Yang Ming Marine Transport Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2014 and 2013 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders
Yang Ming Marine Transport Corporation

We have audited the accompanying consolidated balance sheets of Yang Ming Marine Transport Corporation (the "Company") and its subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Yes Logistics Company Ltd., Yang Ming Line Holding Co. and some subsidiaries of Yang Ming Line (Singapore) Pte. Ltd. as of and for the year ended December 31, 2014, and of Yes Logistics Company Ltd., Yang Ming Line Holding Co. and Yang Ming Line (Singapore) Pte. Ltd. as of and for the year ended December 31, 2013; these subsidiaries had been audited by other auditors. The combined total assets of these subsidiaries were 3.11% (NT$4,627,220 thousand) and 4.38% (NT$6,232,362 thousand) of the total consolidated assets as of December 31, 2014 and 2013, respectively. The combined total operating revenue of these subsidiaries were 0.73% (NT$987,835 thousand) and 1.18% (NT$1,405,087 thousand) of the total consolidated operating revenue for the years ended December 31, 2014 and 2013, respectively. Also, we did not audit the financial statements of the following equity-method associates and joint ventures: Yang Ming (U.A.E.) Ltd., Yang Ming Shipping (Egypt) S.A.E, West Basin Container Terminal LLC, United Terminal Leasing LLC, Yang Ming (Vietnam) Corp., Corstor Ltd., Chang Ming Logistics Company Limited, ANSHIP-YES Logistics Corporation Limited, Sino-YES Tianjin Cold Chain Logistics Company Limited, YES Liberal Logistics Corp. and LogiTrans Technology Private Limited for the year ended December 31, 2014; Yang Ming (U.A.E.) Ltd., Yang Ming Shipping (Egypt) S.A.E, West Basin Container Terminal LLC, United Terminal Leasing LLC, Yang Ming (Vietnam) Corp., Corstor Ltd., Chang Ming Logistics Company Limited, ANSHIP-YES Logistics Corporation Limited and Sino-YES Tianjin Cold Chain Logistics Company Limited for the year ended December 31, 2013; these associates and joint ventures had been audited by other auditors. The carrying values of these associates and joint ventures were NT$1,664,788 thousand and NT$1,604,797 thousand as of December 31, 2014 and 2013, respectively. The amounts of profit or loss recognized on investments accounted for using equity method were NT$77,980 thousand and NT$119,409 thousand for the years ended December 31, 2014 and 2013, respectively. The financial statements of these subsidiaries, associates and joint ventures were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for these subsidiaries, associates and joint ventures included in the accompanying consolidated financial statements, is based solely on the reports of other auditors.

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

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Yang Ming Marine Transport Corporation and its subsidiaries as of December 31, 2014 and 2013, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2014 and 2013, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Yang Ming Marine Transport Corporation as of and for the years ended December 31, 2014 and 2013 on which we have issued an unqualified opinion modified report.

