dividends - \$1 per share	-	-	2,562,466	-	-	-	-	-	(2,562,466)	-	-	-	-
Net loss for the six months ended June 30, 2011	-	-	-	-	-	-	-	-	(2,606,828)	-	-	-	(2,606,828)
Changes in stockholders' equity accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	(65,071)	(65,071)
Translation adjustments on long-term investments accounted for using equity method	-	-	-	-	-	-	-	-	-	(62,699)	-	-	(62,699)
Changes in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	(365,891)	(365,891)
Changes in unrealized gain on cash flow hedging derivative	-	-	-	-	-	-	-	-	-	-	-	11,440	11,440
Effect of changes on sale long-term equity-method investments	-	-	-	-	-	-	-	-	-	16,871	-	(14)	16,857
BALANCE, JUNE 30, 2011	<u>2,562,466</u>	<u>\$ 25,624,665</u>	<u>\$ 2,562,466</u>	<u>\$ 4,710,566</u>	<u>\$ -</u>	<u>\$ 8,927</u>	<u>\$ 1,178,785</u>	<u>\$ 82,530</u>	<u>\$ 2,154,161</u>	<u>\$ (514,879)</u>	<u>\$ (26,499)</u>	<u>\$ (6,516)</u>	<u>\$ 35,774,206</u>
BALANCE, JANUARY 1, 2010	2,562,466	\$ 25,624,665	\$ -	\$ 7,499,701	\$ 1,480,009	\$ 8,927	\$ 3,869,543	\$ 2,067,513	\$ (10,206,200)	\$ 240,626	\$ (25,379)	\$ 1,200,905	\$ 31,760,310
Compensation of 2009 deficits													
Capital surplus - paid-in capital	-	-	-	(2,789,135)	-	-	-	-	2,789,135	-	-	-	-
Capital surplus - treasury stock transactions	-	-	-	-	(1,480,009)	-	-	-	1,480,009	-	-	-	-
Legal reserve	-	-	-	-	-	-	(3,869,543)	-	3,869,543	-	-	-	-
Reversal of special capital reserve	-	-	-	-	-	-	-	(2,067,513)	2,067,513	-	-	-	-
Net income for the six months ended June 30, 2010	-	-	-	-	-	-	-	-	2,712,920	-	-	-	2,712,920
Changes in stockholders' equity accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	(95,122)	(95,122)
Translation adjustments on long-term investments accounted for using equity method	-	-	-	-	-	-	-	-	-	25,683	-	-	25,683
Changes in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	(663,423)	(663,423)
Changes in unrealized loss on cash flow hedging derivative	-	-	-	-	-	-	-	-	-	-	-	(51,767)	(51,767)
Effect of changes on sale long-term equity-method investments	-	-	-	-	-	-	-	-	-	(261)	-	(2)	(263)
BALANCE, JUNE 30, 2010	<u>2,562,466</u>	<u>\$ 25,624,665</u>	<u>\$ -</u>	<u>\$ 4,710,566</u>	<u>\$ -</u>	<u>\$ 8,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,712,920</u>	<u>\$ 266,048</u>	<u>\$ (25,379)</u>	<u>\$ 390,591</u>	<u>\$ 33,688,338</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche audit report dated August 3, 2011)

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CASH FLOWS SIX MONTHS ENDED JUNE 30, 2011 AND 2010 (In Thousands of New Taiwan Dollars)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (2,606,828)	\$ 2,712,920
Depreciation	1,478,060	1,592,790
Amortization	10,461	12,466
Provision for (reversal of) doubtful accounts	(990)	9,149
Gain on disposal of financial instruments, net	(208,636)	(80,700)
Gain on disposal of properties, net	(155,339)	(150,367)
Provision for (repayment of) pension cost	(16,300)	36,876
Provision for (reversal of) allowance for loss on shipping fuel	(12,176)	32,379
Investment income recognized under equity method	(212,412)	(70,072)
Cash dividends received from equity-method investee	78,152	1,117,223
Valuation gain on financial assets	(59,684)	(51,073)
Valuation loss on financial liabilities	10,218	69,137
Deferred income tax	(254,547)	(301,676)
Others	(18,324)	(573)
Net changes in operating assets and liabilities		
Financial instruments held for trading	(413,390)	(250,138)
Accounts receivable	(180,243)	(317,376)
Accounts receivable from related parties	(59,948)	(750,660)
Other receivables from related parties	35,716	6,956
Shipping fuel	(1,139,687)	(858,953)
Prepaid expenses	1,456	124,583
Advances to shipping agents	220,736	(439,146)
Other current assets	(4,764)	(31,094)
Accrued expenses	15,458	550,660
Accrued expenses - related parties	864,007	6,952
Income tax payable	175,793	26,963
Payables to shipping agents	(237,600)	66,565
Payable to shipping agents - related parties	196,732	114,247
Advances from customers	(348,387)	831,825
Other current liabilities	233,122	(23,289)
Advances on long-term rent agreements	<u>20,554</u>	<u>20,553</u>
Net cash provided by (used in) operating activities	<u>(2,588,790)</u>	<u>4,007,127</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(6,859,311)	(11,207,591)
Proceeds from disposal of available-for-sale financial assets	15,340,438	8,095,719
Acquisition of investments accounted for using equity method	-	(1,041,460)
Proceeds from disposal of investments accounted for using equity method	436,834	262,170
Acquisition of properties	(696,507)	(67,634)
Acquisition of nonoperating assets	-	(5,074)
Proceeds from disposal of properties	260,690	155,784
Increase in long-term receivables from related parties	(2,191,982)	(1,205,164)

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YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CASH FLOWS SIX MONTHS ENDED JUNE 30, 2011 AND 2010 (In Thousands of New Taiwan Dollars)

	2011	2010
Increase in computer software and deferred charges	\$ (300)	\$ (815)
Decrease in other assets	7,873	49,719
Decrease (increase) in refundable deposits	<u>1,186</u>	<u>(179)</u>
Net cash provided by (used in) investing activities	<u>6,298,921</u>	<u>(4,964,525)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from commercial paper	300,000	-
Repayment of commercial paper	(2,140,000)	-
Proceeds from long-term debt	1,900,000	660,000
Repayment of long-term debt	(2,727,719)	(2,820,887)
Issuance of principal of bonds	-	4,967,461
Repayments of principal of bonds	(1,600,000)	(612,000)
Increase (decrease) in payments of obligations under capital leases	(50,008)	23,686
Increase (decrease) in other liabilities	<u>1,698</u>	<u>(76,746)</u>
Net cash provided by (used in) financing activities	<u>(4,316,029)</u>	<u>2,141,514</u>
NET INCREASE (DECREASE) IN CASH	(605,898)	1,184,116
CASH, BEGINNING OF PERIOD	<u>9,354,855</u>	<u>3,792,641</u>
CASH, END OF PERIOD	<u>\$ 8,748,957</u>	<u>\$ 4,976,757</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	<u>\$ 413,708</u>	<u>\$ 251,819</u>
Income tax paid	<u>\$ 149,461</u>	<u>\$ 281,303</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Reclassification of investment into deduction to long-term other receivables - related parties	<u>\$ 47,601</u>	<u>\$ 74,778</u>
Current portion of interest - bearing long-term debts	<u>\$ 13,015,446</u>	<u>\$ 6,624,029</u>
Cash dividends payable	<u>\$ 3,203,083</u>	<u>\$ -</u>
INVESTING ACTIVITIES AFFECTING BOTH CASH AND NON-CASH ITEMS		
Acquisition properties	\$ 696,507	\$ 757,424
Increase in obligations under capital leases	<u>-</u>	<u>(689,790)</u>
Cash paid	<u>\$ 696,507</u>	<u>\$ 67,634</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche audit report dated August 3, 2011)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION

NOTES TO FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2011 AND 2010

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Yang Ming Marine Transport Corporation (the "Corporation"), established in December 1972, was majority owned by the Ministry of Transportation and Communications (MOTC) of the Republic of China (ROC) until February 15, 1996 when MOTC reduced its holdings in the Corporation simultaneous to the Corporation's listing of its shares of stock on the ROC Taiwan Stock Exchange. The MOTC owned 35.51% of the Corporation's outstanding capital stock as of June 30, 2011 and 2010.

The Corporation primarily provides marine cargo transportation services. It also provides services related to the maintenance of old vessels, lease and sale of old vessels, containers and chassis of vessels. Further, it acts as a shipping agent and manages ships owned by others.

The Corporation's shares have been listed on the ROC Taiwan Stock Exchange since April 1992. The Corporation issued global depository receipts (GDRs), which have been listed on the London Stock Exchange (ticker symbol: YMTD) since November 1996.

As of June 30, 2011 and 2010, the Corporation had 1,548 and 1,513 employees, respectively.

To increase the Corporation's competitiveness and performance through downsizing of organization and streamlining of operations, the shareholders had met and resolved to spin-off its tramp business department into a subsidiary, Kuang Ming Shipping Corp., in accordance with the Business Mergers and Acquisitions Law, Company Act and other related regulations on October 1, 2008. The net assets of the department spun-off were \$4,000,716 thousand. The Corporation exchanged the net assets for 176,330 thousand of Kuang Ming Shipping Corporation's newly issued shares at NT\$22.6888 per share.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, Business Accounting Law, Guidelines Governing Business Accounting, and accounting principles generally accepted in the Republic of China ("ROC").

For readers' convenience, the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two versions, the Chinese version of the financial statements shall prevail.

Significant accounting policies are summarized as follows:

Foreign Currencies

Non-derivative foreign-currency transactions are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur. Exchange differences arising from settlement of foreign-currency assets and liabilities are recognized in profit or loss.

At the balance sheet date, foreign-currency monetary assets and liabilities are revalued using prevailing exchange rates and the exchange differences are recognized in profit or loss.

At the balance sheet date, foreign-currency nonmonetary assets and liabilities that are measured at fair value are revalued using prevailing exchange rates, with the exchange differences treated as follows:

- a. Recognized in shareholders' equity if the changes in fair value are recognized in shareholders' equity;
- b. Recognized in profit and loss if the changes in fair value is recognized in profit or loss.

Foreign-currency nonmonetary assets and liabilities that are carried at cost continue to be stated at exchange rates at trade dates.

If the functional currency of an equity-method investee is a foreign currency, translation adjustments will result from the translation of the investee's financial statements into the reporting currency of the Company. Such adjustments are accumulated and reported as a separate component of shareholders' equity.

Accounting Estimates

Under above guidelines, law and principles, certain estimates and assumptions have been used for the allowance for doubtful accounts, evaluation of financial assets and liabilities, provision for losses on shipping fuel, depreciation of property, plant and equipment, impairment of assets, income tax, pension cost, loss on pending litigations, payables to shipping agents, bonuses to employees, directors and supervisors, etc. Actual results may differ from these estimates.

Current/Noncurrent Assets and Liabilities

Current assets include unrestricted cash, and those assets held primarily for trading purposes or to be realized, sold or consumed within one year from the balance sheet date. All assets such as property, plant and equipment and those not classified as current assets are noncurrent assets. Current liabilities are obligations incurred for trading purpose or to be settled within one year from the balance sheet date. All other assets and liabilities are classified as noncurrent.

Financial Assets and Liabilities at Fair Value through Profit or Loss

Financial instruments classified as financial assets at fair value through profit or loss ("FVTPL") include financial assets or financial liabilities held for trading and those designated as at FVTPL on initial recognition. The Corporation recognizes a financial asset or a financial liability on its balance sheet when the Corporation becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognized when the Corporation has lost control of its contractual rights over the financial asset. A financial liability is derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired.

Financial instruments at FVTPL are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss. At each balance sheet date subsequent to initial recognition, financial assets or financial liabilities at FVTPL are remeasured at fair value, with changes in fair value recognized directly in profit or loss in the year in which they arise. Cash dividends received subsequently (including those received in the year of investment) are recognized as income for the year. On derecognition of a financial asset or a financial liability, the difference between its carrying amount and the sum of the consideration received and receivable or consideration paid and payable is recognized in profit or loss. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

A derivative that does not meet the criteria for hedge accounting is classified as a financial asset or a financial liability held for trading. If the fair value of the derivative is positive, the derivative is recognized as a financial asset; otherwise, the derivative is recognized as a financial liability.

Fair values of financial assets and financial liabilities at the balance sheet date are determined as follows: Publicly traded stocks - at closing prices; open-end mutual funds - at net asset values; bonds - at prices quoted by the Taiwan GreTai Securities Market; and financial assets and financial liabilities without quoted prices in an active market - at values determined using valuation techniques.

Hybrid contracts containing one or more embedded derivatives are designed as financial assets at FVTPL.

Available-for-sale Financial Assets

Available-for-sale financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are remeasured at fair value, with changes in fair value recognized in equity until the financial assets are disposed of, at which time, the cumulative gain or loss previously recognized in equity is included in profit or loss for the year. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

The recognition, derecognition and the fair value bases of available-for-sale financial assets are similar to those of financial assets at FVTPL.

Cash dividends are recognized on the ex-dividend date, except for dividends distributed from the pre-acquisition profit, which are treated as a reduction of investment cost. Stock dividends are not recognized as investment income but are recorded as an increase in the number of shares. The total number of shares subsequent to the increase is used for recalculation of cost per share.

An impairment loss is recognized when there is objective evidence that the financial asset is impaired. Any subsequent decrease in impairment loss for an equity instrument classified as available-for-sale is recognized directly in equity. If the fair value of a debt instrument classified as available-for-sale subsequently increases as a result of an event which occurred after the impairment loss was recognized, the decrease in impairment loss is reversed to profit.

Hedge Accounting

Derivatives that are designated and effective as hedging instruments are measured at fair value, with subsequent changes in fair value recognized either in profit or loss, or in shareholders' equity, depending on the nature of the hedging relationship.

Hedge accounting recognizes the offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedged item as follows:

a. Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value and the gain or loss on the hedged item attributable to the hedged risk are recognized in profit or loss.

b. Cash flow hedge

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in shareholders' equity. The amount recognized in shareholders' equity is recognized in profit or loss in the same year or years during which the hedged forecast transaction or an asset or liability arising from the hedged forecast transaction affects profit or loss. However, if all or a portion of a loss recognized in shareholders' equity is not expected to be recovered in the future, the amount that is not expected to be recovered is reclassified into profit or loss.

Financial Assets Carried at Cost

Investments in equity instruments with no quoted prices in an active market and with fair values that cannot be reliably measured, such as non-publicly traded stocks and stocks traded in the Emerging Stock Market, are measured at their original cost. The accounting treatment for dividends on financial assets carried at cost is the same with that for dividends on available-for-sale financial assets. An impairment loss is recognized when there is objective evidence that the asset is impaired. A reversal of this impairment loss is disallowed.

Impairment of Accounts Receivable

An allowance for doubtful accounts is provided on the basis of a review of the collectibility of accounts receivable. The Company assesses the probability of collections of accounts receivable by examining the aging analysis of the outstanding receivables and assessing the value of the collateral provided by customers.

As discussed in Note 3 to the financial statements, the Company adopted the third-time revised Statement of Financial Accounting Standards (SFAS) No. 34, "Financial Instruments: Recognition and Measurement." One of the main revisions is that the impairment of receivables originated by the Company should be covered by SFAS No. 34. Accounts receivable are assessed for impairment at the end of each reporting period and considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the accounts receivable, the estimated future cash flows of the asset have been affected. Objective evidence of impairment could include:

- Significant financial difficulty of the debtor;
- Accounts receivable becoming overdue; or
- It becoming probable that the debtor will enter bankruptcy or financial re-organization.

Accounts receivable that are assessed not to be impaired individually are further assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of accounts receivable could include the Company's past experience of collecting payments, an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with defaults on receivables.

The amount of the impairment loss recognized is the difference between the asset carrying amount and the present value of estimated future cash flows, after taking into account the related collateral and guarantees, discounted at the receivable's original effective interest rate.

The carrying amount of the accounts receivable is reduced through the use of an allowance account. When accounts receivable are considered uncollectible, they are written off against the allowance account. Recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognized as bad debt in profit or loss.

Impairment of Assets

If the recoverable amount of an asset (mainly property, plant and equipment, nonoperating assets, leased assets, deferred charges and investments accounted for using equity method) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is charged to earnings.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased accordingly, but the increased carrying amount may not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized in earnings.

For long term equity investments for which the Corporation has significant influence but with no control, the carrying amount (including goodwill) of each investment is compared with its own recoverable amount for the purpose of impairment testing. Long term equity investments over which the Corporation has control are evaluated for impairment using their cash-generating units on the basis consolidated financial statements. A reversal of an impairment loss on goodwill is disallowed.

Shipping Fuel

Shipping fuel is stated at the lower of cost or net realizable value. Any write-down is made item by item. Shipping fuel is recorded at weighted-average cost.

Investments Accounted for Using Equity Method

Investments in which the Corporation holds 20 percent or more of the investees' voting shares or exercises significant influence over the investees' operating and financial policy decisions are accounted for by the equity method.

The acquisition cost is allocated to the assets acquired and liabilities assumed on the basis of their fair values at the date of acquisition, and the acquisition cost in excess of the fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not being amortized. The excess fair value of the net identifiable assets acquired in excess of the acquisition cost is used to reduce the fair value of each of the noncurrent assets acquired (except for financial assets other than investments accounted for by the equity method, noncurrent assets held for sale, deferred income tax assets, prepaid pension or other postretirement benefit) in proportion to the respective fair values of the noncurrent assets, with any excess recognized as an extraordinary gain.

Profits from downstream transactions with an equity-method investee are eliminated in proportion to the Company's percentage of ownership in the investee; however, if the Company has control over the investee, all the profits are eliminated. Profits from upstream transactions with an equity-method investee are eliminated in proportion to the Company's percentage of ownership in the investee. Profits from sales of products between equity-method investees are deferred to the extent of the Company's equity interests in these investees.

When the Corporation's share in losses of an investee over which the Corporation has control exceeds its investment in the investee, unless the other shareholders of the investee have assumed legal or constructive obligations and have demonstrated the ability to make payments on behalf of the investee, the Corporation has to bear all of the losses in excess of the capital contributed by shareholders of the investee. If the investee subsequently reports profits, such profits are first attributed to the Corporation to the extent of the excess losses previously borne by the Corporation.

When the Corporation subscribes for its investee's newly issued shares at a percentage different from its percentage of ownership in the investee, the Corporation records the change in its equity in the investee's net assets as an adjustment to investments, with a corresponding amount credited or charged to capital surplus. When the adjustment should be debited to capital surplus, but the capital surplus arising from long-term investments is insufficient, the shortage is debited to retained earnings.

Properties and Assets Leased to Others

Properties and assets leased to others are stated at cost less accumulated depreciation. Borrowing costs directly attributable to the acquisition or construction of property, plant and equipment and assets leased to others are capitalized as part of the cost of those assets. Major additions and improvements to property, plant and equipment are capitalized, while costs of repairs and maintenance are expensed currently.

Assets held under capital leases are initially recognized as assets of the Corporation at the lower of their fair value at the inception of the lease or the present value of the minimum lease payments; the corresponding liability is included in the balance sheet as obligations under capital leases. The interest included in lease payments is expensed when paid.

Depreciation is provided on a straight-line method over estimated useful lives as follows: buildings, 52 to 55 years; containers and chassis, 6 to 8 years; ships, 2.5 to 20 years; leased containers and chassis, 5 to 9 years; leasehold improvements, 5 to 10 years; and miscellaneous equipment, 3 to 18 years. Properties still in use beyond their original estimated useful lives are further depreciated over their newly estimated useful lives.

The related cost and accumulated depreciation of an item of properties and assets leased to others are derecognized from the balance sheet upon its disposal. Any gain or loss on disposal of the asset is included in nonoperating gains or losses in the year of disposal.

Computer Software

Computer software acquired are initially recorded at cost and are amortized on a straight-line method over periods ranging from 2 years to 3 years.

Deferred Charges

Deferred charges refer to issuance expenses of bonds issued on or before December 31, 2005. These are capitalized and amortized using the straight-line method over periods ranging from 7 years to 12 years.

Nonoperating Assets

Properties not currently used in operations are transferred to nonoperating assets at the lower of the carrying value or net fair value, with any reduction in carrying value charged to nonoperating expenses. Starting on January 1, 2006, based on related regulations, nonoperating assets are depreciated using the straight-line method over the estimated useful lives of the properties.

Pension Cost

Pension cost under a defined benefit plan is determined by actuarial valuations. Contributions made under a defined contribution plan are recognized as pension cost during the year in which employees render services.

Unrealized Gain (Loss) on Sale and Leaseback

A gain or loss on the sale of containers, chassis and ships that are leased back by the Corporation is deferred and amortized over the term of the lease or their estimated service lives, whichever is shorter.

Provision for Onerous Contract

The onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it.

Income Tax

The inter-period allocation methods are used for income taxes. Deferred income tax assets and liabilities are recognized for the tax effects of temporary differences, unused loss carryforward and unused tax credits. Valuation allowance is recognized on deferred income tax assets that are not expected to be realized. A deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of its related asset or liability. However, if a deferred income tax asset or liability does not relate to an asset or liability in the financial statements, then it is classified as either current or noncurrent based on the expected length of time before it is realized or settled.

Tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures are recognized using the flow-through method.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

The Corporation and its subsidiary, Kuang Ming Shipping Corp., elected to file consolidated tax returns. This election resulted in adjustments of the differences in income tax expense and deferred income taxes between the Corporation and its subsidiary will be adjusted and any related distribution or due payments arising from the adjustments in the consolidated tax returns adjustments will be recorded as receivables from or payables to related parties on the financial statements. The Corporation will terminate to file consolidated tax returns in 2011 since the Corporation does not qualify the standard.

Revenue Recognition

Revenue is recognized when the earnings process is completed and the revenue is realizable and measurable. The costs of providing services are recognized as incurred.

Cargo revenues are recognized using the completion of voyage method. Monthly rental revenues on ships and containers leased to others and ship management revenue are recognized in the month the services are rendered.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts agreed between the Corporation and the customers for goods sold in the normal course of business, net of discounts. For trade receivables due within one year from the balance sheet date, as the nominal value of the consideration to be received approximates its fair value and transactions are frequent, fair value of the consideration is not determined by discounting all future receipts using an imputed rate of interest.

Reclassifications

Certain accounts in the financial statements as of and for the six months ended June 30, 2010 have been reclassified to be conform to the presentation of financial statements as of and for the six months ended June 30, 2011.

3. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES

Financial Instruments

On January 1, 2011, the Corporation adopted the newly revised Statement of Financial Accounting Standards (SFAS) No. 34, "Financial Instruments: Recognition and Measurement." The main revisions included loans and receivables originated by the Corporation under SFAS No. 34. This accounting change resulted in no significant influence.

Operating Segments

On January 1, 2011, the Corporation adopted the newly issued SFAS No. 41, "Operating Segments." The statement requires that segment information be disclosed based on the information about the components of the Corporation that management uses to make operating decisions. SFAS No. 41 requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Corporation's chief operating decision maker in order to allocate resources to the segments and assess their performance. This statement supersedes SFAS No. 20, "Segment Reporting." SFAS No. 41 only changed the way the Corporation discloses information of the segments. The Corporation considered the cost of restating the segment information as of and for the six months ended June 30, 2010 to be so high that the Corporation decided not to restate it.

4. CASH

	<u>June 30</u>	
	<u>2011</u>	<u>2010</u>
Petty cash and cash on hand	\$ 1,858	\$ 2,720
Checking accounts and demand deposits	1,743,786	1,719,695
Time deposits: Interest - 0.40% to 4.90% and 0.43% to 1.15% at June 30, 2011 and 2010	<u>7,003,313</u>	<u>3,254,342</u>
	<u>\$ 8,748,957</u>	<u>\$ 4,976,757</u>

As of June 30, 2011 and 2010, the Corporation had none of time deposits with maturity of over one year.

The overseas deposits as of June 30, 2011 and 2010 are summarized in the accompanying Schedules A and B.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

a. Financial instruments at FVTPL

	<u>June 30</u>	
	<u>2011</u>	<u>2010</u>
<u>Financial assets held for trading</u>		
Principal guaranteed notes	\$ 1,000,276	\$ 30,196
Mutual funds	102,626	507,665
Crude oil swap and oil swap option	62,374	-
Forward exchange contracts	20,158	50,078
Quoted stocks	<u>1,589</u>	<u>1,530</u>
	<u>\$ 1,187,023</u>	<u>\$ 589,469</u>
<u>Financial liabilities held for trading</u>		
Forward exchange contracts	\$ 10,218	\$ 33,051
Crude oil swap and oil swap option	<u>-</u>	<u>29,978</u>
	<u>\$ 10,218</u>	<u>\$ 63,029</u>

Foreign exchange forward contracts are held mainly to hedge the exchange rate risks arising from net assets or liabilities denominated in foreign currency or to earn gains from exchange rates. The hedging strategy was developed with the objective to reduce the risk of market price or cash flow fluctuations. The derivative transactions for the six months ended June 30, 2011 and 2010 entered into by the Corporation is based on forecasted cash flows, and the risk of the transaction can be controlled by the Corporation.

Outstanding forward contracts as of June 30, 2011 were as follows:

	Currency	Duration	Contract Amount (In Thousands)	Fair Value (In Thousands)
<u>June 30, 2011</u>				
Buy	US\$/CNY	August 2011	USD10,000/CNY64,600	\$ (1,560)
Buy	US\$/CNY	September 2011	USD10,000/CNY64,600	(1,048)
Buy	US\$/NT\$	July 2011	USD30,000/TWD864,000	(5,238)
Buy	US\$/CNY	July 2011	USD30,000/CNY193,800	1,800
Buy	US\$/NT\$	September 2011	USD10,000/TWD288,000	(2,372)
Sell	US\$/CNY	August 2011	USD10,000/CNY64,600	3,363
Sell	US\$/CNY	September 2011	USD10,000/CNY64,600	2,194
Sell	US\$/NT\$	July 2011	USD30,000/TWD864,000	9,946
Sell	US\$/CNY	July 2011	USD30,000/CNY193,800	1,416
Sell	US\$/NT\$	September 2011	USD10,000/TWD288,000	1,439

Outstanding forward contracts as of June 30, 2010 were as follows:

	Currency	Duration	Contract Amount (In Thousands)	Fair Value (In Thousands)
<u>June 30, 2010</u>				
Buy	US\$/NT\$	July 2010	USD48,000/TWD1,529,460	\$ 49,590
Sell	US\$/NT\$	July 2010	USD48,000/TWD1,527,360	(32,563)

The purpose of holding the short crude oil swap and oil swap option is for spread trading. By shorting the swap the Corporation can hedge some energy fund investment risk, and make possible profit when the convergence of the two price series appears. The Corporation's purpose for trading crude oil swap and oil swap option is to reduce the cost burden from oil price increase.

The Corporation entered into crude oil swap and oil swap option contracts. The contracts were settled amounting US\$2,495 thousand to US\$11,058 thousand and US\$1,000 thousand to US\$3,242 thousand for the six months ended June 30, 2011 and 2010, respectively.

Due to the fact that the terms of the derivatives mentioned above don't qualify as effective hedging instruments, hedge accounting does not apply.

Outstanding crude oil swap and oil swap option contracts as of June 30, 2011 were as:

	Due Date	Notional Amount	Unsettled Amount	
			Contract Amount	Fair Value
<u>June 30, 2011</u>				
Crude oil swap and oil swap option	2012.03.31	US\$94,862 thousand	US\$63,991 thousand	\$ 62,374

Outstanding crude oil swap and oil swap option contracts as of June 30, 2010 were as:

	Due Date	Notional Amount	Unsettled Amount	
			Contract Amount	Fair Value
<u>June 30, 2010</u>				
Crude oil swap and oil swap options	2010.12.31	US\$31,062 thousand	US\$19,454 thousand	\$(29,978)

Net gains arising from financial assets held for trading were \$149,115 thousand and \$51,740 thousand for the six months ended June 30, 2011 and 2010, respectively.

Net losses arising from financial liabilities held for trading were \$10,218 thousand and \$34,166 thousand for the six months ended June 30, 2011 and 2010, respectively.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	June 30	
	2011	2010
Domestic quoted stocks	\$ 2,403,618	\$ 2,949,555
Mutual funds	379,646	3,549,078
Corporate bonds	<u>57,600</u>	<u>64,560</u>
	2,840,864	6,563,193
Less: Current portion	<u>(562,449)</u>	<u>(3,835,463)</u>
	<u>\$ 2,278,415</u>	<u>\$ 2,727,730</u>

7. SHIPPING FUEL

	June 30	
	2011	2010
Shipping fuel	\$ 5,559,147	\$ 4,256,460
Less: Unrealized allowance for loss	<u>(32,678)</u>	<u>(43,899)</u>
	<u>\$ 5,526,469</u>	<u>\$ 4,212,561</u>

8. FINANCIAL ASSETS CARRIED AT COST

	June 30			
	2011		2010	
	Carrying Amount	% of Owner- ship	Carrying Amount	% of Owner- ship
Domestic unquoted common stocks				
Taipei Port Container Terminal Co., Ltd.	\$ 385,985	9.76	\$ 406,640	9.76
United Stevedoring Corporation	5,000	10.00	5,000	10.00
New Century Infocomm Co., Ltd.	-	-	427,789	1.68
Overseas unquoted common stocks				
Antwerp International Terminal N.V.	-	14.02	4,665	16.33
	<u>390,985</u>		<u>844,094</u>	
Less: Current portion	<u>-</u>		<u>(427,789)</u>	
	<u>\$ 390,985</u>		<u>\$ 416,305</u>	

On July 23, 2010, the Corporation's board of directors resolved to dispose of all its 43,780,180 shares in NCIC to Yuan Cing Infocomm Tech Co., Ltd. through tender offer. The purchase price is NT\$10.93 per share in cash. The Corporation recognized a gain on disposal amounting to \$49,292 thousand in 2010. The proceeds have been received.

The above equity investments, which had no quoted prices in an active market and of which fair value could not be reliably measured, were carried at cost.

9. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30			
	2011		2010	
	Carrying Amount	% of Owner- ship	Carrying Amount	% of Owner- ship
Yang Ming Line (B.V.I.) Holding Co., Ltd.	\$ 4,459,854	100.00	\$ 3,246,414	100.00
Kuang Ming Shipping Corp.	4,399,234	86.57	4,900,833	94.73
Kao Ming Container Terminal Corp.	4,051,485	100.00	2,791,692	100.00
All Oceans Transportation Inc.	3,975,525	100.00	4,712,928	100.00
Yang Ming Line (Singapore) Pte. Ltd.	1,712,230	100.00	1,683,331	100.00
Ching Ming Investment Corp.	1,599,712	100.00	1,496,355	100.00
Yes Logistics Corp.	552,952	50.00	550,021	50.00
Yang Ming Line Holding Co.	461,635	100.00	170,713	100.00
Yunn Wang Investment Co., Ltd.	186,136	49.75	206,138	49.75
Honming Terminal & Stevedoring Co., Ltd.	120,221	79.17	345,263	79.17
Jing Ming Transportation Co., Ltd.	110,545	50.98	114,162	50.98
Transyang Shipping Pte. Ltd.	66,315	49.00	84,345	49.00
Yang Ming (Liberia) Corp.	<u>(1,622,937)</u>	100.00	<u>(341,309)</u>	100.00
	20,072,907		19,960,886	
Add: Investment deducted from long-term receivables - related parties	<u>1,622,937</u>		<u>341,309</u>	
	<u>\$ 21,695,844</u>		<u>\$ 20,302,195</u>	

Movements of the difference between the cost of investments and the Corporation's share in investees' net assets for the six months ended June 30, 2011 as follows:

	Undepreciable Assets
Balance, beginning of period	\$ 671
Additions	<u>-</u>
Balance, end of period	<u>\$ 671</u>

Investment income (loss) recognized under the equity method was as follows:

	Six Months Ended June 30	
	2011	2010
Kuang Ming Shipping Corp.	\$ 212,945	\$ 600,580
Yang Ming Line Holding Co.	172,455	145,458
Yang Ming Line (Singapore) Pte. Ltd.	83,546	39,744
Yang Ming (Liberia) Corp.	28,178	(71,819)
Kao Ming Container Terminal Corp.	26,364	(26,609)
Ching Ming Investment Corp.	24,360	14,935
Honming Terminal & Stevedoring Co., Ltd.	13,356	2,489
Yunn Wang Investment Co., Ltd.	11,493	10,886
Yang Ming Line (B.V.I.) Holding Co., Ltd.	11,189	(511,774)
Yes Logistics Corp.	9,045	23,767
Transyang Shipping Pte. Ltd.	7,894	18,617
Jing Ming Transportation Co., Ltd.	87	5,480
All Oceans Transportation Inc.	<u>(388,500)</u>	<u>(181,682)</u>
	<u>\$ 212,412</u>	<u>\$ 70,072</u>

The carrying values of the equity-method investments (except those of Kao Ming Container Terminal Corp., Ching Ming Investment Corp., All Oceans Transportation Inc., Kuang Ming Shipping Corp., Yang Ming Line (B.V.I.) Holding Co., Ltd. and Yang Ming (Liberia) Corp. for the six months ended June 30, 2011 and All Oceans Transportation Inc., Kuang Ming Shipping Corp., Yang Ming Line (B.V.I.) Holding Co., Ltd. and Yang Ming (Liberia) Corp. for the six months ended June 30, 2010) were based on unaudited financial statements for the six months ended June 30, 2011 and 2010. The equities in net assets of equity-method investees Ching Ming Investment Corp. and Yang Ming Line (B.V.I.) Holding Co., Ltd. for the six months ended June 30, 2011 and Yang Ming Line (B.V.I.) Holding Co., Ltd. for the six months ended June 30, 2010, were partly determined on the basis of the investee's unaudited financial reports, and therefore the auditors issued a qualified opinion.

The Corporation's investments in certain equity-method investees which were based on unaudited financial statements had carrying amount of \$4,001,958 thousand and \$7,599,440 thousand as of June 30, 2011 and 2010, respectively. The Corporation's equity of \$382,954 thousand and \$311,335 thousand in the net income of these investees was included in the net income for the six months ended June 30, 2011 and 2010, respectively.

The Corporation committed to support the operation of Yang Ming (Liberia) Corp. The credit balance of \$1,622,937 thousand and \$341,309 thousand on this investment was reclassified as deduction from long-term receivables from related parties as of June 30, 2011 and 2010, respectively.

In order to engage in the building and operation of Kaohsiung harbor intercontinental container center, the Corporation founded a chartered subsidiary, Kao Ming Container Terminal Corp., which had a contract namely 'First stage of Kaohsiung harbor intercontinental container center construction and operation project' with MOTC Harbor Bureau. The contract commenced on September 28, 2007 and will last for 50 years including the building and operation periods. The board of directors of the Corporation resolved to increase investment in Kao Ming Container Terminal Corp. within the capital disbursement, \$3,700,000 thousand on August 28, 2008, and the amount of capital increase on in 2010 and 2009 were \$2,300,000 thousand and \$1,000,000 thousand, respectively. Kao Ming Container Terminal Corp. secured a \$16,200,000 thousand syndicated loan from banks on December 18, 2008, so as to fund the construction of Kaohsiung Intercontinental Container Terminal, and as of June 30, 2011 the banks had allotted \$5,540,000 thousand.

In order to improve the Group's entire operating efficiency, enhance the Group's financial structure and to facilitate initial public offering of Kuang Ming Shipping Corp., a subsidiary of the Corporation, the Corporation's board of directors resolved on June 18, 2010 to disposed partial interests of Kuang Ming Shipping Corp. held by the Corporation. The maximum disposal amount of stock will not exceed 61,500 thousand shares (approximately equal to 30% of Kuang Ming Shipping Corp's share capital), and disposal price will depend on Kuang Ming Shipping Corp's operating performance and the market price at the time. The Corporation has disposed 13,700 thousand shares and 10,826 thousand shares to specific people and employees (approximately equal to 6.67% and 5% of Kuang Ming Shipping Corp's current share capital) at an average price of \$31.89 and \$24.29 per share, and recognized a disposal gain of \$83,501 thousand and \$1,065 thousand for the six months ended June 30, 2011 and 2010, respectively. As of June 30, 2011, the Corporation has disposed 27,594 thousand shares (approximately equal to 13.43% of Kuang Ming Shipping Corp's current share capital) at an average price of \$28.88 per share, and has recognized an accumulated disposal gain of \$105,878 thousand.

As required by the revised ROC SFAS No. 7 - "Consolidated Financial Statements", control is presumed to exist when the parent company owns, directly or indirectly through subsidiaries, more than half of the voting rights of an entity unless it can be clearly shown that such ownership does not constitute as a control interest. Thus, the consolidated financial statements as of and for the six months ended June 30, 2011 and 2010 include the accounts of the Corporation and its direct and indirect subsidiaries. The Corporation does not have control over Transyang Shipping Pte. Ltd. and Yunn Wang Investment Co. for the six months ended June 30, 2011 and 2010, respectively, therefore the accounts of these companies were not included in the consolidated financial statements. All significant intercompany accounts and transactions have been eliminated.

10. PROPERTIES

	Six Months Ended June 30, 2011							
	Land	Buildings	Containers and Chassis	Ships	Leased Assets	Leasehold Improvements	Miscellaneous Equipment	Total
Cost								
Beginning balance	\$ 330,069	\$ 748,499	\$ 23,005,358	\$ 6,529,880	\$ 2,868,206	\$ 146,272	\$ 2,635,741	\$ 36,264,025
Addition	-	-	614,743	63,000	-	-	18,764	696,507
Disposal	-	-	(89,514)	-	(135,450)	-	(503,587)	(728,551)
Ending balance	<u>\$ 330,069</u>	<u>748,499</u>	<u>23,530,587</u>	<u>6,592,880</u>	<u>2,732,756</u>	<u>146,272</u>	<u>2,150,918</u>	<u>36,231,981</u>
Accumulated depreciation								
Beginning balance	-	159,816	15,592,907	1,706,532	2,143,723	133,284	1,607,112	21,343,374
Addition	-	7,047	869,914	468,385	50,934	1,799	77,348	1,475,427
Disposal	-	-	(86,129)	-	(135,450)	-	(375,881)	(597,460)
Ending balance	-	<u>166,863</u>	<u>16,376,692</u>	<u>2,174,917</u>	<u>2,059,207</u>	<u>135,083</u>	<u>1,308,579</u>	<u>22,221,341</u>
Accumulated impairment								
Beginning balance	-	-	-	-	-	-	25,740	25,740
Disposal	-	-	-	-	-	-	(25,740)	(25,740)
Ending balance	-	-	-	-	-	-	-	-
		<u>\$ 581,636</u>	<u>\$ 7,153,895</u>	<u>\$ 4,417,963</u>	<u>\$ 673,549</u>	<u>\$ 11,189</u>	<u>\$ 842,339</u>	<u>\$ 14,010,640</u>

	Six Months Ended June 30, 2010							
	Land	Buildings	Containers and Chassis	Ships	Leased Assets	Leasehold Improvements	Miscellaneous Equipment	Total
Cost								
Beginning balance	\$ 330,069	\$ 728,683	\$ 22,906,639	\$ 6,453,650	\$ 2,178,416	\$ 146,272	\$ 2,690,174	\$ 35,433,903
Addition	-	-	-	64,455	689,790	-	3,179	757,424
Disposal	-	-	(295,013)	-	-	-	(4,183)	(299,196)
Ending balance	<u>\$ 330,069</u>	<u>728,683</u>	<u>22,611,626</u>	<u>6,518,105</u>	<u>2,868,206</u>	<u>146,272</u>	<u>2,689,170</u>	<u>35,892,131</u>
Accumulated depreciation								
Beginning balance		140,356	14,022,346	725,857	2,049,611	129,657	1,505,161	18,572,988
Addition		6,847	970,579	467,373	44,088	1,798	91,378	1,582,063
Disposal		-	(289,698)	-	-	-	(4,081)	(293,779)
Ending balance		<u>147,203</u>	<u>14,703,227</u>	<u>1,193,230</u>	<u>2,093,699</u>	<u>131,455</u>	<u>1,592,458</u>	<u>19,861,272</u>
		<u>\$ 581,480</u>	<u>\$ 7,908,399</u>	<u>\$ 5,328,875</u>	<u>\$ 774,507</u>	<u>\$ 14,817</u>	<u>\$ 1,096,712</u>	<u>\$ 16,030,859</u>

The Corporation leases containers and chassis under capital lease agreements. The related information for future rentals is shown in Note 25. The terms of the leases were from nine years to ten years for containers. The annual rent payable on leased containers under the agreements is US\$4,337 thousand. The Corporation has the option to buy, at the end of the lease terms, all leased containers at a bargain purchase price of US\$1 per unit. The terms of the leased chassis was eight years. The annual rent payable on leased chassis is based on contract terms, and, at the end of the lease terms, the ownership of all the leased chassis will be transferred to the Corporation at no additional cost. The details of these leases as of June 30, 2011 and 2010 were as follows:

	June 30			
	2011		2010	
	U.S. Dollars (Thousands)	New Taiwan Dollars (Thousands)	U.S. Dollars (Thousands)	New Taiwan Dollars (Thousands)
Total capital lease obligations (undiscounted)	\$ 28,697	\$ 826,490	\$ 30,311	\$ 978,443
Less: Unamortized interest expense	<u>(5,515)</u>	<u>(158,829)</u>	<u>(4,028)</u>	<u>(130,038)</u>
	<u>\$ 23,182</u>	<u>\$ 667,661</u>	<u>\$ 26,283</u>	<u>\$ 848,405</u>

11. ASSETS LEASED TO OTHERS, NET

	June 30	
	2011	2010
Cost		
Land	\$ 2,928,721	\$ 2,928,721
Buildings	<u>1,225,818</u>	<u>1,244,328</u>
	4,154,539	4,173,049
Accumulated depreciation - buildings	<u>196,727</u>	<u>173,881</u>
	<u>\$ 3,957,812</u>	<u>\$ 3,999,168</u>

Future rental payments receivable are summarized as follows:

Fiscal Year	Amount
2011 (July 1, 2011 to December 31, 2011)	\$ 43,906
2012	67,478
2013	52,014
2014	40,931
2015	36,573

Rentals after 2016 amount to \$14,473 thousand. The present value of those rentals, computed at an annual interest rate of 1.275%, is \$13,575 thousand.