March 25, 2015

<u>Notice to Readers</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 independent auditors' report and consolidated financial statements shall prevail.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	2014		2013	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 35)	$ 21,683,555	15	$ 13,631,975	10
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,868,239	1	1,886,873	1
Available-for-sale financial assets - current (Notes 4 and 8)	2,648	-	51,433	-
Notes receivable, net (Notes 4, 5 and 10)	364,608	-	332,878	-
Trade receivable, net (Notes 4, 5 and 10)	7,479,618	5	5,465,270	4
Trade receivable from related parties (Notes 4, 5, 10 and 35)	373,677	-	445,394	-
Shipping fuel (Notes 4, 5 and 11)	3,199,263	2	3,543,069	3
Prepayments (Notes 15 and 35)	756,119	1	599,066	-
Prepayments to shipping agents (Note 35)	599,718	-	354,000	-
Other financial assets - current (Notes 4, 16, 35 and 36)	1,055,463	1	696,719	1
Other current assets (Notes 4, 5 and 35)	1,034,966	1	501,050	-
Total current assets	38,417,874	26	27,507,727	19
NON-CURRENT ASSETS				
Available-for-sale financial assets - non-current (Notes 4 and 8)	1,538,992	1	2,002,458	1
Financial assets carried at cost - non-current (Notes 4 and 9)	494,597	-	499,500	-
Investments accounted for using equity method (Notes 4 and 12)	8,671,115	6	8,367,398	6
Property, plant and equipment (Notes 4, 5, 13, 35 and 36)	86,094,560	58	89,727,302	63
Investment properties (Notes 4, 14 and 36)	3,892,335	3	3,927,498	3
Other intangible assets (Note 4)	40,387	-	47,022	-
Deferred tax assets (Notes 4, 5 and 28)	2,660,649	2	2,794,294	2
Prepayments for equipment (Note 31)	507,033	-	1,062,717	1
Refundable deposits (Note 32)	636,196	1	409,081	-
Other financial assets - non-current (Notes 4, 16, 35 and 36)	5,011,864	3	5,219,619	4
Long-term prepayments for lease (Note 15)	599,705	-	631,278	1
Other non-current assets (Note 24)	25,771	-	57,962	-
Total non-current assets	110,173,204	74	114,746,129	81
TOTAL	$ 148,591,078	100	$ 142,253,856	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 17)	$ 947,025	1	$ 937,835	1
Short-term bills payable (Notes 4 and 17)	-	-	79,831	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	78,658	-	19,820	-
Notes payable (Note 4)	50,151	-	50,654	-
Trade payable (Notes 4 and 19)	14,084,195	10	12,185,629	9
Trade payable to related parties (Notes 4 and 35)	1,084,507	1	954,063	1
Payables on equipment (Note 35)	2,733	-	538,033	-
Other payables (Notes 4, 21 and 35)	2,893,168	2	2,372,243	2
Current tax liabilities (Notes 4 and 5)	126,170	-	72,092	-
Provisions-current (Notes 4 and 22)	620,012	-	562,680	-
Current portion of long-term liabilities (Notes 4, 17, 18, 20, 23, 35 and 36)	13,124,982	9	11,317,717	8
Advance from customers	1,469,997	1	413,015	-
Other current liabilities (Note 31)	442,722	-	645,100	-
Total current liabilities	34,924,320	24	30,148,712	21
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4, 18, 35 and 36)	26,431,834	18	28,864,549	20
Long-term borrowings (Notes 4, 17 and 36)	37,942,145	26	34,579,517	24
Provisions - non-current (Notes 4 and 22)	102,300	-	115,708	-
Deferred tax liabilities (Notes 4, 5 and 28)	2,105,244	1	2,330,771	2
Finance lease payables - non-current (Notes 4 and 20)	5,380,340	4	5,407,688	4
Other financial liabilities - non-current (Notes 4, 18 and 23)	4,715,322	3	5,027,132	4
Accrued pension liabilities (Notes 4, 5 and 24)	2,112,714	1	2,076,649	1
Other non-current liabilities	235,556	-	130,190	-
Total non-current liabilities	79,025,455	53	78,532,204	55
Total liabilities	113,949,775	77	108,680,916	76
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Ordinary shares	28,563,800	19	28,187,131	20
Capital surplus	4,899,288	3	8,562,852	6
Retained earnings (accumulated deficits)				
Legal reserve	-	-	5,143	-
Special reserve	-	-	46,291	-
Unappropriated earnings (accumulated deficits)	420,209	-	(3,845,726)	(3)
Total retain earnings (accumulated deficits)	420,209	-	(3,794,292)	(3)
Other equity	(237,248)	-	(279,807)	-
Total equity attributable to owners of the company	33,646,049	22	32,675,884	23
NON-CONTROLLING INTERESTS	995,254	1	897,056	1
Total equity	34,641,303	23	33,572,940	24
TOTAL	$ 148,591,078	100	$ 142,253,856	100

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

(With Deloitte & Touche auditors’ report dated March 25, 2015)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2014		2013	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 26 and 35)	$ 134,777,858	100	$ 118,873,960	100
OPERATING COSTS (Notes 4, 5, 11, 27 and 35)	129,032,363	96	123,004,237	103
GROSS INCOME (LOSS)	5,745,495	4	(4,130,277)	(3)
OPERATING EXPENSES (Notes 27 and 35)				
Selling and marketing expenses	5,052,324	4	4,775,447	4
General and administrative expenses	852,056	-	827,563	1
Total operating expenses	5,904,380	4	5,603,010	5
OTHER OPERATING INCOME (LOSS) AND EXPENSES (Notes 13, 27 and 30)	2,946,562	2	3,698,055	3
PROFIT (LOSS) FROM OPERATIONS	2,787,677	2	(6,035,232)	(5)
NON-OPERATING INCOME AND EXPENSES (Notes 12, 27, 34 and 35)				
Other gains and losses	(466,615)	-	4,464,085	4
Share of profit or loss of associates and joint ventures	138,084	-	118,794	-
Other income	337,195	-	296,311	-
Finance costs	(1,774,345)	(1)	(1,858,362)	(1)
Total non-operating income and expenses	(1,765,681)	(1)	3,020,828	3
PROFIT (LOSS) BEFORE INCOME TAX	1,021,996	1	(3,014,404)	(2)
INCOME TAX EXPENSE (BENEFIT) (Notes 4, 5 and 28)	494,653	1	(104,494)	-
NET PROFIT (LOSS) FOR THE YEAR	527,343	-	(2,909,910)	(2)
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 24, 25 and 28)				
Exchange differences on translating foreign operations	564,141	-	310,585	-
Unrealized gain (loss) on available-for-sale financial assets	(473,393)	-	249,111	-