12. NONOPERATING ASSETS, NET

	June 30	
	2011	2010
Cost		
Land	\$ 323,589	\$ 323,589
Buildings	<u>1,746</u>	<u>3,737</u>
	325,335	327,326
Accumulated depreciation - buildings	<u>1,746</u>	<u>3,156</u>
	<u>\$ 323,589</u>	<u>\$ 324,170</u>

13. ADVANCES ON LONG-TERM RENT AGREEMENT

For the purpose of managing storage, processing, transfer and distribution of goods, the Corporation collaborated with MOTC Harbor Bureau in building and operating the First and Second Logistics Centers of the Kaohsiung Third Container Center. The transferring procedures of First Logistics Center had been completed. According to the contract, the Corporation is entitled to the use of the center for 30 years based on the initial investment made by the Corporation. The project of the Second Logistics Center of the Kaohsiung Third Container Center had been completed in October, 2007 and the use of the center commenced in 2008. Owing to the remaining issues regarding the time frame for free tenancy, the Corporation reclassified the original investment of \$691,554 thousand (construction in process) into advances on long-term rent agreement which are amortized over 23 years and 10 months.

14. LONG-TERM INTEREST-BEARING DEBTS

	Current	Long-term	Total
<u>June 30, 2011</u>			
Long-term unsecured bank loans	\$ -	\$ 1,900,000	\$ 1,900,000
Long-term secured bank loans	3,455,438	10,363,352	13,818,790
Domestic unsecured bonds	9,480,000	3,960,000	13,440,000
Domestic secured bonds	-	4,967,461	4,967,461
Obligation under capital leases	<u>80,008</u>	<u>587,653</u>	<u>667,661</u>
	<u>\$ 13,015,446</u>	<u>\$ 21,778,466</u>	<u>\$ 34,793,912</u>
<u>June 30, 2010</u>			
Long-term unsecured bank loans	\$ -	\$ 900,000	\$ 900,000
Long-term secured bank loans	3,455,438	13,818,790	17,274,228
Domestic unsecured bonds	3,070,000	13,440,000	16,510,000
Domestic secured bonds	-	4,967,461	4,967,461
Commercial paper	-	1,840,000	1,840,000
Obligation under capital leases	<u>98,591</u>	<u>749,814</u>	<u>848,405</u>
	<u>\$ 6,624,029</u>	<u>\$ 35,716,065</u>	<u>\$ 42,340,094</u>

Long-term Unsecured Bank Loans

The unsecured bank loan will be repaid in New Taiwan dollars in one-lump sum payment at maturity. The balance of June 2011 will be repaid during November 2012 to January 2014. The balance of June 2010 was repaid in advance in July 2010. Interest rate was 1 % on June 30, 2011 and 2010, respectively.

Long-term Secured Bank Loans

Secured bank loans are repayable in installments at varying amounts in New Taiwan dollars with the latest maturity in June 2016. Interest rates were 1.1321% to 2.2304% and 0.8573% to 2.1% on June 30, 2011 and 2010, respectively. The Corporation's ships, containers, assets leased to others and the ships of a subsidiary, All Oceans Transportation Inc., are pledged as collaterals for the secured loans.

Domestic Unsecured Bonds

On various dates, the Corporation issued domestic unsecured bonds; the dates and the aggregate face values were as follows: \$1,800,000 thousand on June 1, 2000 (the "June 2000 Bonds"); \$2,400,000 thousand on November 20, 2000 (the "November 2000 Bonds"); \$1,600,000 thousand on June 18, 2004 (the "June 2004 Bonds"), \$5,000,000 thousand from October 8 to October 20 in 2004 (the "October 2004 Bonds"); \$2,500,000 thousand from December 8 to December 14 in 2004 (the "December 2004 Bonds"), and \$6,000,000 thousand on October 23, 2006 (the "October 2006 Bonds").

Other bond features and terms are as follows:

June 2000 bonds: Repayments: 33% - June 1, 2008, 33% - June 1, 2009, and 34% June 1, 2010; 6.09% annual interest. As of June 30, 2011, the bonds have been fully repaid.

November 2000 bonds: Repayments: 20% - November 20, 2010, 40% - November 20, 2011, and 40% - November 20, 2012; 6.02% annual interest.

June 2004 bonds: Type A - Aggregate face value of \$600,000 thousand and maturity on June 18, 2011; 2.46% annual interest. As of June 30, 2011, the bonds have been fully repaid.

Type B - Aggregate face value of \$500,000 thousand and maturity on June 18, 2011 at USD 6-month LIBOR rate (the target rate) when the target rate is smaller than 1.15%; at 4.4% when the target rate is between 1.15% and 3.5%; at 6% less the target rate when the target rate is greater than 3.5%. The interest rate should not be smaller than 0% and will be reset quarterly. As of June 30, 2011, the bonds have been fully repaid.

Type C - Aggregate face value of \$500,000 thousand and maturity on June 18, 2011 at 4.5% interest multiplied by a ratio (interest-bearing days per month divided by interest-bearing days per year) when USD 6-month LIBOR rate (the target rate) is between a certain interest range; at 0% when the target rate is out of the interest range. As of June 30, 2011, the bonds have been fully repaid.

October 2004 bonds: Type A, B, D, E, G, H, I - Aggregate face value of \$500,000 thousand and maturity from October 8 to October 20 in 2011; 3.30% annual interest.

Type C - Aggregate face value of \$800,000 thousand and maturity on October 12, 2011; 3.30% annual interest.

Type F - Aggregate face value of \$700,000 thousand and maturity on October 15, 2011; 3.30% annual interest.

December 2004 bonds: Aggregate face value of \$2,500,000 thousand and maturity from December 8 to 14 in 2011; 2.99% annual interest.

October 2006 bonds: Type A - Aggregate face value: \$3,000,000 thousand; repayments: 33% - October 23, 2009, 33% - October 23, 2010, and 34% - October 23, 2011; 2.09% annual interest. The Corporation had paid off \$1,980,000 thousand as of June 30, 2011.

Type B - aggregate face value of \$3,000,000 thousand and maturity on October 23, 2013; 2.32% annual interest.

Domestic Secured Bonds

On May 20, 2010, the Corporation issued five-year domestic secured bonds with an aggregate face value of \$5,000,000 thousand.

The bond features and terms are as follows:

May 2010 bonds: Type A - Aggregate face value: \$500,000 thousand; repayments: 50% - May 20, 2014 and 50% May 20, 2015, 1.42% annual interest.

Type B - Aggregate face value of \$1,000,000 thousand; repayments: 50% - May 20, 2014 and 50% - May 20, 2015; 1.42% annual interest.

Type C - Aggregate face value: \$500,000 thousand; repayments: 50% - May 20, 2014 and 50% May 20, 2015, 1.42% annual interest.

Type D - Aggregate face value: \$500,000 thousand; repayments: 50% - May 20, 2014 and 50% May 20, 2015, 1.42% annual interest.

Type E - Aggregate face value of \$1,000,000 thousand; repayments: 50% - May 20, 2014 and 50% - May 20, 2015; 1.42% annual interest.

Type F - Aggregate face value: \$500,000 thousand; repayments: 50% - May 20, 2014 and 50% May 20, 2015, 1.42% annual interest.

Type G - Aggregate face value: \$500,000 thousand; repayments: 50% - May 20, 2014 and 50% May 20, 2015, 1.42% annual interest.

Type H - Aggregate face value: \$500,000 thousand; repayments: 50% - May 20, 2014 and 50% May 20, 2015, 1.42% annual interest.

Guarantees:

Type A: Guaranteed by Taiwan Bank.

Type B: Guaranteed by Cathay United Commercial Bank.

Type C: Guaranteed by Taiwan Cooperative Commercial Bank.

Type D: Guaranteed by China Trust Commercial Bank.

Type E: Guaranteed by First Commercial Bank.

Type F: Guaranteed by Yuanta Commercial Bank.

Type G: Guaranteed by Hua Nan Commercial Bank.

Type H: Guaranteed by Shanghai Commercial & Savings Bank.

According to performance guarantee agreements, the Corporation has to pay annual advanced guarantee on the date of issuance and every year thereafter. The guarantee payments are recognized as the costs of the corporate bond issuance and are amortized over the issuance period. As of June 30, 2011 and 2010, unamortized cost of issuance amounted to \$32,539 thousand.

Commercial Paper

The Corporation signed a three-year joint underwriting contract for purchase of commercial paper on March 27, 2009 and the first supplementary contract on August 14, 2009, respectively, with International Bills Finance Corporation. International Bills Finance Corporation, as the lead underwriter, issued long-term commercial papers with a credit limit of \$2,300,000 thousand. The underwriting credit limit was based on the ships of All Oceans Transportation Inc., a subsidiary of the Corporation, as collaterals. The ownership of the ships mentioned above had been transferred to the Corporation on May and July 2009, and the re-mortgage process was completed on September 2009. The commercial paper have been fully repaid as of June 30, 2011. The Corporation can issue the commercial papers in a revolving scheme during the period of the financing contract, and issuance period of each commercial paper cannot be over 90 days. The Corporation should repay all debts under the contract at maturity date. Because the contract period is over one year, and the Corporation intended to keep refinancing for long term, the bills payable are included in long-term debts. The interest rate is the Fixing Rate of 90-day referred to in Reuters (Page 6165) plus spread. The interest rate was 0.4130% on June 30, 2010.

The Corporation signed a three-year underwriting contract for purchase of commercial paper on March 31, 2010, with Taching Bills Finance Corporation. Taching Bills Finance Corporation, issued long-term commercial papers with a credit limit of \$300,000 thousand. The commercial paper had been issued and fully repaid as of June 30, 2011. The Corporation can issue the commercial papers in a revolving scheme during the period of the financing contract, and issuance period of each commercial paper cannot be over 90 days. The Corporation should repay all debts under the contract at maturity date. Because the contract period is over one year, and the Corporation intended to keep refinancing for long term, the bills payable are included in long-term debts. The interest rate is the Fixing Rate of 90-day referred to in Reuters (Page 6165) plus spread.

Obligations Under Capital Leases

Obligations under capital leases are summarized in Note 10.

15. ACCRUED EXPENSES

	June 30	
	2011	2010
Fuel	\$ 3,766,217	\$ 2,741,787
Space hire	992,780	781,576
Container lease	553,129	399,460
Interest	309,059	345,989
Salary and bonus	429,911	231,778
Others	<u>316,043</u>	<u>766,340</u>
	<u>\$ 6,367,139</u>	<u>\$ 5,266,930</u>

16. RESERVE FOR LAND VALUE INCREMENT TAX

The reserve for land value increment tax resulted from the Corporation's merger with China Merchants Steam Navigation Company.

17. PENSION PLAN

The Corporation adopted three pension plans when it was privatized on February 15, 1996. Before the Corporation's privatization, qualified employees received pension payments for service years before the start of the privatization. The service years of the employees who received pre-privatization pension payments and continued to work in the Corporation after privatization will be excluded from the calculation of pension payments after privatization. These plans are as follows:

- a. The pension plan under the Labor Standards Law for onshore employees is a defined benefit plan. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation contributed 3% of total salary per month to the pension funds; starting September 2010, the Corporation contributes 13% of total salary to the pension funds. The pension fund is administered by the pension fund monitoring committee and deposited in the committee's name in the Bank of Taiwan.

Pension plan under the Maritime Labor Law for shipping crew is a defined benefit plan. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crews hiring contracts. Under the Law, benefits are based on service years and average basic salary of the six months before retirement.

Pension plan for retired employees of China Merchants Steamship Navigation Company (CMSNC) provides benefits based on service years and level of monthly basic salary at the time of retirement.

Because of spin-off, the service years of the employees transferred to Kuang Ming Shipping Corp. are continued from the service years in the Corporation. Benefits are based on the proportion of service years between the Corporation and Kuang Ming Shipping Corp. and are paid by individual pension accounts.

Under SFAS No. 18, "Accounting for Pensions," defined benefit pension cost (including the Corporation, All Oceans Transportation Inc., Yangming (UK) Ltd. and Yang Ming (Liberia) Corp.) should be recognized using the actuarial method. Pension expense is recognized based on agreed upon ratio of their consolidated defined benefit pension cost. According to the actuarial result, the Corporation recognized pension costs of \$45,188 thousand and \$64,367 thousand, contributed \$40,298 thousand and \$9,233 thousand to pension funds for the six months ended June 30, 2011 and 2010, respectively. The income of distribution was \$1,807 thousand and \$5,443 thousand for the six months ended June 30, 2011 and 2010, respectively.

- b. Pension plan is a defined contribution scheme under the Labor Pension Act for onshore employees and shipping crew. Starting on July 1, 2005, the Corporation makes monthly contributions to the employees' individual pension accounts in the Bureau of Labor Insurance at 6% of employees' salaries every month. The pension cost under the defined contribution plan was \$23,885 thousand and \$21,541 thousand for the six months ended June 30, 2011 and 2010, respectively.
- c. In an effort to encourage employee retirement, hence improve the human resource structure and enhance vitality within organization, the Corporation calculates favorable retirement benefits according to the retirement policies. The Corporation recognized a pension cost of \$20,634 thousand for the six months ended June 30, 2010.

18. STOCKHOLDERS' EQUITY

a. Global depositary receipts

On November 14, 1996, the Corporation issued 10 million units of global depositary receipts (GDRs), representing 100 million shares, at an issue price of US\$11.64 dollars per unit. The holders of the GDRs may not exchange them for the Corporation's stocks. However, starting February 14, 1997, the holders of the GDR may request the depositary bank to sell the shares represented by the GDRs. As of June 30, 2011, there were 4,845,996 units outstanding, representing 48,460,037 shares, 1.89% of total issued shares.

The holders of the GDR retain stockholder's rights that are the same as those of the Corporation's common stockholders, but the exercise of stockholder's rights should be under related laws and regulations in ROC and the terms of the GDR contracts. One of these rights is that GDR holders should be able to exercise the right of voting, sell the shares represented by the GDRs, receive dividends and subscribe for the issued stock by way of the depositary bank.

b. Capital surplus

Under the Company Law, capital surplus can only be used to offset a deficit. However, the capital surplus from share issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds and treasury stock transactions) may be capitalized, which however is limited to a certain percentage of the Corporation's paid-in capital. Also, the capital surplus from long-term investments may not be used for any purpose.

c. Appropriation of earnings and dividend policy

The Corporation's Articles of Incorporation provide that various reserves should be set aside from annual net income less any accumulated losses. In addition, a special reserve should be appropriated as needed. For the remainder of the income plus accumulated unappropriated earnings, the board of directors should propose an appropriation plan and request the shareholders to pass and execute the plan. The appropriation of earnings should be in the following order:

- 1) 1% to 5% as bonus to employees;
- 2) 2% or less as remuneration to directors and supervisors; and
- 3) Remainder as stockholders' dividends.

For dividend policy, the Articles of Incorporation provide that the Corporation should consider certain factors, including the Corporation's profits, the change in the environment of the industry, potential growth of the Corporation, costs, expenditures and the working capital for operation to propose the dividend appropriation plan. The Corporation shall declare at least 20% of the amount declared as dividends in the form of cash as opposed to the form of stock.

The Corporation did not accrue bonus to employees and remuneration to directors and supervisors because of the losses for the six months ended June 30, 2011. For the six months ended June 30, 2010, the bonus to employees was \$21,701 thousand. The bonus to employees represented 1% of net income (net of the bonus). Material differences between such estimated amounts and the amounts proposed by the Board of Directors in the following year are adjusted for in the current year. If the actual amounts subsequently resolved by the shareholders differ from the proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the shareholders' meeting.

Based on a directive issued by the Securities and Futures Bureau, an amount equal to the net debit balance of certain shareholders' equity accounts shall be transferred from unappropriated earnings to a special reserve. Any special reserve appropriated may be reversed to the extent of the decrease in the net debit balance.

Under the Company Law, legal reserve should be appropriated until the accumulated reserve reaches the Corporation's paid-in capital. This reserve may be used to offset a deficit. When the reserve reaches 50% of the Corporation's paid-in capital, up to 50% thereof may be transferred to pay in capital.

Except for non-ROC resident stockholders, all shareholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Corporation.

The stockholders resolved to appropriate the 2010 earnings on June 24, 2011, as follows:

	Appropriation of Earnings	Dividends Per Share (Dollars)
Legal reserve	\$ 1,178,785	
Special reserve	82,530	
Cash dividends	3,203,083	\$1.25
Stock dividends	2,562,466	1.00

The bonus to employees of \$156,886 thousand for 2010 was approved in the stockholders' meeting on June 24, 2011. The approved amount of the bonus to employees was no different with that in the financial statements for the year ended December 31, 2010.

The shareholders' meeting held on June 24, 2011 also resolved to distribute stock dividends out of undistributed earnings in the amount of \$2,562,466 thousand (included in undistributed stock dividends). The above capital increase was approved by the Financial Supervisory Commission of Executive Yuan on August 3, 2011. The revision of registration of the capital increase was in process at the Ministry of Economic Affairs, ROC.

On June 18, 2010, the Corporation's stockholders resolved to pass the proposal for reversing special reserve of \$2,067,513 thousand from prior year to offset against the deficit. In addition a deficit of \$8,138,687 thousand had been offset by the following:

	2009
Capital surplus - treasury stock transactions	\$ 1,480,009
Capital surplus - issuance of common shares	2,789,135
Legal reserve	<u>3,869,543</u>
	<u>\$ 8,138,687</u>

Information about the bonus to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

d. Unrealized gain or loss on financial instruments

For the six months ended June 30, 2011 and 2010, movements of unrealized gain or loss on financial instruments were as follows:

	Available- for-sale Financial Assets	Equity- method Investments	Gain (Loss) on Cash Flow Hedges	Total
<u>Six months ended June 30, 2011</u>				
Balance, beginning of period	\$ 424,440	\$ 6,578	\$ (17,998)	\$ 413,020
Recognized in shareholders' equity	(301,137)	(65,071)	11,440	(354,768)
Transferred to profit or loss	<u>(64,754)</u>	<u>(14)</u>	<u>-</u>	<u>(64,768)</u>
Balance, end of period	<u>\$ 58,549</u>	<u>\$ (58,507)</u>	<u>\$ (6,558)</u>	<u>\$ (6,516)</u>
<u>Six months ended June 30, 2010</u>				
Balance, beginning of period	\$ 1,148,278	\$ 65,103	\$ (12,476)	\$ 1,200,905
Recognized in shareholders' equity	(619,033)	(95,122)	(51,767)	(765,922)
Transferred to profit or loss	<u>(44,390)</u>	<u>(2)</u>	<u>-</u>	<u>(44,392)</u>
Balance, end of period	<u>\$ 484,855</u>	<u>\$ (30,021)</u>	<u>\$ (64,243)</u>	<u>\$ 390,591</u>

19. INCOME TAX

According to regulations stipulated by Ruling Letter No. 910458039 dated February 12, 2003, "Principles and regulations of profit seeking businesses filing joint tax returns in accordance with Article 49 of the Financial Holding Company Law and Article 40 of Enterprise Merger Law", the Corporation holds more than 90% of the shares of Kuang Ming Shipping Corp. for more than 12 months during a taxable year, the Corporation and Kuang Ming Shipping Corp. can file a joint tax return. The Corporation and Kuang Ming Shipping Corp. jointly filed income tax returns since 2009. As of June 30, 2011, the Corporation held less than 90% of the shares of Kuang Ming Shipping Corp. and will terminate to file a joint tax return starting from 2011.

- a. A reconciliation of income tax expense based on income (loss) before income tax at the statutory rate of 17% and income tax expense was as follows:

	Six Months Ended June 30	
	2011	2010
Income tax expense (benefit) at statutory rate	\$ (431,140)	\$ 462,136
Tax effect on adjusting items:		
Permanent differences	(64,895)	(112,434)
Temporary differences	(62,609)	3,070
Loss carryforwards	558,644	(352,772)
Additional 10% income tax on unappropriated earnings	<u>216,098</u>	<u>-</u>
Income tax payable - current	<u>\$ 216,098</u>	<u>\$ -</u>

b. Tax expense were as follows:

	Six Months Ended June 30	
	2011	2010
Income tax payable - current	\$ 216,098	\$ -
Overseas income tax	109,156	110,632
Deferred income tax assets		
Temporary differences	62,609	(28,350)
Loss carryforwards	(558,644)	352,772
Effect of tax law changes on deferred income tax	-	17,397
Adjustment in valuation allowance	340,000	(643,495)
Adjustment of prior year's taxes	<u>(98,512)</u>	<u>196,569</u>
	<u>\$ 70,707</u>	<u>\$ 5,525</u>

In May 2010, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Law, which reduces a profit-seeking enterprise's income tax rate from 20% to 17%, effective January 1, 2010.

c. Deferred income tax assets (liabilities) were as follows:

	June 30	
	2011	2010
Current (included in other current assets)		
Deferred income tax assets		
Unrealized shipping fuel valuation losses	\$ 5,555	\$ 7,548
Others	<u>2,799</u>	<u>2,980</u>
	8,354	10,528
Deferred income tax liabilities		
Unrealized foreign exchange gain	<u>(5,710)</u>	<u>(7,612)</u>
	<u>\$ 2,644</u>	<u>\$ 2,916</u>
Noncurrent		
Deferred income tax assets		
Loss carryforwards	\$ 1,037,550	\$ 2,120,481
Investment loss recognized on overseas equity-method investments	307,216	61,617
Deferred pension cost	123,239	112,744
Unrealized impairment loss on financial assets	10,026	9,234
Unrealized impairment loss on long-term leases for chartered-in vessels	1,309	53,963
Unrealized loss on financial instruments	<u>-</u>	<u>13,166</u>
	1,479,340	2,371,205
Less: Valuation allowance	<u>(590,000)</u>	<u>(1,050,000)</u>
	<u>889,340</u>	<u>1,321,205</u>
Deferred income tax liabilities		
Investment income recognized on overseas equity-method investments	<u>(1,121,596)</u>	<u>(893,297)</u>
	<u>\$ (232,256)</u>	<u>\$ 427,908</u>

Loss carryforwards as of June 30, 2011 comprised of:

Unused Amount	Expiry Year
\$ 2,817,091	2019
3,286,142	2021

The tax returns through 2007 had been assessed by the tax authorities.

d. Information about integrated income tax was as follows:

	June 30	
	2011	2010
Unappropriated earnings generated before January 1, 1998	\$ -	\$ -
Unappropriated earnings generated on and after January 1, 1998	<u>2,154,161</u>	<u>2,712,920</u>
	<u>\$ 2,154,161</u>	<u>\$ 2,712,920</u>
Balance of the imputation credit account (ICA)	<u>\$ 1,274,318</u>	<u>\$ 1,237,500</u>

The estimated creditable ratio for distribution of 2010 was 10.81%.

For distribution of earnings generated on or after January 1, 1998, the ratio for the imputation credits allocated to shareholders of the Corporation is based on the balance of the ICA as of the date of dividend distribution. The expected creditable ratio for the 2010 earnings may be adjusted, depending on the ICA balance on the date of dividend distribution.

20. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	Six Months Ended June 30, 2011			
	Operating Costs	Operating Expenses	Nonoperating Expenses and Losses	Total
Personnel expenses				
Salary	\$ 417,625	\$ 428,469	\$ -	\$ 846,094
Insurance	25,608	33,068	-	58,676
Pension	34,055	35,018	-	69,073
Others	<u>45,541</u>	<u>66,579</u>	<u>-</u>	<u>112,120</u>
	<u>\$ 522,829</u>	<u>\$ 563,134</u>	<u>\$ -</u>	<u>\$ 1,085,963</u>
Depreciation	\$ 1,435,631	\$ 28,757	\$ 13,672	\$ 1,478,060
Amortization	-	9,191	1,270	10,461

Six Months Ended June 30, 2010

	Operating Costs	Operating Expenses	Nonoperating Expenses and Losses	Total
Personnel expenses				
Salary	\$ 420,463	\$ 537,672	\$ -	\$ 958,135
Insurance	17,816	35,125	-	52,941
Pension	38,552	67,990	-	106,542
Others	<u>34,141</u>	<u>39,072</u>	<u>-</u>	<u>73,213</u>
	<u>\$ 510,972</u>	<u>\$ 679,859</u>	<u>\$ -</u>	<u>\$ 1,190,831</u>
Depreciation	\$ 1,547,585	\$ 31,333	\$ 13,872	\$ 1,592,790
Amortization	3,530	7,651	1,285	12,466

21. EARNINGS (LOSS) PER SHARE (“EPS”)

The numerators and denominators used in calculating earnings (loss) per share were as follows:

	<u>Amount (Numerator)</u>		<u>Shares</u>	<u>EPS (NT\$)</u>	
	<u>Before Income Tax</u>	<u>Net Income (Loss)</u>	<u>(Denominator) (In Thousand Shares)</u>	<u>Income Before Income Tax</u>	<u>Net Income (Loss)</u>
<u>Six months ended June 30, 2011</u>					
Basic EPS	\$ (2,536,121)	\$ (2,606,828)	2,562,466	\$ (0.99)	\$ (1.02)
Impact of dilutive potential common shares					
Bonus to employees	<u>-</u>	<u>-</u>	<u>-</u>		
Diluted EPS	<u>\$ (2,536,121)</u>	<u>\$ (2,606,828)</u>	<u>2,562,466</u>	<u>\$ (0.99)</u>	<u>\$ (1.02)</u>
Pro forma EPS adjusted for stock dividends with ex-dividend date after issuance of financial statements					
Basic EPS	<u>\$ (2,536,121)</u>	<u>\$ (2,606,828)</u>	<u>2,818,713</u>	<u>\$ (0.90)</u>	<u>\$ (0.92)</u>
Diluted EPS	<u>\$ (2,536,121)</u>	<u>\$ (2,606,828)</u>	<u>2,818,713</u>	<u>\$ (0.90)</u>	<u>\$ (0.92)</u>
<u>Six months ended June 30, 2010</u>					
Basic EPS	\$ 2,718,445	\$ 2,712,920	2,562,466	\$ 1.06	\$ 1.06
Impact of dilutive potential common shares					
Bonus to employees	<u>-</u>	<u>-</u>	<u>1,545</u>		
Diluted EPS	<u>\$ 2,718,445</u>	<u>\$ 2,712,920</u>	<u>2,564,011</u>	<u>\$ 1.06</u>	<u>\$ 1.06</u>
Pro forma EPS adjusted for stock dividends with ex-dividend date after issuance of financial statements					
Basic EPS	<u>\$ 2,718,445</u>	<u>\$ 2,712,920</u>	<u>2,818,713</u>	<u>\$ 0.96</u>	<u>\$ 0.96</u>
Diluted EPS	<u>\$ 2,718,445</u>	<u>\$ 2,712,920</u>	<u>2,820,258</u>	<u>\$ 0.96</u>	<u>\$ 0.96</u>

The Corporation should presume that the entire amount of the bonus to employees will be settled in shares and the resulting potential shares should be included in the weighted average number of shares outstanding used in the calculation of diluted EPS, if the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. Such dilutive effect of the potential shares should be included in the calculation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees in their meeting in the following year. The Corporation did not consider the bonus to employees' potential shares in the calculation of diluted EPS for the six months ended June 30, 2011 due to its anti-dilutive effect.

22. DISCLOSURE FOR FINANCIAL INSTRUMENTS

a. The fair values of the Corporation's financial instruments were as follows:

	June 30			
	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Assets</u>				
Financial assets at fair value through profit or loss - current	\$ 1,187,023	\$ 1,187,023	\$ 589,469	\$ 589,469
Available-for-sale financial assets - current	562,449	562,449	3,835,463	3,835,463
Financial asset carried at cost - current	-	-	427,789	-
Available-for-sale financial assets - noncurrent	2,278,415	2,278,415	2,727,730	2,727,730
Financial asset carried at cost - noncurrent	390,985	-	416,305	-
Long-term other receivables - related parties	23,735,562	23,735,562	21,648,358	21,648,358
Refundable deposits	322,688	322,688	324,106	324,106
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss - current	10,218	10,218	63,029	63,029
Hedging derivative financial liabilities - current	6,559	6,559	77,449	77,449
Long-term debts	15,718,790	15,718,790	20,014,228	20,014,228
Bonds payable	18,407,461	18,530,837	21,477,461	21,767,579
Obligation under capital lease	667,661	667,661	848,405	848,405

Place of transaction:

	June 30			
	2011		2010	
Place of Transaction	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Financial asset</u>				
Domestic	\$ 20,942	\$ 20,942	\$ -	\$ -
Overseas (including foreign institutions in Taiwan)	61,590	61,590	50,078	50,078
<u>Financial liability</u>				
Domestic	6,559	6,559	-	-
Overseas (including foreign institutions in Taiwan)	10,218	10,218	140,478	140,478

b. The methods and assumptions applied in estimating fair values are as follows:

- 1) Cash, accounts receivable, accounts receivables from related parties, other receivables from related parties, advances to shipping agents, accrued expenses, accrued expenses to related parties, payable to shipping agents and payable to shipping agents - related parties which are not shown among the financial instruments in the table above, are recorded at their carrying values because of the short maturities of these instruments.
- 2) Fair values of financial instruments designated as at FVTPL and available-for-sale financial assets are based on their quoted prices in an active market. For those instruments with no quoted market prices, their fair values are determined using valuation techniques incorporating estimates and assumptions consistent with those generally used by other market participants to price financial instruments. These estimation and assumption are available to the Corporation.

Fair values of derivatives are based on their quoted prices in an active market. For those derivatives with no quoted market prices, their fair values are determined using valuation techniques incorporating estimates and assumptions consistent with those generally used by other market participants to price financial instruments.

- 3) Financial assets carried at cost are investments in unlisted stocks which had no market value and will require an amount in excess of reasonable cost to determine fair value, thus, no reliable fair value was determined.
 - 4) Fair value of long-term receivables - related parties, long-term bank loans, long-term commercial paper and obligations under capital leases are measured at the present values of expected cash flows which are discounted at the interest rate for bank loans with similar maturities.
 - 5) Refundable deposits uses carrying amounts to estimate their fair market values since the amounts refundable approximate the carrying amounts.
 - 6) The fair value of bonds is market value.
- c. Fair values of financial assets and financial liabilities, based on quoted prices or valuation techniques, were as follows:

	Quoted Price		Estimated Price	
	June 30		June 30	
	2011	2010	2011	2010
<u>Assets</u>				
Financial assets at fair value through profit or loss - current	\$ 104,215	\$ 509,195	\$ 1,082,808	\$ 80,274
Available-for-sale financial assets - current	562,449	3,835,463	-	-
Available-for-sale financial assets - noncurrent	2,278,415	2,727,730	-	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss - current	-	-	10,218	63,029
Bonds payable	18,530,837	21,767,579	-	-
Hedging derivative financial liabilities - current	-	-	6,559	77,449

- d. Valuation gains (loss) arising from changes in fair value of financial instruments determined using valuation technique were \$72,376 thousand and \$(19,998) thousand for the six months ended June 30, 2011 and 2010, respectively.

e. Financial asset and liabilities affected by interest rate were as follows:

	June 30			
	2011		2010	
	Financial Asset	Financial Liabilities	Financial Asset	Financial Liabilities
<u>Risk of interest rate change</u>				
Fair value risk	\$ 5,441,381	\$ 19,075,121	\$ 2,242,042	\$ 21,325,865
Cash flow risk	3,258,155	15,718,791	2,661,984	21,014,229

f. Information about financial risks

1) Market risk

Financial instruments held by the Corporation are mainly quoted stocks and mutual funds. Although these financial instruments are subject to fluctuation of market price, the Corporation's observance of proper procedures when investing marketable securities for trading purpose helps the Corporation avoid significant risk in the future.

For the six months ended June 30, 2011 and 2010, the interest rate swap contracts held by the Corporation were for nontrading purposes, i.e., to hedge overall fluctuations on interest rates. The Corporation use interest rate swap contracts with gains or losses that offset the gains or losses on floating interest-bearing liabilities. Through these contracts, the Corporation hedges most of the risks in the market. In addition, the Corporation evaluates the hedging effectiveness of the contracts periodically.

The contract will be settled at net or nominal amounts. Thus the change of fair value of this contract due to change of market interest rate should not cause additional risk for the Corporation. As of June 30, 2011, the interest rate swap contracts have been settled.

To control the risk of the derivative financial instruments for trading purpose, the Corporation sets the maximum loss limit on its derivative trading and periodically evaluates the market risk of the outstanding contracts to avoid losses that could significantly impact the Corporation's operation.

The Corporation uses credit-linked instruments for trading purposes to earn higher interest income. The Corporation chooses commodities highly correlated to interest rates. The Corporation's observance of proper procedures when buying contracts for trading purposes helps the Corporation control the market risk.

The Corporation's purpose for trading crude oil swap and oil swap option is to reduce the cost burden from oil price increase or the price risk of other hedging instruments. The purpose of the Corporation's hedge strategy is to transfer the crude oil market risk. The Corporation evaluates the risk exposure and hedge position periodically. The hedging instruments will be settled in cash. When oil price goes down, the Corporation's bunker cost burden will go down as well to offset the possible hedge position loss. Therefore, the market risk exposure of the Corporation should be limited and controllable.

The Corporation's purpose for foreign currency derivative trading is to manage the exchange rate risk of foreign currency. By engaging in forward exchange or foreign exchange option, when exchange rate is lower than striking price, the Corporation can sell foreign currency with higher price or rely on premiums to offset a portion of exchange loss; when exchange rate is higher than striking price, the translation will result in exchange loss, but the loss will be offset by exchange gain derived from cash position.

The foreign exchange risk of the Corporation's monetary assets and liabilities is mainly controlled by natural hedge. With symmetrical and diversified assets and liabilities of each foreign currency, the currency evaluation effect of the aforesaid position could be broadly offset mutually.

2) Credit risk

The Corporation is exposed to credit risk on counter-parties' default on contracts. The Corporation's maximum exposure to credit risk is equal to book value. The Corporation conducts transactions only with selected financial institutions and corporations with good credit ratings. Thus, management does not anticipate any material losses resulting from default on contracts.

3) Liquidity risk

The Corporation entered into interest rate swaps and oil swap option to hedge cash flow risks. The interest rate swap contracts and oil swap option are settled at net amounts; thus, the expected cash demand is not significant.

The Corporation invested in marketable equity securities, mutual funds and bonds that have quoted prices in an active market and could be sold immediately at prices close to fair value. However, the Corporation also invested in unlisted common stock, stock with no quoted market prices and equity instruments with no quoted prices in an active market; thus, these investments could expose the Corporation to material liquidity risks.

4) Cash flow risk on interest rate

The Corporation's demand deposits, time deposits, short-term loans, long-term bank loans and bonds payable have floating interest rates. Effective rate and future cash flow of the Corporation will fluctuate as a result of changes in market interest rate.

g. Cash flow hedge

The Corporation uses interest rate swap and oil swap contracts to hedge future cash flows:

As of June 30, 2011, the interest rate swap contracts have been settled.

The Corporation entered into crude oil swap and oil swap option contracts. The contracts were settled amounting US\$1,722 thousand to US\$1,845 thousand and US\$1,100 thousand to US\$7,675 thousand for the six months ended June 30, 2011 and 2010, respectively.

Six months ended June 30, 2011

Hedged Items	Designated Hedging Instruments			Fair Value	Expected Period of Cash Flows	Expected Period for Realization of Gains or Losses
	Instruments Designated	Contract Amount	Unsettled Amount			
Transaction of oil forecast	Oil swap	\$ 643,795 (US\$ 21,912 thousand)	\$ 488,353 (US\$ 16,605 thousand)	\$ (6,559)	February 1, 2011 - March 31, 2012	February 1, 2011 - March 31, 2012

Six months ended June 30, 2010

Hedged Items	Designated Hedging Instruments			Fair Value	Expected Period of Cash Flows	Expected Period for Realization of Gains or Losses
	Instruments Designated	Contract Amount	Unsettled Amount			
Bonds with floating interest rate	Interest rate swap	\$(1,000,000)	\$(1,000,000)	\$ (13,185)	June 18, 2004 - June 18, 2011	June 18, 2004 - June 18, 2011
Transaction of oil forecast	Oil swap	2,613,792 (US\$ 80,975 thousand)	1,694,648 (US\$ 52,500 thousand)	(64,264)	July 1, 2010 - December 31, 2010	July 1, 2010 - December 31, 2011

h. Reclassifications

On July 1, 2008, the Corporation reclassified its financial assets in accordance with the newly amended SFAS No. 34, "Financial Instruments: Recognition and Measurement". The fair values at the reclassification date were as follows:

	Before Reclassification	After Reclassification
Financial assets at fair value through profit or loss - current	\$ 1,098,188	\$ 345,176
Available-for-sale financial assets - current	<u>313,882</u>	<u>1,066,894</u>
	<u>\$ 1,412,070</u>	<u>\$ 1,412,070</u>

In view of the Corporation's intention of not selling the abovementioned financial assets held for trading within a short period of time as a result of the economic instability and deterioration of the world's financial markets that has occurred during the year of 2008, the Corporation reclassified these held for trading financial assets to available-for-sale financial assets.

The carrying amounts and fair values of the reclassified financial assets (excluding those that had been derecognized) as of June 30, 2011 and 2010 were as follows:

	June 30			
	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Available-for-sale financial assets-current	\$ 125,203	\$ 125,203	\$ 233,872	\$ 233,872

The gains or losses recorded for the reclassified financial assets (excluding those that had been derecognized before June 30, 2011 and 2010, respectively) for the six months ended June 30, 2011 and 2010 and the pro forma gains or losses assuming no reclassifications had been made were as follows:

	Six Months Ended June 30			
	2011		2010	
	Gains (Losses) Recorded	Pro Forma Losses	Gains (Losses) Recorded	Pro Forma Losses
Available-for-sale financial assets	\$ -	\$ (13,151)	\$ -	\$ (33,459)

23. RELATED-PARTY TRANSACTIONS

The significant transactions with related parties for the six months ended June 30, 2011 and 2010 and the related balances, in addition to those mentioned in Notes 9, 14 and 25 and Schedules E and F, are summarized in the accompanying Schedules C and D.

All of the Corporation's directors in the board were appointed by the major shareholder, MOTC. Trading conditions are not specifically modified in the transactions between the Corporation and those directly or indirectly managed (controlled) by MOTC. Furthermore, apart from the transactions that had been disclosed, the Corporation do not compile and summarize any other transactions.

The transactions with related parties were conducted under contract terms.

24. ASSETS PLEDGED OR MORTGAGED

The following assets had been pledged as collaterals for long-term bank loans and bonds:

	June 30	
	2011	2010
Properties, net	\$ 6,429,990	\$ 7,440,033
Assets leased to others, net	1,412,988	1,422,021
Nonoperating assets, net	<u>-</u>	<u>89,230</u>
	<u>\$ 7,842,978</u>	<u>\$ 8,951,284</u>

25. COMMITMENTS AND CONTINGENT LIABILITY

In addition to those mentioned in Note 23, commitments and contingent liability as of June 30, 2011 were as follows:

- a. Obligations to provide crews to two bulk carrier of Taiwan Power Company under contracts expiring on various dates by September 2012. The daily compensation under the contracts is \$144 thousand for all the crews.
- b. Leases of office premises, container, ships and container yard under operating lease agreements that will expire on various dates until May 2030. The total rental for the six months ended June 30, 2011 was \$4,256,169 thousand, an amount of refundable deposit withdrawn due to the lease contract was \$321,466 thousand, and future minimum rentals are as follows:

Fiscal Year	Amount
2011 (July 1, 2011 to December 31, 2011)	\$ 3,257,399
2012	5,055,583
2013	3,989,887
2014	3,618,403
2015	3,201,137

Rentals after 2016 amount to \$3,485,285 thousand. The present value of those rentals, computed at an annual interest rate of 1.275%, is \$3,192,750 thousand.

The shareholders had met and resolved to spin off its tramp business department into a subsidiary, Kuang Ming (Liberia) Corp., including the obligations of the lease contracts in the tramp business department name of them. Kuang Ming (Liberia) Corp.'s lease contracts do not included in the future minimum rentals summary.

- c. Leases of containers and chassis under capital lease agreements expiring on various dates until February 2018. Rental for the six months ended June 30, 2011 was about \$44,854 thousand (deducted from leases payable). Future minimum rentals are as follows:

Fiscal Year	Amount
2011 (July 1, 2011 to December 31, 2011)	\$ 59,522
2012	119,299
2013	119,009
2014	119,009
2015	119,009

Rentals after 2016 amount to \$272,909 thousand. The present value of those rentals, computed at an annual interest rate of 1.275%, is \$254,338 thousand.

- d. Guarantees of build ship agreements, loans obtained and operating needs by subsidiaries and investee companies accounted for using equity method were as follows:

Company Name	Nature of Relationship	Guarantee Amount (Thousands)
Yang Ming (America) Corp.	Subsidiary	US\$ 5,000
All Oceans Transportation Inc.	Subsidiary	US\$ 152,599
Yang Ming (Liberia) Corp.	Subsidiary	US\$ 644,170
Kuang Ming (Liberia) Corp.	Subsidiary	US\$ 183,646 and JPY 6,912,000
Kao Ming Container Terminal Corp.	Subsidiary	NT\$ 2,000,000
United Terminal Leasing LLC	Indirect equity-method investee	US\$ 14,565
West Basin Container Terminal LLC	Indirect equity-method investee	US\$ 24,800
Olympic Container Terminal LLC	Subsidiary	US\$ 5,000

26. ADDITIONAL DISCLOSURES

Following are the additional disclosures required by the Securities and Future Bureau for the Corporation and its investees.

- a. Financing provided: Please see Schedule E attached;
- b. Endorsement/guarantee provided: Please see Schedule F attached;
- c. Marketable securities held: Please see Schedule G attached;
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$100 million or 20% of the paid-in capital: Please see Schedule H attached;
- e. Acquisition of individual real estate properties at costs of at least NT\$100 million or 20% of the paid-in capital: None;
- f. Disposal of individual real estate properties at prices of at least NT\$100 million or 20% of the paid-in capital: None;
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None;
- h. Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please see Schedule I attached;
- i. Names, locations, and related information of investees on which the Corporation exercises significant influence: Please see Schedule J attached;
- j. Information about derivatives of investees over which the Corporation has a controlling interest: None;

k. Information on investment in Mainland China

- 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, equity in the net gain or net loss, ending balance, amount received as dividends from the investee, and the limitation on investment: Please see Schedule K attached.
- 2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports: None.