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YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2014		2013	
	Amount	**%**	**Amount**	**%**
Actuarial gain and loss arising from defined benefit plans	$ 9,004	-	$ (100,377)	-
Share of other comprehensive income of associates and joint ventures	(32,623)	-	16,547	-
Income tax relating to components of other comprehensive income	(1,531)	-	17,064	-
Other comprehensive income (loss) for the year, net of income tax	65,598	-	492,930	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 592,941	-	$ (2,416,980)	(2)
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owner of the Company	$ 411,367	-	$ (2,946,114)	(2)
Non-controlling interests	115,976	-	36,204	-
	$ 527,343	-	$ (2,909,910)	(2)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	$ 462,768	-	$ (2,466,127)	(2)
Non-controlling interests	130,173	-	49,147	-
	$ 592,941	-	$ (2,416,980)	(2)
EARNINGS (LOSS) PER SHARE (Note 29)				
From continuing operations				
Basic	$0.13		$(0.90)	
Diluted	$0.13		$(0.90)	

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

(With Deloitte & Touche auditors' report dated March 25, 2015) (Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
	Capital Stock - Common Stock			Retained Earnings (Accumulated Deficits) (Note 25)			Other Equity				
	Shares (In Thousands)	Amount (Notes 4 and 25)	Capital Surplus (Notes 4 and 25)	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating Foreign Operations (Notes 4 and 25)	Unrealized Gain (Loss) on Available-for-sale Financial Assets (Notes 4 and 25)	Total	Non-controlling Interests (Note 25)	Total Equity
BALANCE AT JANUARY 1, 2013	2,818,713	$ 28,187,131	$ 8,210,248	$ -	$ -	$ (763,793)	$ (357,131)	$ (487,048)	$ 34,789,407	$ 3,773,293	$ 38,562,700
Appropriation of 2012 earnings											
Legal reserve	-	-	-	5,143	-	(5,143)	-	-	-	-	-
Special reserve	-	-	-	-	46,291	(46,291)	-	-	-	-	-
Equity component of convertible bonds	-	-	352,604	-	-	-	-	-	352,604	-	352,604
Net profit (loss) for the year ended December 31, 2013	-	-	-	-	-	(2,946,114)	-	-	(2,946,114)	36,204	(2,909,910)
Other comprehensive income (loss) for the year ended December 31, 2013, net of income tax	-	-	-	-	-	(84,385)	298,714	265,658	479,987	12,943	492,930
Total comprehensive income (loss) for the year ended December 31, 2013	-	-	-	-	-	(3,030,499)	298,714	265,658	(2,466,127)	49,147	(2,416,980)
Increase (decrease) in non-controlling interests-cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(111,822)	(111,822)
Effect of deconsolidation of subsidiary	-	-	-	-	-	-	-	-	-	(2,813,562)	(2,813,562)
BALANCE AT DECEMBER 31, 2013	2,818,713	28,187,131	8,562,852	5,143	46,291	(3,845,726)	(58,417)	(221,390)	32,675,884	897,056	33,572,940
Compensation of 2013 deficit											
Legal reserve for compensating deficit	-	-	-	(5,143)	-	5,143	-	-	-	-	-
Special reserve for compensating deficit	-	-	-	-	(46,291)	46,291	-	-	-	-	-
Capital surplus used to offset accumulated deficits	-	-	(3,794,292)	-	-	3,794,292	-	-	-	-	-
Convertible bonds converted to ordinary shares	37,667	376,669	130,728	-	-	-	-	-	507,397	-	507,397
Net profit (loss) for the year ended December 31, 2014	-	-	-	-	-	411,367	-	-	411,367	115,976	527,343
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	-	8,842	548,796	(506,237)	51,401	14,197	65,598
Total comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	-	420,209	548,796	(506,237)	462,768	130,173	592,941
Increase (decrease) in non-controlling interests-cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(31,975)	(31,975)
BALANCE AT DECEMBER 31, 2014	2,856,380	$ 28,563,800	$ 4,899,288	$ -	$ -	$ 420,209	$ 490,379	$ (727,627)	$ 33,646,049	$ 995,254	$ 34,641,303