27. OPERATING SEGMENT FINANCIAL INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The Corporation reportable segments under SFAS No. 41 are marine cargo transportation department, tramp business department and other department. The Corporation decided not to restate the segment information for the six months ended June 30, 2010 due to high cost of doing the restatement.

a. Segment revenues and results

The analysis of the Corporation's revenue and results from continuing operations by reportable segment for the six months ended June 30, 2011 was as follows:

	Six Months Ended June 30, 2011				Combine
	Marine Cargo Transportation Department	Tramp Business Department	Other Department	Adjustment and Elimination	
Operating revenues					
Revenue except from affiliated companies	\$ 53,968,554	\$ 1,474,236	\$ 1,751,331	\$ -	\$ 57,194,121
Revenue from other department of affiliated companies	<u>274,975</u>	<u>-</u>	<u>1,114,240</u>	<u>(1,389,215)</u>	<u>-</u>
Total revenues	<u>\$ 54,243,529</u>	<u>\$ 1,474,236</u>	<u>\$ 2,865,571</u>	<u>\$ (1,389,215)</u>	<u>\$ 57,194,121</u>
Segment income (loss)	<u>\$ (2,880,558)</u>	<u>\$ 318,305</u>	<u>\$ 250,580</u>	<u>\$ 97,053</u>	\$ (2,214,620)
Central administration costs					(164,940)
Investment income recognized under equity method					111,338
Rent income					51,997
Interest income					72,607
Gain on disposal of properties					186,143
Gain on disposal of financial instrument					261,541
Valuation gain on financial assets					18,757
Exchange gain					122,431
Interest expense					(795,949)
Others					<u>77,207</u>
Continuing operating loss before income tax					<u>\$ (2,273,488)</u>

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' compensation, investment income or loss recognized under the equity method, gain or loss on disposal of investments accounted for using equity method, rental revenue, interest income, gain or loss on disposal of property, plant and equipment, gain or loss on sale of investments, exchange gain or loss, valuation gain or loss on financial instruments, interest expense and income tax expense.

This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

b. Segment assets

For the segment assets information was not reported to the chief operating decision maker periodically, the disclosed of segment assets was zero.

28. OTHERS

The significant foreign currencies financial assets and liabilities were as follows:

	June 30					
	2011			2010		
	Foreign Currencies (Thousands)	Exchange Rate	New Taiwan Dollars (Thousands)	Foreign Currencies (Thousands)	Exchange Rate	New Taiwan Dollars (Thousands)
<u>Financial assets</u>						
Monetary items						
USD	\$ 250,119	28.80	\$ 7,203,436	\$ 262,399	32.28	\$ 8,470,242
JPY	495,842	0.3583	177,670	443,909	0.3643	161,722
RMB	184,071	4.4553	820,091	26,445	4.755	125,746
AUD	6,795	30.8851	209,867	3,222	27.5639	88,820
EUR	5,417	41.711	225,948	3,831	39.4817	151,243
AED	9,661	7.841	75,755	5,313	8.7885	46,693
THB	82,916	0.9364	77,645	51,734	0.9958	51,518
GBP	5,860	46.2442	271,010	4,884	48.5782	237,256
INR	97,583	0.6441	62,851	57,474	0.6926	39,808
SEK	2,099	4.5582	9,567	10,180	4.1525	42,274
MYR	26,099	9.5364	248,887	1,119	9.9553	11,135
HKD	14,165	3.7005	52,416	3,584	4.1466	14,860
KRW	7,854,946	0.027	211,888	1,005,562	0.0264	26,544
Non-monetary items						
USD	4,866	28.80	140,132	8,328	32.28	268,828
GBP	1,603	46.2442	74,141	517	48.5782	25,094
EUR	683	41.711	28,485	1,239	39.4817	48,928
Investments accounted for using equity method						
USD	176,288	28.80	5,077,097	150,046	32.28	4,843,494
<u>Financial liabilities</u>						
Monetary items						
USD	264,574	28.80	7,619,736	167,852	32.28	5,418,247
THB	26,563	0.9364	24,875	62,122	0.9958	61,863
JPY	669,661	0.3583	239,953	654,759	0.3643	238,538
BDT	134,205	0.3886	52,147	185,715	0.4644	86,251
VND	8,312,046	0.0014	11,629	35,358,288	0.0017	59,820
EUR	4,793	41.711	199,922	10,125	39.4817	399,770
SAR	7,030	7.6796	53,988	12,074	8.6069	103,921
KRW	5,709,339	0.027	154,010	4,864,303	0.0264	128,405
AED	3,755	7.841	29,447	22,854	8.7885	200,856
HKD	44,881	3.7005	166,084	47,749	4.1466	198,000
MYR	6,251	9.5364	59,611	2,615	9.9553	26,030
Non-monetary items						
USD	582	28.80	16,777	3,943	32.28	127,293

YANG MING MARINE TRANSPORT CORPORATION**OVERSEAS DEPOSITS
JUNE 30, 2011**

Country	Currency	Foreign-currency Amount (Thousands)	New Taiwan Dollar Exchange Rate	New Taiwan Dollar Amount (Thousands)
Japan	USD	\$ 64	28.8000	\$ 1,853
	JPY	166,774	0.3583	59,758
Hong Kong	USD	4,448	28.8000	128,102
	HKD	7,664	3.7005	28,359
	CNY	10,203	4.4553	45,460
United States	USD	4,107	28.8000	118,286
Indonesia	USD	367	28.8000	10,558
Malaysia	USD	22	28.8000	643
	MYR	3,977	9.5364	37,924
Britain	USD	223	28.8000	6,435
	GBP	409	46.2442	18,929
Germany	USD	181	28.8000	5,226
	EUR	241	41.7110	10,039
Philippines	USD	33	28.8000	936
	PHP	5,434	0.6646	3,611
Singapore	USD	247	28.8000	7,103
	SGD	501	23.4356	11,737
India	INR	94,902	0.6441	61,125
Thailand	THB	29,355	0.9364	27,488
Korea	USD	3	28.8000	101
	KRW	441,884	0.0270	11,922
Canada	USD	157	28.8000	4,512
	CAD	10	29.7921	293
Australia	USD	101	28.8000	2,895
	AUD	859	30.8851	26,537
Belgium	EUR	5	41.7110	191
Dubai	AED	9,149	7.8410	71,735

YANG MING MARINE TRANSPORT CORPORATION**OVERSEAS DEPOSITS
JUNE 30, 2010**

Country	Currency	Foreign-currency Amount (Thousands)	New Taiwan Dollar Exchange Rate	New Taiwan Dollar Amount (Thousands)
Japan	USD	\$ 9	32.2800	\$ 291
	JPY	150,755	0.3643	54,922
Hong Kong	USD	9,232	32.2800	298,005
	HKD	2,179	4.1466	9,034
United States	USD	9,649	32.2800	311,468
Belgium	EUR	3	39.4817	101
Indonesia	USD	377	32.2800	12,168
Malaysia	USD	44	32.2800	1,409
	MYR	429	9.9553	4,274
Britain	USD	9	32.2800	276
	GBP	6	48.5782	310
Germany	USD	211	32.2800	6,821
	EUR	1,431	39.4817	56,518
Philippines	USD	0.5	32.2800	14
	PHP	33,818	0.6951	23,506
Singapore	USD	125	32.2800	4,033
	SGD	278	23.0901	6,408
India	INR	54,475	0.6926	37,731
Thailand	THB	63,741	0.9958	63,476
Korea	USD	10	32.2800	311
	KRW	1,255,003	0.0264	33,129
Canada	USD	820	32.2800	26,463
	CAD	70	30.7692	2,151
Australia	USD	104	32.2800	3,368
	AUD	2,107	27.5639	58,080

Related Party	Relationship (See Notes Below)	Operating Revenues												Operating Costs				Operating Expenses		Nonoperating Income and Gains						Purchase (Sale) of Properties Amount	Purchase (Sale) of Investments Amount		
		Charter Hire		Agents' Income		Rent of Container		Cargo Transport Revenue		Ship Management		Other Operating Income		Haulage		Others		Others		Interest Income		Rental Income		Others					
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%				
Yang Ming (U.A.E.) LLC	B	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 30,103	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Yang Ming Shipping (Egypt) S.A.E.	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,814	-	-	-	-	-	-	-	-	-	-	-	-	
Other	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,319)	
		<u>\$ 215,324</u>	<u>100</u>	<u>\$ 67,595</u>	<u>99</u>	<u>\$ 369,202</u>	<u>100</u>	<u>\$ 391,301</u>	<u>1</u>	<u>\$ 141,924</u>	<u>85</u>	<u>\$ 17,030</u>	<u>1</u>	<u>\$ 4,960,479</u>	<u>45</u>	<u>\$ 3,913,363</u>	<u>24</u>	<u>\$ 15,803</u>	<u>14</u>	<u>\$ 225,772</u>	<u>96</u>	<u>\$ 5,592</u>	<u>13</u>	<u>\$ 10,108</u>	<u>11</u>				

- Notes: A. Subsidiary of the Corporation.
B. An equity-method investee of subsidiary of the Corporation.
C. More than half of the directors are identical.
D. The Corporation donated total paid-in fund of the institute.
E. Chairman of the board, general manager, vice president, director and their spouse of the Corporation.
F. Lease of 5 ships for Yang Ming (UK) Ltd.
G. The Corporation signed the "ship operation and management contract" with Kuang Ming Shipping Corp. and Kuang Ming (Liberia) Corp. and entrusted for crew hiring, crew management, ship operation and ship maintenance. Considering the scale of operation of the companies gradually expanded, the Corporation terminated the contract on May 1, 2011.
H. Lease of 19 ships from All Oceans Transportation Inc. under several agreements expiring on various dates until September 2012; rent is payable monthly.
I. Lease of 17 ships from All Oceans Transportation Inc. under several agreements expiring on various dates until September 2011; rent is payable monthly.
J. Lease of space from Yang Ming (UK) Ltd. under several agreements expiring on various dates until December 2011; rent is payable monthly.
K. Lease of space from Yang Ming (UK) Ltd. under several agreements expiring on various dates until December 2010; rent is payable monthly.
L. Lease of 12 ships from Yang Ming (Liberia) Corp. under an agreement expiring on September 2012; rent is payable monthly.
M. Lease of 12 ships from Yang Ming (Liberia) Corp. under an agreement expiring date on September 13, 2011; rent is payable monthly.
N. Acquisition of 4,748,900 shares of Yes Logistics Corp. in June of 2010 was at net asset value on December 31, 2009.
O. Disposal of 550,000 shares Kuang Ming Shipping Corp. in April of 2010 was at net asset value, and recognized a disposal gain of \$54 thousand.
P. Other related parties, with which the Corporation had no transactions for the six months ended June 30, 2011, are listed in Schedule J.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION

RELATED-PARTY ACCOUNT BALANCES
 JUNE 30, 2011 AND 2010
 (In Thousands of New Taiwan Dollars)

Related Party	Nature of Relationship (See Notes Below)	Receivables from Related Parties						Advances to Shipping Agents		Prepaid Expense		Long-term Receivable from Related Parties		Payables to Related Parties					
		Accounts Receivables		Other Receivables		Total		Amount	%	Amount	%	Amount	%	Accrued Expense		Payables to Shipping Agents		Total	
		Amount	%	Amount	%	Amount	%							Amount	%	Amount	%	Amount	%
<u>2011</u>																			
Kuang Ming Shipping Corp.	A	\$ -	-	\$ 20,569	1	\$ 20,569	1	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
				(Note D)															
All Oceans Transportation Inc.	A	-	-	-	-	-	-	-	-	-	-	21,352,789	90	-	-	-	-	-	-
												(Note F)							
Jing Ming Transportation Co., Ltd.	A	-	-	31	-	31	-	-	-	-	-	-	-	61,848	3	-	-	61,848	3
Yangming (Japan) Co., Ltd.	A	7,520	-	-	-	7,520	-	14,764	1	-	-	-	-	-	-	-	-	-	-
Young-Carrier Company Ltd.	A	650,047	47	-	-	650,047	47	-	-	-	-	-	-	-	-	681,245	31	681,245	31
Yang Ming (UK) Ltd.	A	42,561	3	-	-	42,561	3	87,887	8	-	-	-	-	633,669	29	-	-	633,669	29
														(Note E)					
Yang Ming Shipping Europe GmbH	A	67,035	5	-	-	67,035	5	-	-	-	-	-	-	-	-	57,705	3	57,705	3
Yang Ming Line (Hong Kong) Ltd.	A	96,287	7	-	-	96,287	7	-	-	-	-	-	-	-	-	166,084	8	166,084	8
Yang Ming (Singapore) Pte. Ltd.	A	3,216	-	-	-	3,216	-	-	-	-	-	-	-	-	-	25,387	1	25,387	1
Yang Ming Line (M) Sdn. Bhd	A	23,249	2	-	-	23,249	2	-	-	-	-	-	-	-	-	29,888	1	29,888	1
Yang Ming (America) Corp.	A	20,504	1	-	-	20,504	1	336,936	30	-	-	-	-	-	-	-	-	-	-
Yang Ming (Netherlands) B.V.	A	23,638	2	-	-	23,638	2	-	-	-	-	-	-	-	-	28,332	1	28,332	1
YES Logistics Corp.	A	-	-	10,947	1	10,947	1	-	-	-	-	-	-	1,407	-	-	-	1,407	-
Yang Ming (Italy) S.p.A	A	213,629	15	-	-	213,629	15	-	-	-	-	-	-	-	-	19,397	1	19,397	1
Yang Ming Line (B.V.I.) Holding Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	170,806	1	-	-	-	-	-	-
												(Note H)							
Yang Ming (Vietnam) Company Limited	B	11,296	1	-	-	11,296	1	-	-	-	-	-	-	-	-	11,629	1	11,629	1
Yang Ming (Liberia) Corp.	A	-	-	-	-	-	-	-	-	-	-	2,211,967	9	-	-	-	-	-	-
												(Notes I and J)							
Yang Ming (Korea) Co., Ltd.	A	40,183	3	-	-	40,183	3	-	-	-	-	-	-	-	-	53,183	2	53,183	2
Yang Ming (Belgium) N.V.	A	19,609	1	116	-	19,725	1	-	-	-	-	-	-	-	-	24,598	1	24,598	1
Yang Ming Anatolia Shipping Agency S.A.	A	50,747	4	-	-	50,747	4	-	-	-	-	-	-	-	-	30,039	2	30,039	2
Kuang Ming (Liberia) Corp.	A	-	-	11,901	1	11,901	1	-	-	-	-	-	-	-	-	-	-	-	-
Sunbright Insurance Pte. Ltd.	A	-	-	-	-	-	-	-	-	5,838	2	-	-	-	-	-	-	-	-
Taiwan Navigation Co., Ltd.	C	-	-	212	-	212	-	-	-	-	-	-	-	38,927	2	-	-	38,927	2
Yang Ming Line (India) Pvt. Ltd.	A	13,210	1	-	-	13,210	1	-	-	-	-	-	-	-	-	22,650	1	22,650	1
Kao Ming Container Terminal Corp.	A	-	-	540	-	540	-	-	-	-	-	-	-	237,614	11	-	-	237,614	11
Yang Ming Shipping (Canada) Ltd.	A	25,090	2	-	-	25,090	2	3,194	-	-	-	-	-	-	-	-	-	-	-
Yang Ming Line B.V.	A	-	-	17,596	1	17,596	1	-	-	-	-	-	-	-	-	-	-	-	-
Yang Ming (U.A.E.) LLC	B	13,873	1	-	-	13,873	1	-	-	-	-	-	-	-	-	29,447	1	29,447	1
Yang Ming Shipping (Egypt) S.A.E	B	11,441	1	-	-	11,441	1	225,610	20	-	-	-	-	-	-	26,045	1	26,045	1
		\$ 1,333,135	96	\$ 61,912	4	\$ 1,395,047	100	\$ 668,391	59	\$ 5,838	2	\$ 23,735,562	100	\$ 973,465	45	\$ 1,205,629	55	\$ 2,179,094	100
<u>2010</u>																			
Kuang Ming Shipping Corp.	A	\$ -	-	\$ 152,387	5	\$ 152,387	5	\$ -	-	\$ -	-	\$ -	-	\$ 40	-	\$ -	-	\$ 40	-
				(Note D)															
All Oceans Transportation Inc.	A	-	-	-	-	-	-	-	-	-	-	20,154,074	93	-	-	-	-	-	-
												(Note F)							
Jing Ming Transportation Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	63,597	7	-	-	63,597	7
Yangming (Japan) Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,696	7	63,696	7
Young-Carrier Company Ltd.	A	1,050,789	33	-	-	1,050,789	33	551,618	31	-	-	-	-	-	-	-	-	-	-
Yang Ming (UK) Ltd.	A	44,077	1	776,485	25	820,562	26	92,079	5	-	-	-	-	-	-	-	-	-	-
				(Note E)															
Yang Ming Shipping Europe GmbH	A	60,820	2	-	-	60,820	2	-	-	-	-	-	-	-	-	75,291	9	75,291	9
Yang Ming Line (Hong Kong) Ltd.	A	160,769	5	-	-	160,769	5	-	-	-	-	-	-	-	-	198,000	23	198,000	23
Yang Ming (Singapore) Pte. Ltd.	A	1,319	-	-	-	1,319	-	1,048	-	-	-	-	-	-	-	35,067	4	35,067	4
Yang Ming Line (M) Sdn. Bhd	A	10,251	-	-	-	10,251	-	-	-	-	-	-	-	-	-	3,736	-	3,736	-
Yang Ming (America) Corp.	A	117,310	4	-	-	117,310	4	454,665	27	-	-	-	-	-	-	-	-	-	-
Yang Ming (Netherlands) B.V.	A	31,598	1	-	-	31,598	1	-	-	-	-	-	-	-	-	29,221	3	29,221	3
YES Logistics Corp.	A	-	-	7,438	-	7,438	-	-	-	-	-	-	-	2,429	-	-	-	2,429	-
Yang Ming (Italy) S.p.A	A	284,248	9	-	-	284,248	9	-	-	-	-	-	-	-	-	31,748	4	31,748	4
Yang Ming Line (B.V.I.) Holding Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	191,446	1	-	-	-	-	-	-
												(Note H)							
Yang Ming (Vietnam) Company Limited	B	61,769	2	-	-	61,769	2	-	-	-	-	-	-	-	-	59,820	7	59,820	7
Yang Ming (Liberia) Corp.	A	-	-	-	-	-	-	-	-	-	-	1,302,838	6	-	-	-	-	-	-
												(Notes I and J)							
Yang Ming (Korea) Co., Ltd.	A	45,784	2	-	-	45,784	2	-	-	-	-	-	-	-	-	56,201	6	56,201	6
Yang Ming (Belgium) N.V.	A	29,750	1	-	-	29,750	1	-	-	-	-	-	-	-	-	6,897	1	6,897	1
Yang Ming Anatolia Shipping Agency S.A.	A	72,765	2	-	-	72,765	2	-	-	-	-	-	-	-	-	21,179	2	21,179	2
Kuang Ming (Liberia) Corp.	A	-	-	3,900	-	3,900	-	-	-	-	-	-	-	-	-	-	-	-	-
Sunbright Insurance Pte. Ltd.	A	-	-	-	-	-	-	-	-	1,959	1	-	-	-	-	-	-	-	-

(Continued)

Related Party	Nature of Relationship (See Notes Below)	Receivables from Related Parties						Advances to Shipping Agents		Prepaid Expense		Long-term Receivable from Related Parties		Payables to Related Parties					
		Accounts Receivables		Other Receivables		Total								Accrued Expense		Payables to Shipping Agents		Total	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Taiwan Navigation Co., Ltd.	C	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 5,399	1	\$ -	-	\$ 5,399	1
Yang Ming Line (India) Pvt. Ltd.	A	13,537	-	-	-	13,537	-	-	-	-	-	-	-	-	-	16,192	2	16,192	2
Kao Ming Container Terminal Corp.	A	-	-	4,180	-	4,180	-	-	-	-	-	-	-	-	-	-	-	-	-
Yang Ming Shipping (Canada) Ltd.	A	2,663	-	-	-	2,663	-	4,853	-	-	-	-	-	-	-	-	-	-	-
Yang Ming Line B.V.	A	-	-	19,096	1	19,096	1	-	-	-	-	-	1,006	-	-	-	-	1,006	-
Yang Ming (U.A.E.) LLC	B	184,604	6	-	-	184,604	6	-	-	-	-	-	-	-	-	200,856	23	200,856	23
Yang Ming Shipping (Egypt) S.A.E	B	24,094	1	-	-	24,094	1	190,211	11	-	-	-	-	-	-	4,994	1	4,994	1
		<u>\$ 2,196,147</u>	<u>69</u>	<u>\$ 963,486</u>	<u>31</u>	<u>\$ 3,159,633</u>	<u>100</u>	<u>\$ 1,294,474</u>	<u>74</u>	<u>\$ 1,959</u>	<u>1</u>	<u>\$ 21,648,358</u>	<u>100</u>	<u>\$ 72,471</u>	<u>8</u>	<u>\$ 802,898</u>	<u>92</u>	<u>\$ 875,369</u>	<u>100</u>