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

(With Deloitte & Touche auditors' report dated March 25, 2015)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	$ 1,021,996	$ (3,014,404)
Adjustments for:		
Depreciation expenses	6,557,493	7,165,304
Amortization expenses	32,076	41,428
Impairment loss recognized on trade receivables	6,919	3,467
Net (gain) loss arising on financial assets/liabilities at fair value through profit and loss	209,933	(362,556)
Finance costs	1,774,345	1,858,362
Interest income	(155,037)	(106,378)
Dividend income	(66,194)	(61,127)
Share of profit of associates and joint ventures	(138,084)	(118,794)
Gain on disposal of property, plant and equipment	(2,786,915)	(3,626,768)
Gain on disposal of available-for-sale financial assets	(21,612)	(7,841)
Gains on disposal of financial assets carried at cost	-	(359,237)
Write-down of shipping fuel	37,295	36,129
Disposal of subsidiaries and fair value of residual investment	-	(3,763,334)
Amortization of long-term prepayments for lease	31,573	319,223
Provision for liabilities	1,103,318	667,639
Impairment loss recognized on financial assets carried at cost	4,903	-
Changes in operating assets and liabilities		
(Increase) decrease in financial assets held for trading	(123,339)	503,395
Increase in notes receivable	(32,662)	(128,955)
(Increase) decrease in trade receivable	(2,019,521)	445,889
(Increase) decrease in trade receivable from related parties	71,717	(526,911)
(Increase) decrease in shipping fuel	306,511	(307,063)
Increase in prepayments	(143,108)	(66,260)
(Increase) decrease in advances to shipping agents	(245,718)	102,361
(Increase) decrease in other current assets	(382,393)	271,131
Decrease in notes payable	(503)	(503)
Increase in trade payable	1,898,566	2,707,774
Increase in trade payable to related parties	130,444	656,733
Increase in other payables	437,551	312,939
Decrease in provisions	(1,087,409)	(563,423)
Increase (decrease) in advances from customers	1,056,982	(6,037)
Increase (decrease) in other current liabilities	38,402	(336,455)
Increase (decrease) in accrued pension liabilities	45,069	(58,482)
Cash generated from operations	7,562,598	1,677,246
Dividend received	202,879	103,926
Interest received	143,367	82,225
Interest paid	(1,560,936)	(1,776,042)
Income tax paid	(567,250)	(623,359)
Net cash generated from (used in) operating activities	5,780,658	(536,004)

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YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets designated as at fair value through profit or loss	$ (6,617,126)	$ (3,723,089)
Proceeds from disposal of financial assets designated as at fair value through profit or loss	6,610,890	3,815,098
Acquisition of available-for-sale financial assets	(21,184,278)	(30,544,178)
Proceeds from disposal of available-for-sale financial assets	21,244,915	30,706,139
Acquisition of financial assets carried at cost	-	(100,000)
Proceeds from disposal of financial assets carried at cost	-	359,237
Acquisition of associates accounted for using equity method	(352,181)	(16,895)
Net cash generated from deconsolidation of subsidiary (Note 30)	-	1,659,213
Capital reduction from investment accounted for using equity method	3,029	-
Acquisition of property, plant and equipment	(9,378,392)	(9,716,918)
Proceeds from disposal of property, plant and equipment	10,820,819	8,454,913
(Increase) decrease in refundable deposits	(227,115)	10,787
Acquisition of intangible assets	(19,869)	(46,047)
Increase in other financial assets	(150,989)	(114,637)
(Increase) decrease in other non-current assets	25,829	(39,120)
Increase in prepayments for equipment	(1,021,577)	(990,488)
Increase in long-term prepayments for lease	-	(1,028,256)
Net cash used in investing activities	(246,045)	(1,314,241)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in short-term debt	9,190	727,928
Increase in short-term bills payable	260,680	79,831
Decrease in short-term bills payable	(340,511)	-
Proceeds from issuance of bonds	3,850,000	9,575,092
Repayment of principal of bonds	(2,674,000)	(3,174,000)
Proceeds from long-term debts	24,635,975	34,773,573
Repayment of long-term debts	(23,425,995)	(37,590,112)
Payment for obligations under finance leases	(286,275)	(269,513)
Decrease in other financial liabilities	(286,284)	(172,248)
Increase in other non-current liabilities	105,366	15,786
Dividends paid to non-controlling interests	(31,975)	(111,822)
Net cash generated from financing activities	1,816,171	3,854,515
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	700,796	684,135