- Notes: A. Subsidiary of the Corporation
B. An equity-method investee of subsidiary of the Corporation.
C. More than half of the directors are identical.
D. Mainly the tax receivables resulted from the election of consolidated tax returns and the payment made for Kuang Ming Shipping Corp.
E. Represents freight and shipping line expense paid and held on behalf of Yang Ming (UK) Ltd.
F. Including the amount of proceeds from disposal of ships, interests receivable, dividends receivable and financing provided (Schedule E).
G. Including the amount of proceeds from disposal of ships, dividends receivable and financing provided (Schedule E).
H. Dividends receivable.
I. Including the amount of proceeds from disposal of ships and financing provided (Schedule E).
J. Has deducted the credit balance of the corporations long-term in Yang Ming (Liberia) Corp.
K. Receivables from disposal of ships from All Oceans Transportation, Inc. and from Yang Ming (Liberia) Corp. will be offset by rentals payable and the payment made for All Oceans Transportation, Inc. periodically.
L. Other related parties, with which the Corporation had no transactions for the six months ended June 30, 2010, are listed in Schedule J.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEES

FINANCING PROVIDED

JUNE 30, 2011

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financier	Counter-party	Financial Statement Account	Maximum Balance for the Year (Note M)	Ending Balance (Note M)	Interest Rate	Nature of Financing (Note A)	In the Last Two Years Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Maximum Amount of Financing to Individual Counter-party	Maximum Amount of Financing that Can Be Provided by the Financier
											Item	Value		
0	Yang Ming Marine Transport Corp.	Yang Ming (Liberia) Corp.	Other receivables	\$ 3,747,000	\$ 3,747,000 (Note N)	2.2204%	1	\$ 8,619,001	Repayment of loans	\$ -	-	\$ -	\$ 8,619,001 (Notes C and D)	\$ 17,887,103 (Note B)
		All Ocean Transportation Inc.	Other receivables	4,125,139	4,125,000 (Note O)	2.2204%	1	18,459,463	Improve financial structure	-	-	-	10,732,261 (Notes C and D)	17,887,103 (Note B)
1	Yang Ming (America) Corp.	Olympic Container Terminal LLC	Other receivables	437,760 (US\$ 15,200)	437,760 (US\$ 15,200) (Note P)	2%	2	-	Improve financial structure	-	-	-	466,560 (Note F)	518,400 (Note E)
2	Yang Ming Shipping (B.V.I.) Inc.	Karlman Properties Limited	Other receivables	24,608 (HK\$ 6,650)	24,608 (HK\$ 6,650) (Note Q)	0.5%	2	-	Repayment of loans	-	-	-	316,131 (Note H)	395,164 (Note G)
3	Yang Ming Line (Singapore) Pte. Ltd.	Yang Ming (U.A.E.) LLC	Other receivables	1,924 (US\$ 67)	-	-	2	-	Improve financial structure	-	-	-	856,115 (Note I)	1,712,230 (Note G)
		Antwerp International Terminal N.V.	Other receivables	13,623 (EUR 327)	-	-	2	-	Improve financial structure	-	-	-	856,115 (Note I)	1,712,230 (Note G)
4	Yang Ming Line (B.V.)	Antwerp International Terminal N.V.	Other receivables	13,623 (EUR 327)	13,623 (EUR 327)	2.281%	2	-	Improve financial structure	-	-	-	14,196 (Notes K and L)	18,928 (Note J)

Notes:

A. Nature of Financing:

1. Yang Ming Marine Transportat Corporation (the "Corporation").has transaction with the borrower.
2. The borrower needs short-term financing.

B. The maximum financing amount is 60% of net assets of the Corporation. For borrowers with transactions with the Corporation, maximum financing is 50% of net assets of the Corporation. For borrowers with short-term financing need, the maximum is 10% of net assets of the Corporation.

C. For borrowers with transactions with the Corporation, maximum financing is the lower of 15% of the net assets of the Corporation or the total amount of transactions between the Corporation and the borrower in the last two years. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the Corporation.

D. For borrowers are subsidiary of the Corporation, maximum financing is the lower of 30% of the latest net assets audited or reviewed by CPA of the Corporation or the total amount of transactions between the Corporation in the last five years.

E. Represents US\$18,000,000.

F. Represents 90% of US\$18,000,000.

G. Represents the lender's net asset value.

H. Represents 80% of the lender's net asset value.

I. Represents 50% of the lender's net asset value.

J. Represents 80% of the paid in capital.

K. Represents 40% of the paid in capital.

L. Represents 30% of the paid in capital or total amount of transactions between the Corporation in the last two years.

M. United States dollars, European dollars and Hong Kong dollars translated into New Taiwan dollars at the exchange rate of US\$1=NT\$28.80, EUR1=NT\$41.7110 and HK\$1=NT\$3.7005 as of June 30, 2011.

N. The balance of actual financing provided as of June 30, 2011 was 3,390,313 thousand (US\$117,719 thousand).

O. The balance of actual financing provided as of June 30, 2011 was 2,370,847 thousand.

P. The balance of actual financing provided as of June 30, 2011 was 365,760 thousand (US\$12,700 thousand).

Q. The balance of actual financing provided as of June 30, 2011 was 19,576 thousand (HK\$5,290 thousand).

R. Financial statements used as basis of investment amounts were unaudited, except All Oceans Transportation Inc. and Yang Ming (Liberia) Corp.

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

ENDORSEMENT/GUARANTEE PROVIDED

JUNE 30, 2011

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Guarantor	Guaranteed Party		Maximum Amount of Guarantee to Individual Guaranteed Parties (Note A)	Maximum Balance for the Year (Note M)	Ending Balance (Note M)	Value of Collaterals Property, Plant, or Equipment	Ratio of Accumulated Amount of Collateral to Net Equity Shown in the Latest Financial Statements	Maximum Amount of Guarantee that Can be Provided by the Guarantor (Note A)
		Name	Nature of Relationship						
0	Yang Ming Marine Transport Corp.	Yang Ming (America) Corp.	Subsidiary	\$ 57,238,730 (Note B)	\$ 288,000 (US\$ 10,000)	\$ 144,000 (US\$ 5,000)	\$ -	0.40%	\$ 71,548,412 (Note A)
		All Oceans Transportation Inc.	Subsidiary	57,238,730 (Note B)	4,394,845 (US\$ 152,599)	4,394,845 (US\$ 152,599)	-	12.28%	71,548,412 (Note A)
		Yang Ming (Liberia) Corp.	Subsidiary	57,238,730 (Note B)	18,552,096 (US\$ 644,170)	18,552,096 (US\$ 644,170)	-	51.86%	71,548,412 (Note A)
		Kuang Ming (Liberia) Corp.	Subsidiary	57,238,730 (Note B)	7,912,342 (US\$ 188,742 and JPY 6,912,000)	7,765,578 (US\$183,646 and JPY 6,912,000)	-	21.71%	71,548,412 (Note A)
		Kao Ming Container Terminal Corp.	Subsidiary	57,238,730 (Note B)	2,000,000	2,000,000	-	5.59%	71,548,412 (Note A)
		United Terminal Leasing LLC	Equity-method investee of subsidiary	57,238,730 (Note B)	419,472 (US\$ 14,565)	419,472 (US\$ 14,565)	-	1.17%	71,548,412 (Note A)
		West Basin Container Terminal LLC	Equity-method investee of subsidiary	57,238,730 (Note B)	714,240 (US\$ 24,800)	714,240 (US\$ 24,800)	-	2.00%	71,548,412 (Note A)
		Olympic Container Terminal LLC	Subsidiary	57,238,730 (Note B)	144,004 (US\$ 5,000)	144,004 (US\$ 5,000)	-	0.40%	71,548,412 (Note A)
1	Yang Ming Line Holding Co.	West Basin Container Terminal LLC	Equity-method investee of subsidiary	414,720 (Note D)	12,956 (US\$ 450)	11,092 (US\$ 385)	-	0.03%	518,400 (Note C)
2	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming (UK) Ltd.	Subsidiary	2,384,756 (Note F)	9,368 (GBP 203)	6,062 (GBP 131)	-	0.02%	2,980,945 (Note E)
3	All Oceans Transportation Inc.	Yang Ming Marine Transport Corp.	Parent	24,564,888 (Note H)	12,466,000	12,466,000	12,466,000 (Note N)	34.85%	30,706,110 (Note G)
4	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Subsidiary	7,291,936 (Note J)	2,121,743 (US\$ 15,000 and JPY 4,716,000)	2,121,743 (US\$ 15,000 and JPY 4,716,000)	-	5.93%	9,114,920 (Note I)
5	Kuang Ming (Liberia) Corp.	Kuang Ming Shipping Corp.	Parent	3,999,884 (Note L)	472,800 (US\$ 6,000 and NT\$ 300,000)	472,800 (US\$ 6,000 and NT\$ 300,000)	-	1.32%	4,999,855 (Note K)

(Continued)

Notes:

- A. Represents 200% of the net asset value of Yang Ming Marine Transport Corporation (the “Corporation”).
- B. Represents 80% of the amount mentioned in Note A.
- C. Represents US\$18,000,000.
- D. Represents 80% of the amount mentioned in Note C.
- E. Represents 100% of the paid-in capital of Yang Ming Line (B.V.I.) Holding Co., Ltd.
- F. Represents 80% of the amount mentioned in Note E.
- G. Represents 100% of asset of All Oceans Transportation Inc.
- H. Represents 80% of the amount mentioned in Note G.
- I. Represents 200% of its latest audited or reviewed net asset value.
- J. Represents 80% of the amount mentioned in Note I.
- K. Represents 200% of its latest audited or reviewed net asset value.
- L. Represents 80% of the amount mentioned in Note K.
- M. United States dollars, Great British Pounds, Japanese yen and Hong Kong dollars translated into New Taiwan dollars at the exchange rate of US\$1=NT\$28.80, GBP1=NT\$46.2441, JPY1=0.3583 on June 30, 2011.
- N. Represents 14 ships used as guarantees, with carrying value of \$12,412,501 thousand as of June 30, 2011.
- O. Financial statements used as basis of investment amounts were unaudited, except Yang Ming Line (B.V.I.) Holding Co., Ltd., All Oceans Transportation Inc. and Yang Ming (Liberia) Corp., Kuang Ming Shipping Corp., Kuang Ming (Liberia) Corp. and Kao Ming Container Terminal Corp.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

MARKETABLE SECURITIES HELD

JUNE 30, 2011

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011			Market Value or Net Asset Value (Note A)	Note
				Shares/Units	Carrying Value	% of Ownership		
Yang Ming Marine Transport Corporation	<u>Common stock</u> Yang Ming Line (BVI) Holding Co., Ltd.	Subsidiary	Investments accounted for by the equity method	10,351	\$ 4,459,854	100.00	\$ 4,459,854	
	Kuang Ming Shipping Corp.	Subsidiary	Investments accounted for by the equity method	177,920,000	4,399,234	86.57	4,399,234	
	All Oceans Transportation, Inc.	Subsidiary	Investments accounted for by the equity method	1,000	3,975,525	100.00	3,975,525	
	Kao Ming Container Terminal Corp.	Subsidiary	Investments accounted for by the equity method	410,000,000	4,051,485	100.00	4,051,485	
	Yang Ming Line (Singapore) Pte. Ltd.	Subsidiary	Investments accounted for by the equity method	60,130,000	1,712,230	100.00	1,712,230	
	Ching Ming Investment Corp.	Subsidiary	Investments accounted for by the equity method	160,650,000	1,599,712	100.00	1,599,712	
	Yes Logistics Corp.	Subsidiary	Investments accounted for by the equity method	60,000,000	552,952	50.00	553,623	
	Yang Ming Line Holding Co.	Subsidiary	Investments accounted for by the equity method	13,500	461,635	100.00	461,635	
	Yunn Wang Investment Co., Ltd.	Equity-method investee	Investments accounted for by the equity method	5,211,474	186,136	49.75	186,136	
	Honming Terminal & Stevedoring Co., Ltd.	Subsidiary	Investments accounted for by the equity method	7,916,908	120,221	79.17	120,221	
	Jing Ming Transportation Co., Ltd.	Subsidiary	Investments accounted for by the equity method	8,615,923	110,545	50.98	110,545	
	Transyang Shipping Pte. Ltd.	Equity-method investee	Investments accounted for by the equity method	1,345	66,315	49.00	66,315	
	Yang Ming (Liberia) Corp.	Subsidiary	Investments accounted for by the equity method	1	(1,622,937)	100.00	(1,622,937)	Note D
	Taipei Port Container Terminal Co., Ltd.	-	Financial asset carried at cost - noncurrent	41,000,000	385,985	9.76	-	
	United Stevedoring Corp.	-	Financial asset carried at cost - noncurrent	500,000	5,000	10.00	-	
	Antwerp International Terminal N.V.	-	Financial asset carried at cost - noncurrent	1,486,030	-	14.02	-	
	Taiwan Navigation Co., Ltd.	Governed by the MOTC	Available-for-sale financial asset - noncurrent	70,758,243	2,278,415	16.96	2,278,415	Note U
	China Steel Corp.	-	Available-for-sale financial assets - current	801,171	27,721	0.01	27,721	
	Greatek Electronics Inc.	-	Available-for-sale financial assets - current	482,698	12,888	0.09	12,888	
	Cathay Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	1,805,275	80,244	0.02	80,244	
	Aten International Co., Ltd.	-	Available-for-sale financial assets - current	70,614	4,350	0.06	4,350	
	Taiwan Fertilizer Co., Ltd.	-	Financial assets at fair value through profit or loss - current	18,000	1,589	-	1,589	
	<u>Mutual fund</u> BLK Liquidity First Fund (EUR)	-	Financial assets at fair value through profit or loss - current	682,922	28,485	-	28,485	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
	BGI Liquidity First Fund (GBP)	-	Financial assets at fair value through profit or loss - current	1,603,249	\$ 74,141	-	\$ 74,141	
	Mega Diamond Money Market	-	Available-for-sale financial assets - current	10,784,639	129,633	-	129,633	
	ING Taiwan Money Market	-	Available-for-sale financial assets - current	15,941,641	250,013	-	250,013	
	<u>Corporate bonds</u>							
	Deutsche Bank AG	-	Available-for-sale financial assets - current	2,000,000	57,600	-	57,600	
	<u>Principle guaranteed notes</u>							
	Short Rate Linked Principal Guarantee Note	-	Financial assets at fair value through profit or loss - current	-	500,124	-	500,124	
	Yuanta Principal Guaranteed Notes	-	Financial assets at fair value through profit or loss - current	-	300,081	-	300,081	
	MasterLink Security Principal Guaranteed Note, PGN	-	Financial assets at fair value through profit or loss - current	-	200,071	-	200,071	
Kao Ming Container Terminal Corp.	<u>Mutual fund</u>							
	Mega Diamond Money Market	-	Available-for-sale financial assets - current	13,394,970	161,010	-	161,010	
	PCA Well Pool Fund	-	Available-for-sale financial assets - current	16,294,834	212,820	-	212,820	
	SinoPac TWD Money Market	-	Available-for-sale financial assets - current	22,734,003	304,904	-	304,904	
	ING Taiwan Money Market	-	Available-for-sale financial assets - current	10,236,625	160,541	-	160,541	
Ching Ming Investment Corp.	<u>Common stock</u>							
	Homing Terminal & Stevedoring Co., Ltd.	Subsidiary	Investments accounted for by the equity method	2,083,092	31,307	20.83	31,307	
	Yes Logistics Corp	Subsidiary	Investments accounted for by the equity method	55,630,977	512,534	46.36	512,534	
	Polaris CSI 300 Securities Investment Tr	-	Financial assets at fair value through profit or loss - current	155,000	2,759	-	2,759	
	Formosa Chemicals & Fibre corp.	-	Financial assets at fair value through profit or loss - current	71,000	7,597	-	7,597	
	Taina Enterprises Co., Ltd.	-	Financial assets at fair value through profit or loss - current	165,000	6,683	-	6,683	
	China Steel Structure Co., Ltd.	-	Financial assets at fair value through profit or loss - current	91,000	2,557	-	2,557	
	TSRC Corporation	-	Financial assets at fair value through profit or loss - current	30,000	2,535	-	2,535	
	Cheng Uei Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	25,000	1,875	-	1,875	
	HTC Corporation	-	Financial assets at fair value through profit or loss - current	83,288	80,456	-	80,456	
	Far Eastern International Bank	-	Financial assets at fair value through profit or loss - current	919,000	13,142	-	13,141	
	First Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	536,000	12,730	-	12,730	
	Largan Precision Co., Ltd.	-	Financial assets at fair value through profit or loss - current	10,000	9,200	-	9,200	
	Powertech Technology Inc.	-	Financial assets at fair value through profit or loss - current	130,000	12,532	-	12,532	
	Phison Electronics Corp.	-	Financial assets at fair value through profit or loss - current	84,000	13,650	-	13,650	
	Apple Inc.	-	Financial assets at fair value through profit or loss - current	100	967	-	967	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
	Monsanto Company	-	Financial assets at fair value through profit or loss - current	300	\$ 627	-	\$ 627	
	Nippon Shokubai	-	Financial assets at fair value through profit or loss - current	6,000	2,103	-	2,102	
	SF Technology Venture Capital Investment Corp.	-	Financial asset carried at cost - noncurrent	1,121,629	3,337	7.24	-	
	United Venture Capital Corp.	-	Financial asset carried at cost - noncurrent	2,880,000	7,152	9.04	-	
	Ascentek Venture Capital Corp.	-	Financial asset carried at cost - noncurrent	784,000	7,896	2.14	-	
	China Technology Venture Capital Corp.	-	Financial asset carried at cost - noncurrent	1,657,500	16,575	8.96	-	
	Kingmax Technology Corp.	-	Financial asset carried at cost - noncurrent	822,115	8,320	1.38	-	
	Taiwan Navigation Co., Ltd.	Governed by the MOTC	Available-for-sale financial asset - noncurrent	505,000	16,261	-	16,261	
	China Steel Corporation	-	Available-for-sale financial assets - current	482,990	16,711	-	16,711	
	Delta Electronics, Inc.	-	Available-for-sale financial assets - current	15,821	1,669	-	1,669	
	Hon Hai Precision Ind. Co., Ltd.	-	Available-for-sale financial assets - current	288	28	-	28	
	AU Optronics Corp.	-	Available-for-sale financial assets - current	720,778	14,127	-	14,127	
	MediaTek Inc.	-	Available-for-sale financial assets - current	20,020	6,246	-	6,246	
	Cathay Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	3,798,987	168,865	-	168,865	
	Coretronic Corporation	-	Available-for-sale financial assets - current	10,000	454	-	454	
	Radiant Opto-Electronics Corp	-	Available-for-sale financial assets - current	23,467	2,178	-	2,178	
	Taiwan Surface Mounting Technology Corp.	-	Available-for-sale financial assets - current	30,632	2,622	-	2,622	
	Formosa Petrochemical Corp	-	Available-for-sale financial assets - current	6,200	626	-	626	
	<u>Mutual fund</u>							
	KGI Pan-Asia Taiwan Enterprises	-	Financial assets at fair value through profit or loss - current	226,244	1,971	-	1,971	
	PCA Global Green Solutions	-	Financial assets at fair value through profit or loss - current	564,287	5,840	-	5,840	
	Capital Money Market	-	Financial assets at fair value through profit or loss - current	701,936	10,882	-	10,882	
	Fuh Hwa Digital Economy	-	Financial assets at fair value through profit or loss - current	36,820	687	-	687	
	UPAMC Quality Growth	-	Financial assets at fair value through profit or loss - current	487,049	9,683	-	9,683	
	UPAMC James Bond Money Market	-	Financial assets at fair value through profit or loss - current	497,884	8,000	-	8,000	
	IBT 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	723,187	9,388	-	9,388	
	Prudential Financial Return Fund	-	Financial assets at fair value through profit or loss - current	1,333,418	19,887	-	19,887	
	Cathay Dragon	-	Financial assets at fair value through profit or loss - current	491,407	5,808	-	5,808	
	PCA Umbrella Fund- Global Bond Fund of Fund	-	Financial assets at fair value through profit or loss - current	2,306,454	26,551	-	26,551	
	Yuanta India	-	Financial assets at fair value through profit or loss - current	200,000	1,910	-	1,910	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
	FSITC China Century	-	Financial assets at fair value through profit or loss - current	500,000	\$ 4,530	-	\$ 4,530	
	Capital Chinese Golden Age Equity	-	Financial assets at fair value through profit or loss - current	200,000	2,114	-	2,114	
	PineBridge Global Multi-Strat Hi Yld	-	Financial assets at fair value through profit or loss - current	2,119,408	22,976	-	22,976	
	Fuh Hwa Global Commodity	-	Financial assets at fair value through profit or loss - current	44,883	486	-	486	
	Prudential Financial Global Resources	-	Financial assets at fair value through profit or loss - current	899,036	8,154	-	8,154	
	Capital India & Brazil Equity Fund	-	Financial assets at fair value through profit or loss - current	197,044	1,976	-	1,976	
	Cathay High Income Fund of Funds	-	Financial assets at fair value through profit or loss - current	1,428,704	14,913	-	14,913	
	PineBridge Gbl Emerging Mkt Hi Yld Bd A	-	Financial assets at fair value through profit or loss - current	1,000,000	11,327	-	11,327	
	Allianz Gbl Inv Rising Asia Fd	-	Financial assets at fair value through profit or loss - current	200,000	2,274	-	2,274	
	Fubon Aggressive Growth	-	Financial assets at fair value through profit or loss - current	475,389	8,652	-	8,652	
	Capital Asia Pacific Md & Sm Cap Eq Fd	-	Financial assets at fair value through profit or loss - current	176,835	1,952	-	1,952	
	UPAMC Great China Small-Mid Cap Fund	-	Financial assets at fair value through profit or loss - current	485,437	4,801	-	4,801	
	Fuh Hwa Emerging Market Active Allc FoF	-	Financial assets at fair value through profit or loss - current	4,000,000	39,920	-	39,920	
	ING EMD & High Yield Bond Port	-	Financial assets at fair value through profit or loss - current	2,000,000	19,440	-	19,440	
	PCA Global High Yield Bond A	-	Financial assets at fair value through profit or loss - current	1,975,006	20,238	-	20,238	
	SinoPac Balance 2	-	Financial assets at fair value through profit or loss - current	292,411	7,863	-	7,863	
	UPAMC Great China	-	Financial assets at fair value through profit or loss - current	328,001	4,874	-	4,874	
	PineBridge BRIIC Infrastructure Equity	-	Financial assets at fair value through profit or loss - current	500,000	4,745	-	4,745	
	Yuanta Greater China Small & Medium Cap	-	Financial assets at fair value through profit or loss - current	500,000	4,770	-	4,770	
	FSITC Innovation	-	Financial assets at fair value through profit or loss - current	200,200	2,192	-	2,192	
	Capital Strategic Income	-	Financial assets at fair value through profit or loss - current	970,874	9,883	-	9,883	
	Jih Sun MIT Mainstream	-	Financial assets at fair value through profit or loss - current	700,000	6,734	-	6,734	
	SinoPac Global Investment Grade Bond	-	Financial assets at fair value through profit or loss - current	1,000,000	9,962	-	9,962	
	Fuh Hwa Greater China Mid & Small Cap	-	Financial assets at fair value through profit or loss - current	1,000,000	9,550	-	9,550	
	ING Brazil	-	Financial assets at fair value through profit or loss - current	181,488	1,786	-	1,786	
	Yuanta Global Agribusiness	-	Financial assets at fair value through profit or loss - current	116,686	1,837	-	1,837	
	Allianz Global Investors Asian Smlr Cos	-	Financial assets at fair value through profit or loss - current	200,000	1,996	-	1,996	
	Capital Chinese Golden Age Equity	-	Financial assets at fair value through profit or loss - current	1,474,205	15,214	-	15,214	
	Capital ASEAN	-	Financial assets at fair value through profit or loss - current	500,000	4,960	-	4,960	
	HSBC NTD Money Market II	-	Financial assets at fair value through profit or loss - current	448	7	-	7	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
	HSBC Gbl Emerg Mkts Equity	-	Financial assets at fair value through profit or loss - current	175,593	\$ 1,923	-	\$ 1,923	
	HSBC Gbl Power and Resources Eq	-	Financial assets at fair value through profit or loss - current	440,620	3,860	-	3,860	
	Taishin Latin America	-	Financial assets at fair value through profit or loss - current	500,000	4,970	-	4,970	
	BGF World Energy A2	-	Financial assets at fair value through profit or loss - current	1,022	807	-	807	
	BGF World Mining A2	-	Financial assets at fair value through profit or loss - current	351.86	832	-	832	
	GAM Star China Equity	-	Financial assets at fair value through profit or loss - current	6,661	3,790	-	3,790	
	PCA Small Capital	-	Financial assets at fair value through profit or loss - current	326,242	4,747	-	4,747	
	KGI Bigfive Taiwan	-	Financial assets at fair value through profit or loss - current	323,973	4,869	-	4,869	
	Manulife Emerging Market High Yield Bd A	-	Financial assets at fair value through profit or loss - current	296,880	3,023	-	3,023	
	Manulife Asia Pacific Mid & Small Cap	-	Financial assets at fair value through profit or loss - current	415,691	4,934	-	4,934	
	HSBC Taiwan Success	-	Financial assets at fair value through profit or loss - current	477,497	14,015	-	14,015	
	Taishin Hi Div Yield Balanced	-	Financial assets at fair value through profit or loss - current	390,565	5,818	-	5,818	
	Jih Sun Top Five	-	Financial assets at fair value through profit or loss - current	267,435	5,782	-	5,782	
	PineBridge Gbl Emerging Mkt Hi Yld Bd B	-	Financial assets at fair value through profit or loss - current	926,329	9,942	-	9,942	
	PCA Global High Yield Bond B	-	Financial assets at fair value through profit or loss - current	1,001,222	9,873	-	9,873	
	Prudential Financial China Brands	-	Financial assets at fair value through profit or loss - current	200,660	1,972	-	1,972	
	ING Taiwan Growth Selection	-	Financial assets at fair value through profit or loss - current	259,067	2,886	-	2,886	
	UPAMC Gbl FI Selection	-	Financial assets at fair value through profit or loss - current	950,164	9,978	-	9,978	
	FSITC Global High Yield Bond B	-	Financial assets at fair value through profit or loss - current	617,387	6,933	-	6,933	
	Franklin Templeton SinoAm Hi -tech	-	Financial assets at fair value through profit or loss - current	299,402	2,976	-	2,976	
	Franklin Templeton SinoAm Convnt Ind	-	Financial assets at fair value through profit or loss - current	200,000	2,002	-	2,002	
	AGI Taiwan High Dividend	-	Financial assets at fair value through profit or loss - current	500,000	4,935	-	4,935	
	Fuh Hwa Emerging Market High Yield Bd A	-	Financial assets at fair value through profit or loss - current	500,005	5,052	-	5,052	
	Sinopac EMD & High Yield Bond FoF	-	Financial assets at fair value through profit or loss - current	1,000,000	9,867	-	9,867	
	Capital India Medium & Small Cap Eq	-	Financial assets at fair value through profit or loss - current	200,000	2,008	-	2,008	
	Cathay China Domestic Demand Growth	-	Financial assets at fair value through profit or loss - current	200,000	2,000	-	2,000	
	UPAMC New Asian Technology & Energy	-	Financial assets at fair value through profit or loss - current	200,000	1,998	-	1,998	
	Fuh Hwa Small Capital	-	Financial assets at fair value through profit or loss - current	26,363	679	-	679	
	Fuh Hwa OMNI	-	Financial assets at fair value through profit or loss - current	4,954	58	-	58	
	Fuh Hwa High Growth	-	Financial assets at fair value through profit or loss - current	13,372	348	-	348	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
	Fuh Hwa	-	Financial assets at fair value through profit or loss - current	106,588	\$ 1,020	-	\$ 1,020	
	JF (TW) Japan Brilliance	-	Available-for-sale financial assets - current	1,000,000	7,160	-	7,160	
	PineBridge Global Medallion FoFs	-	Available-for-sale financial assets - current	1,330,274	16,083	-	16,083	
	IBT North America Income Trust Fund	-	Available-for-sale financial assets - current	2,254	1,676	-	1,676	
	Frankling Templeton Developing Markets Trust	-	Available-for-sale financial assets - current	2,477	1,562	-	1,562	
	Fidelity Emerging Markets Fund	-	Available-for-sale financial assets - current	8,990	10,011	-	10,011	
	Fidelity European Growth Fund	-	Available-for-sale financial assets - current	3,684	1,878	-	1,878	
	Fidelity European Aggressive Fund	-	Available-for-sale financial assets - current	200,000	1,422	-	1,422	
	Hua Nan Global Infrastructure A Acc	-	Available-for-sale financial assets - current	1,000,000	13,890	-	13,890	
	Capital Strategin Growth	-	Available-for-sale financial assets - current	15,235	47,211	-	47,211	
	Allianz GIS RCM Little Dragons Fund	-	Available-for-sale financial assets - current	500,000	6,780	-	6,780	
Yang Ming Line (Singapore) Pte. Ltd.	<u>Common stock</u> Yang Ming Shipping (B.V.I) Inc.	Subsidiary	Investments accounted for by the equity method	510	201,605	51.00	201,605	
	Yang Ming Line (Hong Kong) Ltd.	Subsidiary	Investments accounted for by the equity method	510,000	(59,473)	51.00	(59,473)	Note T
	Yang Ming Line (India) Pvt. Ltd.	Subsidiary	Investments accounted for by the equity method	300,000	10,926	60.00	10,926	
	Yang Ming (Korea) Co., Ltd.	Subsidiary	Investments accounted for by the equity method	60,000	25,361	60.00	25,361	
	Young-Carrier Company Ltd.	Subsidiary	Investments accounted for by the equity method	910,000	316,143	91.00	316,143	
	Yangming (Japan) Co., Ltd.	Subsidiary	Investments accounted for by the equity method	3,000	34,323	100.00	34,323	
	Yangming (Singapore) Pte Ltd.	Subsidiary	Investments accounted for by the equity method	1,000,000	43,094	100.00	43,094	
	Yang Ming Line (M) Sdn. Bhd.	Subsidiary	Investments accounted for by the equity method	1,000,000	34,013	100.00	34,013	
	Sunbright Insurance Pte. Ltd.	Subsidiary	Investments accounted for by the equity method	2,000,000	88,666	100.00	88,666	
	Yang Ming (Vietnam) Company Limited	Equity-method investee	Investments accounted for by the equity method	(Note H)	7,584	49.00	7,584	
	Formosa International Development Corporation	Equity-method investee	Investments accounted for by the equity method	(Note G)	230,287	30.00	230,287	
	Yang Ming Anatolia Shipping Agency S.A.	Subsidiary	Investments accounted for by the equity method	50,000	30,638	50.00	30,638	
	Yang Ming (U.A.E.) LLC	Equity-method investee	Investments accounted for by the equity method	(Note S)	23,375	49.00	23,375	
Yang Ming Shipping (B.V.I.) Inc.	<u>Common stock</u> Karlman Properties Limited	Subsidiary	Investments accounted for by the equity method	24,000,000	80,875	100.00	80,875	
Yangming (Japan) Co., Ltd.	<u>Common stock</u> Manwa & Co., Ltd.	Subsidiary	Investments accounted for by the equity method	200	3,290	100.00	3,290	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
	<u>Other</u> Cash surrender Value in Insurance	-	Financial asset carried at cost - noncurrent	-	\$ 22,454	-	\$ -	
Yang Ming Line Holding Co.	<u>Common stock</u> Yang Ming (America) Corp.	Subsidiary	Investments accounted for by the equity method	5,000	25,590	100.00	25,590	
	Olympic Container Terminal LLC	Subsidiary	Investments accounted for by the equity method	(Note L)	(270,765)	100.00	(270,765)	Note D
	Triumph Logistics, Inc.	Subsidiary	Investments accounted for by the equity method	200	(10,104)	100.00	(10,104)	Note D
	Topline Transportation Inc.	Subsidiary	Investments accounted for by the equity method	100	(1,931)	100.00	(1,931)	Note D
	Coastal Tarheel Express Inc.	Subsidiary	Investments accounted for by the equity method	100	6,189	100.00	6,189	
	Transcont Intermodal Logistics, Inc.	Subsidiary	Investments accounted for by the equity method	200	10,637	100.00	10,637	
	West Basin Container Terminal LLC	Equity-method investee	Investments accounted for by the equity method	(Note E)	678,188	40.00	678,188	
	United Terminal Leasing LLC	Equity-method investee	Investments accounted for by the equity method	(Note F)	128,561	40.00	128,561	
	Yang Ming Shipping (Canada) Ltd.	Subsidiary	Investments accounted for by the equity method	1,000	27,998	100.00	27,998	
Yang Ming Line (B.V.I) Holding Co., Ltd.	<u>Common stock</u> Yang Ming Line N.V.	Subsidiary	Investments accounted for by the equity method	1,500,000	(1,036,047)	100.00	(1,036,047)	Note D
Yang Ming Line N.V.	<u>Common stock</u> Yang Ming Line B.V.	Subsidiary	Investments accounted for by the equity method	2,500	(1,038,838)	100.00	(1,038,838)	Note D
Yang Ming Line B.V.	<u>Common stock</u> Yang Ming (Belgium) N.V.	Subsidiary	Investments accounted for by the equity method	553	25,302	89.92	25,302	
	Yang Ming (Netherlands) B.V.	Subsidiary	Investments accounted for by the equity method	(Note I)	9,981	100.00	9,981	
	Yang Ming (Italy) S.p.A.	Subsidiary	Investments accounted for by the equity method	125,000	19,777	50.00	19,777	
	Yang Ming (UK) Ltd.	Subsidiary	Investments accounted for by the equity method	900,000	(1,340,303)	100.00	(1,340,303)	Note D
	Yang Ming Shipping Europe Gmbh	Subsidiary	Investments accounted for by the equity method	(Note B)	139,742	100.00	139,742	
	Yang Ming Shipping (Egypt) S.A.E.	Equity-method investee	Investments accounted for by the equity method	24,500	32,683	49.00	32,683	
Yang Ming (Netherlands) B.V.	<u>Common stock</u> Yang Ming (Belgium) N.V.	Subsidiary	Investments accounted for by the equity method	62	2,479	10.08	2,479	
Yang Ming (Italy) S.p.A.	<u>Common stock</u> Yang Ming (Naples) S.r.l.	Subsidiary	Investments accounted for by the equity method	(Note K)	1,191	60.00	1,191	
Yang Ming (UK) Ltd.	<u>Common stock</u> Corstor Ltd.	Equity-method investee	Investments accounted for by the equity method	(Note C)	5,407	50.00	5,407	
	Yes Logistic (UK) Limited	Subsidiary	Investments accounted for by the equity method	200	(3,611)	100.00	(3,611)	Note D

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
Kuang Ming Shipping Corp.	<u>Common stock</u> Kuang Ming (Liberia) Corp.	Subsidiary	Investments accounted for by the equity method	1	\$ 2,499,928	100.00	\$ 2,499,928	
	<u>Mutual fund</u> Fuh Hwa Money Market	-	Available-for-sale financial assets - current	4,787,199	66,556	-	66,556	
	Schroder New Era Money Market	-	Available-for-sale financial assets - current	5,769,623	65,099	-	65,099	
Yes Logisticss Corp.	<u>Common stock</u> Yes Yangming Logistics (Singapore) Pte. Ltd.	Subsidiary	Investments accounted for by the equity method	5,025,188	39,483	100.00	39,483	
	Yes Logistics Corp.	Subsidiary	Investments accounted for by the equity method	5,460,000	117,646	100.00	117,646	
	Chang Ming Logistics Company Limited	Equity-method investee	Investments accounted for by the equity method	(Note O)	326,845	49.00	326,845	
	B2B.Com Holdings Ltd.	-	Financial asset carried at cost - noncurrent	800,000	5,042	9.88	-	
	United Raw Material Solutions Inc./URMS	-	Financial asset carried at cost - noncurrent	295,325	2,953	2.76	-	
	<u>Mutual fund</u> Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	1,661,711	23,103	-	23,103	
	Mega Diamond Money Market	-	Financial assets at fair value through profit or loss - current	2,509,887	30,169	-	30,169	
	Fuh Hwa You Li Money Market	-	Financial assets at fair value through profit or loss - current	387,147	5,021	-	5,021	
	IBT 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,470,948	19,095	-	19,095	
	Hua Nan Phoenix Money Market	-	Financial assets at fair value through profit or loss - current	595,151	9,325	-	9,325	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	1,273,551	18,095	-	18,095	
	TIIM Bond	-	Financial assets at fair value through profit or loss - current	1,938,493	28,155	-	28,155	
	The RSIT Enhanced Money Market	-	Financial assets at fair value through profit or loss - current	787,972	9,063	-	9,063	
	The RSIT Forever Money Market	-	Financial assets at fair value through profit or loss - current	138	2	-	2	
	ING Taiwan Select Money Market	-	Financial assets at fair value through profit or loss - current	255,903	3,018	-	3,018	
	Hua Nan Kirin Money Market	-	Financial assets at fair value through profit or loss - current	434,511	5,014	-	5,014	
	Schroder New Era Money Market	-	Financial assets at fair value through profit or loss - current	445,097	5,022	-	5,022	
YES Yangming Logistics (Singapore) Pte. Ltd.	<u>Common stock</u> Yes Logistics Benelux B.V.	Subsidiary	Investments accounted for by the equity method	12,600	6,656	70.00	6,656	
	Yes Logistics (Netherlands) B. V.	Subsidiary	Investments accounted for by the equity method	(Note P)	3,168	100.00	3,168	
	Yes Logistics Company Ltd.	Subsidiary	Investments accounted for by the equity method	29,000,000	29,870	100.00	29,870	
Yes Logistics Corp.	<u>Common stock</u> Yes Logistics Europe GmbH	Subsidiary	Investments accounted for by the equity method	(Note J)	12,811	100.00	12,811	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value (Note A)	
Yes Logistics (Shanghai) Corp.	Golden Logistics USA Corporation	Subsidiary	Investments accounted for by the equity method	100	\$ (793)	100.00	\$ (793)	Note D
	Yes Logistics (Shanghai) Corp.	Subsidiary	Investments accounted for by the equity method	(Note M)	72,693	100.00	72,693	
	<u>Common stock</u> Golden Logistics (Qingdao) Corp.	Subsidiary	Long-Term Equity Investment Held for Sale	(Note R)	11,356	60.00	11,356	
	Star Logistics (Qingdao) Corp.	Subsidiary	Investments accounted for by the equity method	(Note Q)	8,832	60.00	8,832	

Notes:

- A. Market values were based on closing prices at June 30, 2011 or the net asset value of the fund on June 30, 2011, or, if market prices were unavailable, on the investees' net assets.
- B. This is equivalent to EUR818,000, and no shares were issued.
- C. This is equivalent to GBP500, and no shares were issued.
- D. Investees had negative net assets. Thus, the negative carrying values of the investments were presented as a deduction in long-term other receivables - related parties liability.
- E. This is equivalent to US\$3,800,000, and no shares were issued.
- F. This is equivalent to US\$1,000,000, and no shares were issued.
- G. This is equivalent to US\$7,800,000, and no shares were issued.
- H. This is equivalent to US\$94,000, and no shares were issued.
- I. This is equivalent to EUR18,000, and no shares were issued.
- J. This is equivalent to EUR25,000, and no shares were issued.
- K. This is equivalent to EUR6,000, and no shares were issued.
- L. This is equivalent to US\$1,000,000, and no shares were issued.
- M. This is equivalent to US\$5,000,000, and no shares were issued.
- N. This is equivalent to EUR10,000, and no shares were issued.
- O. This is equivalent to US\$9,301,000, and no shares were issued.
- P. This is equivalent to EUR30,000, and no shares were issued.
- Q. This is equivalent to RMB2,960,000 and no shares were issued.
- R. This is equivalent to RMB3,000,000, and no shares were issued.
- S. This is equivalent to AED245,000, and no shares were issued.
- T. The loss of subsidiary was recognized in proportion to the Corporation's equity. Because the minority interest commits to share in the investees' losses, the cumulative equity of the Corporation in the investee's net loss in excess of the related investments in not charged against the Corporation.
- U. More than half of the directors are identical.
- V. Financial statements used as basis of investment amounts were unaudited, except Yang Ming Line (B.V.I) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (Liberia) Corp., Kuang Ming Shipping Corp., Kuang Ming (Liberia) Corp., Yang Ming (UK) Ltd., Ching Ming Investment Corp. and Kao Ming Container Terminal Corp.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SIX MONTHS ENDED JUNE 30 2011
(In Thousands of New Taiwan Dollars, Except Shares/Units)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Change of Investment Accounted for Using the Equity Method	Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain (Loss) on Disposal		Shares	Amount
Yang Ming Marine Transport Corporation	<u>Common stock</u> Kuang Ming Shipping Corp.	Investments accounted for by the equity method	-	Subsidiary	191,620,000	\$ 4,547,582	-	\$ -	13,700,000	\$ 436,834	\$ 336,476	\$ 83,501	\$ 188,128 (Note A)	177,920,000	\$ 4,399,234
	<u>Mutual Fund</u> BGI Liquidity First Fund (GBP)	Financial assets at fair value through profit or loss - current	-	-	146,479	6,614	10,262,770	488,034	8,806,000	420,508	420,508	-	-	1,603,249	74,140
	BGI Liquidity First Fund (EUR)	Financial assets at fair value through profit or loss - current	-	-	55,696	2,169	34,367,226	1,420,503	33,740,000	1,394,187	1,394,187	-	-	682,922	28,485
	Capital Money Market	Available-for-sale financial assets - current	-	-	18,107,858	280,000	19,352,217	300,000	37,460,075	580,212	580,000	212	-	-	-
	Taishin Ta-Chong Money Market	Available-for-sale financial assets - current	-	-	44,144,068	600,017	-	-	44,144,068	601,326	600,017	1,309	-	-	-
	Taishin 1699 Money Market	Available-for-sale financial assets - current	-	-	33,227,726	430,000	-	-	33,227,726	430,652	430,000	652	-	-	-
	Taishin Lucky Money Market	Available-for-sale financial assets - current	-	-	32,821,806	350,021	-	-	32,821,806	350,665	350,021	644	-	-	-
	Fuh Hwa Money Market	Available-for-sale financial assets - current	-	-	20,197,211	280,000	156,361,715	2,169,569	176,558,926	2,450,543	2,449,569	974	-	-	-
	Fuh Hwa Global Short-term Income	Available-for-sale financial assets - current	-	-	238,711,576	2,500,000	9,314,977	100,000	248,026,553	2,645,473	2,600,000	45,473	-	-	-
	Fuh Hwa You Li Money Market	Available-for-sale financial assets - current	-	-	11,626,093	150,059	-	-	11,626,093	150,557	150,059	498	-	-	-
	Mega Diamond Money Market	Available-for-sale financial assets - current	-	-	67,584,604	807,783	119,111,588	1,430,000	175,911,553	2,113,000	2,108,198	4,802	-	10,784,639	129,585
	Union Money Market	Available-for-sale financial assets - current	-	-	66,106,497	835,851	-	-	66,106,497	837,679	835,851	1,828	-	-	-
	Jih Sun Money Market	Available-for-sale financial assets - current	-	-	-	-	86,054,687	1,220,000	86,054,687	1,220,914	1,220,000	914	-	-	-
	Hua Nan Kirin Money Market	Available-for-sale financial assets - current	-	-	66,953,391	770,000	-	-	66,953,391	771,424	770,000	1,424	-	-	-
	PCA Well Pool Money Market	Available-for-sale financial assets - current	-	-	17,658,214	230,000	6,905,176	90,000	24,563,390	320,279	320,000	279	-	-	-
	Allianz Gbl Inv All Seasons Ret Of Bd	Available-for-sale financial assets - current	-	-	-	-	32,272,222	400,000	32,272,222	404,494	400,000	4,494	-	-	-
	Allianz Gbl Investors Taiwan Money Mkt	Available-for-sale financial assets - current	-	-	-	-	16,653,961	200,382	16,653,961	200,414	200,382	32	-	-	-
	ING Taiwan Money Market	Available-for-sale financial assets - current	-	-	2,240,300	35,028	25,506,137	400,000	11,804,796	185,105	185,023	82	-	15,941,641	250,005
	FSITC Taiwan Money Market	Available-for-sale financial assets - current	-	-	32,093,182	470,001	-	-	32,093,182	470,337	470,001	336	-	-	-
	FSITC Money Market	Available-for-sale financial assets - current	-	-	-	-	2,922,404	500,000	2,922,404	500,260	500,000	260	-	-	-
	Fubon Chi-Hsiang Money Market	Available-for-sale financial assets - current	-	-	33,219,281	500,000	3,318,863	50,000	36,538,144	550,378	550,000	378	-	-	-

Notes:

A. Represent the investment income recognized under equity method \$212,945 thousand, cumulative translation adjustment increased \$(25,014) thousand, unrealized gain or financial instruments decreased \$197 thousand.

B. Carrying value is the original acquisition amount.

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2011

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yang Ming Marine Transport Corp.	All Oceans Transportation Inc.	A	\$ 21,352,789 (Note E)	-	\$ -	-	\$ -	\$ -
	Yang Ming (Liberia) Corp.	A	2,211,967 (Note F)	-	-	-	-	-
	Yang Ming Line (B.V.I.) Holding Co., Ltd.	A	170,806 (Note G)	-	-	-	-	-
	Young-Carrier Company Ltd.	A	650,047	-	-	-	587,944	-
	Yang Ming (Italy) S.p.A	A	213,629	-	-	-	188,059	-
Yang Ming (UK) Ltd. Corp.	Yang Ming Marine Transport Corp.	D	633,669 (Note H)	-	-	-	-	-
Kao Ming Container Terminal Corp.	Yang Ming Marine Transport Corp.	C	237,614	-	-	-	-	-
All Oceans Transportation Inc.	Yang Ming (Liberia) Corp.	B	6,370,974 (Note I)	-	-	-	-	-
Yang Ming Shipping (B.V.I.) Inc.	Yang Ming Line (Hong Kong) Ltd.	B	191,389	-	-	-	191,389	-
Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	A	894,801 (Note J)	-	-	-	-	-
Yang Ming Line (Hong Kong) Ltd.	Yang Ming Marine Transport Corp.	C	166,084	-	-	-	166,084	-
Young-Carrier Company Ltd.	Yang Ming Marine Transport Corp.	C	681,245	-	-	-	200,829	-
Yang Ming (America) Corp.	Olympic Container Terminal LLC	B	365,760 (Note K)	-	-	-	-	-
YES Logistics Corp.	Yes Logistics Company Ltd.	C	114,423	-	-	-	-	-
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming (UK) Ltd.	A	2,124,927 (Note L)	-	-	-	-	-

(Continued)

Notes:

- A. Subsidiary of the Corporation.
- B. The same parent company.
- C. Parent company.
- D. Ultimate parent company.
- E. Interest receivable, dividends receivable, financing providing and proceeds from sale of ships.
- F. Financing providing and proceeds from sale of ship. Has deducted the credit balance of the Corporation's long-term investment in Yang Ming (Liberia) Corp.
- G. Dividends receivable.
- H. Freight receivable and shipping line expense receivable.
- I. Temporary payments, interest receivable and proceeds from sale of ship.
- J. Proceeds from sale of ships.
- K. Receivable and financing providing.
- L. Proceeds from rent of ships.
- M. Collections between related parties have been made according to "Agency Accounting Procedure" by the Corporation and local business conventions.
- N. Financial statements used as basis of investment amounts were unaudited, except All Ocean Transportation Inc., Kuang Ming Shipping Corp., Kuang Ming (Liberia) Corp., Yang Ming (Liberia) Corp., Kao Ming Container Terminal Corp. and Yang Ming Line (B.V.I.) Holding Co., Ltd.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
SIX MONTHS ENDED JUNE 30, 2011
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount (Note A)		Balance as of June 30, 2011			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2011	December 31, 2010	Shares	Percentage of Ownership	Carrying Amount			
Yang Ming Marine Transport Corporation	Yang Ming Line (B.V.I.) Holding Co., Ltd.	British Virgin Islands	Investment, shipping agency, forwarding agency and shipping managers	\$ 3,272,005	\$ 3,272,005	10,351	100.00	\$ 4,459,854	\$ 11,189	\$ 11,189	Subsidiary
	Yang Ming Line (Singapore) Pte. Ltd.	Singapore	Investment, shipping service; chartering, sale and purchase of ships; and forwarding agency	1,113,356	1,113,356	60,130,000	100.00	1,712,230	83,546	83,546	Subsidiary
	Ching Ming Investment Corp.	Taipei, Taiwan	Investment	1,500,013	1,500,013	160,650,000	100.00	1,599,712	24,360	24,360	Subsidiary
	All Oceans Transportation, Inc.	Monrovia, Republic of Liberia	Shipping agency, forwarding agency and shipping managers	3,235	3,235	1,000	100.00	3,975,525	(388,500)	(388,500)	Subsidiary
	Yes Logistics Corp.	Taipei, Taiwan	Warehouse operation and forwarding agency	593,404	593,404	60,000,000	50.00	552,952	18,090	9,045	Subsidiary
	Kuang Ming Shipping Corp.	Taipei, Taiwan	Shipping service, shipping agency and Retain sale of ships and parts	3,587,496	3,863,737	177,920,000	86.57	4,399,234	231,139	212,945	Subsidiary
	Honming Terminal & Stevedoring Co., Ltd.	Kaohsiung, Taiwan	Terminal operation and stevedoring	79,273	79,273	7,916,908	79.17	120,221	16,870	13,356	Subsidiary
	Jing Ming Transportation Co., Ltd.	Kaohsiung, Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	110,545	170	87	Subsidiary
	Yang Ming Line Holding Co.	Wilmington, USA	Investment, shipping agency, forwarding agency and shipping managers	143,860	143,860	13,500	100.00	461,635	172,455	172,455	Subsidiary
	Transyang Shipping Pte. Ltd.	Singapore	Shipping services; chartering, sale and purchase of ships; forwarding agency and shipping agency	57,802	57,802	1,345	49.00	66,315	16,110	7,894	Equity-method investee
	Yang Ming (Liberia) Corp.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	3,378	3,378	1	100.00	(1,622,937) (Note M)	28,178	28,178	Subsidiary
	Yuan Wang Investment Co., Ltd.	Taipei, Taiwan	Investment	179,810	179,810	5,211,474	49.75	186,136	23,102	11,493	Equity-method investee
Kao Ming Container Terminal Corp.	Kaohsiung, Taiwan	Terminal operation and stevedoring	4,100,000	4,100,000	410,000,000	100.00	4,051,485	26,364	26,364	Subsidiary	
Ching Ming Investment Corp.	Honming Terminal & Stevedoring Co., Ltd.	Kaohsiung, Taiwan	Terminal operation and stevedoring	24,988	24,988	2,083,092	20.83	31,307	16,870	-	Subsidiary
	Yes Logistics Corp.	Taipei, Taiwan	Warehouse operation and forwarding agency	548,286	548,286	55,630,977	46.36	512,534	18,090	-	Subsidiary
Yang Ming Line (Singapore) Pte Ltd.	Yang Ming Shipping (B.V.I) Inc.	British Virgin Islands	Forwarding agency and shipping agency	16	16	510	51.00	201,605	2,627	-	Subsidiary
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	2,138	2,138	510,000	51.00	(59,473) (Note P)	29,620	-	Subsidiary
	Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency and shipping managers	2,228	2,228	300,000	60.00	10,926	23,128	-	Subsidiary
	Yang Ming (Korea) Co., Ltd.	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	25,361	3,285	-	Subsidiary
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	3,229	3,229	910,000	91.00	316,143	9,087	-	Subsidiary
	Yangming (Japan) Co., Ltd.	Tokyo, Japan	Shipping services; chartering, sale and purchase of ships; and forwarding agency	36,235	36,235	3,000	100.00	34,323	(18,357)	-	Subsidiary
	Yangming Shipping (Singapore) Pte Ltd.	Singapore	Shipping agency, forwarding agency and shipping managers	18,851	18,851	1,000,000	100.00	43,094	5,868	-	Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	34,013	7,041	-	Subsidiary
	Sunbright Insurance Pte. Ltd.	Singapore	Insurance	32,440	32,440	2,000,000	100.00	88,666	6,054	-	Subsidiary
	Yang Ming (Vietnam) Company Limited	Vietnam	Forwarding agency and shipping managers	3,197	3,197	(Note J)	49.00	7,584	7,838	-	Equity-method investee
	Formosa International Development Corporation	Vietnam	Invest industry district and real estate	254,358	254,358	(Note O)	30.00	230,287	(30,150)	-	Equity-method investee
	Yang Ming Anatolia Shipping Agency S.A.	Turkey	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	30,638	30,807	-	Subsidiary
Yang Ming (U.A.E.) LLC.	U.A.E.	Shipping agency, forwarding agency and shipping managers	2,140	2,140	(Note T)	49.00	23,375	21,379	-	Equity-method investee	
Yang Ming Shipping (B.V.I) Inc.	Karlman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	80,875	673	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount (Note A)		Balance as of June 30, 2011			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2011	December 31, 2010	Shares	Percentage of Ownership	Carrying Amount			
Yangming (Japan) Co., Ltd.	Manwa & Co., Ltd.	Tokyo, Japan	Forwarding agency and shipping agency	\$ 2,666	\$ 2,666	200	100.00	\$ 3,290	\$ 108,231	\$ -	Subsidiary
Yang Ming Line Holding Co.	Yang Ming (America) Corp.	New Jersey, U.S.A.	Shipping agency, forwarding agency and shipping managers	17,305	17,305	5,000	100.00	25,590	53,726	-	Subsidiary
	Olympic Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	31,530	31,530	(Note R)	100.00	(270,765)	111,200	-	Subsidiary
	Triumph Logistics, Inc.	U.S.A.	Container transportation	1,699	1,699	200	100.00	(10,104)	117	-	Subsidiary
	Topline Transportation Inc.	U.S.A.	Container transportation	4,860	4,860	100	100.00	(1,931)	(1,010)	-	Subsidiary
	Coastal Tarheel Express Inc.	U.S.A.	Container transportation	2,430	2,430	100	100.00	6,189	450	-	Subsidiary
	Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	2,444	2,444	200	100.00	10,637	(310)	-	Subsidiary
	West Basin Container Terminal LLC	Los Angeles, USA	Terminal operation and stevedoring	132,050	132,050	(Note F)	40.00	678,188	98,124	-	Equity-method investee
	United Terminal Leasing LLC	Los Angeles, USA	Terminal operation and machine lease	34,750	34,750	(Note G)	40.00	128,561	38,929	-	Equity-method investee
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	1,000	100.00	27,998	12,559	-	Subsidiary
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming Line N.V.	Netherlands Antilles	Investment, shipping agency, forwarding agency and shipping managers	41,235	41,235	1,500,000	100.00	(1,036,047)	(126,482)	-	Subsidiary
Yang Ming Line N.V.	Yang Ming Line B.V.	Amsterdam, The Netherlands	Investment, shipping agency, forwarding agency and shipping managers	41,235	41,235	2,500	100.00	(1,038,838)	(126,778)	-	Subsidiary
Yang Ming Line B.V.	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	8,614	1,651	553	89.92	25,302	4,391	-	Subsidiary
	Yang Ming (Netherlands) B.V.	Netherlands	Shipping agency	820	820	(Note I)	100.00	9,981	8,753	-	Subsidiary
	Yang Ming (Italy) S.p.A.	Italy	Shipping agency	4,319	4,319	125,000	50.00	19,777	(7,235)	-	Subsidiary
	Yang Ming (UK) Ltd.	London, U.K.	Shipping agency, forwarding agency and shipping managers	42,408	42,408	900,000	100.00	(1,340,303)	(233,676)	-	Subsidiary
	Yang Ming Shipping Europe GmbH	Hamburg, Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	(Note B)	100.00	139,742	25,881	-	Subsidiary
	Yang Ming Shipping (Egypt) S.A.E.	Egypt	Shipping agency, forwarding agency and shipping managers	14,149	14,149	24,500	49.00	32,683	36,957	-	Equity-method investee
Yang Ming (Italy) S.p.A.	Yang Ming (Naples) S.r.l.	Italy	Forwarding agency	238	238	(Note K)	60.00	1,191	(1,505)	-	Subsidiary
Yang Ming (UK) Ltd.	Corstor Ltd.	U.K.	Forwarding agency and shipping managers	25	25	(Note C)	50.00	5,407	2,282	-	Equity-method investee
	Yes Logistic (UK) Limited	U.K.	Forwarding agency	-	-	200	100.00	(3,611)	-	-	Subsidiary
								(Note E)			
Yang Ming (Netherlands) B.V.	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	1,900	-	62	10.08	2,479	4,391	-	Subsidiary
Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Monrovia, Republic of Liberia	Forwarding agency	1,060,904	1,060,904	1	100.00	2,499,928	252,581	-	Subsidiary
Yes Logistics Corp.	Yes Logistics Corp. (USA)	U.S.A.	Shipping agency, forwarding agency and shipping managers	179,750	179,750	5,460,000	100.00	117,646	11,751	-	Subsidiary
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	128,571	128,571	5,025,188	100.00	39,483	(2,828)	-	Subsidiary
	Chang Ming Logistics Company Limited	Chongqing, China	Terminal operation and stevedoring	304,326	304,326	(Note D)	49.00	326,845	4,715	-	Equity-method investee
Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Benelux B.V.	Netherlands	Forwarding agency	10,179	7,587	12,600	70.00	6,656	1,868	-	Subsidiary
	Yes Logistics (Netherlands) B. V.	Netherlands	Forwarding agency	1,224	1,224	(Note N)	100.00	3,168	(75)	-	Subsidiary
	Yes Logistics Company Ltd.	Hong Kong	Forwarding agency	114,417	114,417	29,000,000	100.00	29,870	(3,112)	-	Subsidiary
Yes Logistics Corp. (USA)	Golden Logistics USA Corporation	USA	Container transportation	328	328	100	100.00	(793)	1,061	-	Subsidiary
	Yes Logistics (Shanghai) Corp.	Shanghai, China	Forwarding agency	164,329	164,329	(Note L)	100.00	72,693	255	-	Subsidiary
	YES Logistics Europe GmbH	Hamburg, Germany	Forwarding agency	1,158	1,158	(Note H)	100.00	12,811	4,506	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount (Note A)		Balance as of June 30, 2011			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2011	December 31, 2010	Shares	Percentage of Ownership	Carrying Amount			
Yes Logistics (Shanghai) Corp.	Golden Logistics (Qingdao) Corp.	Qingdao, China	Forwarding agency	\$ 12,498	\$ 12,498	(Note Q)	60.00	\$ 11,356	\$ 278	\$ -	Long-term equity investment held for sale Subsidiary
	Star Logistics (Qingdao) Corp.	Qingdao, China	Forwarding agency	10,850	10,850	(Note S)	60.00	8,832	1,677	-	

Notes:

- A. This is translated into New Taiwan dollars at the exchange rate prevailing at the time of investment acquisition.
- B. This is equivalent to EUR818,000, and no shares were issued.
- C. This is equivalent to GBP500, and no shares were issued.
- D. This is equivalent to US\$9,301,000, and no shares were issued.
- E. Investees had negative net assets. Thus, the negative carrying values of the investments were presented as liability.
- F. This is equivalent to US\$3,800,000, and no shares were issued.
- G. This is equivalent to US\$1,000,000, and no shares were issued.
- H. Paid-in capital was equivalent to EUR25,000, and no shares were issued.
- I. Paid-in capital was equivalent to EUR18,000, and no shares were issued.
- J. This is equivalent to US\$94,000, and no shares were issued.
- K. This is equivalent to EUR6,000, and no shares were issued.
- L. This is equivalent to US\$5,000,000, and no shares were issued.
- M. Recognized as deducted from long-term receivables - related parties.
- N. This is equivalent to EUR30,000, and no shares were issued.
- O. This is equivalent to US\$7,800,000, and no shares were issued.
- P. The loss of subsidiary was recognized in proportion to the Corporation's equity. Because the minority interest commits to share in the investees' losses, the cumulative equity of the Corporation in the investee's net loss in excess of the related investments is not charged against the Corporation.
- Q. This is equivalent to RMB3,000,000, and no shares were issued.
- R. This is equivalent to US\$1,000,000, and no shares were issued.
- S. This is equivalent to RMB2,960,000, and no shares were issued.
- T. This is equivalent to AED245,000, and no shares were issued.
- U. Financial statements used as basis of investment amounts were unaudited, except All Oceans Transportation Inc., Kuang Ming Shipping Corp., Yang Ming (Liberia) Corp., Yang Ming line (B.V.I.) Holding Co., Kuang Ming (Liberia) Corp., Yang Ming (UK) Ltd., Chin Ming Investment Corp. and Kao Ming Container Terminal Corp.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA

SIX MONTHS ENDED JUNE 30, 2011

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2011	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2011	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note D)	Carrying Value as of June 30, 2011 (Note D)	Accumulated Inward Remittance of Earnings as of June 30, 2011
						Outflow	Inflow					
Yang Ming Marine Transportation Corporation	Yangtze River Express Airlines Company Limited (Note A)	Shipping agency	RMB 500,000	Indirect investment through Singapore-based subsidiary's direct investment in Mainland China.	\$ 536,314 (US\$ 18,622)	\$ -	\$ -	\$ 536,314 (US\$ 18,622)	12%	\$ -	(Note F)	\$ -
Yes Logistics Corp.	Yes Logistics (Shanghai) Corp. (Note B)	Shipping agency	US\$ 5,000	Investee's direct investment in Mainland China.	144,000 (US\$ 5,000)	-	-	144,000 (US\$ 5,000)	96.36%	249	70,047	-
	Chang Ming Logistics Company Limited (Note C)	Terminal operation and stevedoring	RMB 144,800	Indirect investment through U.S.-based subsidiary's direct investment in Mainland China.	267,869 (US\$ 9,301)	-	-	267,869 (US\$ 9,301)	47.22%	2,227	314,949	-

Company Name	Accumulated Investment in Mainland China as of June 30, 2011	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Yang Ming Marine Transportation Corporation	\$ 536,314 (US\$ 18,622)	\$ 536,314 (US\$ 18,622)	\$ 21,464,524
Yes Logistics Corp.	411,869 (US\$ 14,301)	411,869 (US\$ 14,301)	664,348 (Note E)

Notes:

- A. The Corporation was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on November 29, 2005 and June 5, 2007.
- B. Yes Logistics Corp. (the subsidiary of the Corporation) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on June 3, 2004, July 4, 2006 and December 26, 2006.
- C. Yes Logistics Corp. (the subsidiary of the Corporation) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on April 11, 2005, August 22, 2006, November 29, 2006 and December 2, 2008.
- D. Calculated by the % ownership of direct or indirect investment.
- E. It represents 60% (\$1,107,246 thousand) of the net assets of Yes Logistics Corp. as of June 30, 2011.
- F. Impairment loss was recognized in 2007.
- G. United States dollars translated into New Taiwan dollars at the exchange rate of US\$1=NT\$28.80.
- H. Based on unaudited financial statements.