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YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	2014	2013
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 8,051,580	$ 2,688,405
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	13,631,975	10,943,570
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 21,683,555	$ 13,631,975

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

(With Deloitte & Touche auditors' report dated March 25, 2015) (Concluded)

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

1. GENERAL INFORMATION

Yang Ming Marine Transport Corporation (the "Company" or YMTC), 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 Company simultaneous to the Company's listing of its shares of stock on the ROC Taiwan Stock Exchange. The percentages of ownership of MOTC were 35.04% and 35.51% at December 31, 2014 and 2013, respectively. Half of the directors were appointed by the Ministry of Transportation.

YMTC mainly engages in shipping; impairment, chartering, sale and purchase of ships, containers and chassis and shipping agency.

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

The consolidated financial statements are presented in YMTC's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by YMTC's board of directors on March 25, 2015.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. The amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC not yet effective.

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

New, Amended and Revised Standards and Interpretations (the "New IFRS")	Effective Date Announced by IASB (Note)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 "Embedded Derivatives"	Effective for annual periods ending on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013

(Continued)

New, Amended and Revised Standards and Interpretations (the "New IFRS")	Effective Date Announced by IASB (Note)
Amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters"	July 1, 2010
Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters"	July 1, 2011
Amendment to IFRS 1 "Government Loans"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Transfer of Financial Assets"	July 1, 2011
IFRS 10 "Consolidated Financial Statements"	January 1, 2013
IFRS 11 "Joint Arrangements"	January 1, 2013
IFRS 12 "Disclosure of Interests in Other Entities"	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 "Investment Entities"	January 1, 2014
IFRS 13 "Fair Value Measurement"	January 1, 2013
Amendment to IAS 1 "Presentation of Other Comprehensive Income"	July 1, 2012
Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets"	January 1, 2012
IAS 19 (Revised 2011) "Employee Benefits"	January 1, 2013
IAS 27 (Revised 2011) "Separate Financial Statements"	January 1, 2013
IAS 28 (Revised 2011) "Investments in Associates and Joint Ventures"	January 1, 2013
Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities"	January 1, 2014
IFRIC 20 "Stripping Costs in Production Phase of a Surface Mine"	January 1, 2013

(Concluded)

Note: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after the respective effective dates.

Except for the following, whenever applied, the initial application of the above 2013 IFRSs version and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers would not have any material impact on the Group's accounting policies:

1) IFRS 12 "Disclosure of Interests in Other Entities"

   IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

2) IFRS 13 "Fair Value Measurement"

   IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

   The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015.

3) Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Group will retrospectively apply the above amendments starting from 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates and joint ventures accounted for using the equity method. However, the application of the above amendments will not result in any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

4) Revision to IAS 19 "Employee Benefits"

Revised IAS 19 will accelerate the recognition of past service costs. The revision requires all remeasurements of defined benefit plans to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus. The Group has not determined how to present the remeasurements of defined benefit plans in the consolidated statements of changes in equity.

Furthermore, the interest cost and expected return on plan assets used in current IAS 19 are replaced with a "net interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

In addition, revised IAS 19 changed the definition of short-term employee benefits. The revised definition is "employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service". The Group's unused annual leave, which can be carried forward within 24 months after the end of the annual period in which the employee renders service and which is currently classified as short-term employee benefits, will be classified as other long-term employee benefits under revised IAS 19. Related defined benefit obligation of such other long-term benefit is calculated using the Projected Unit Credit Method. However, this change does not affect unused annual leave to be presented as a current liability in the consolidated balance sheet. The Group is continuingly assessing the possible impact that the application of the above payable for annual leave and will disclose the relevant impact when the assessment is complete.

On initial application of the revised IAS 19 in 2015, the changes in cumulative employee benefit costs as of December 31, 2013 resulting from the retrospective application are adjusted to investments accounted for using equity method, deferred tax assets, accrued pension liabilities and retained earnings (accumulated loss). In addition, in preparing the consolidated financial statements for the year ended December 31, 2015, the Group would elect not to present 2014 comparative information about the sensitivity of the defined benefit obligation.

The anticipated impact of the initial application of the revised IAS 19 is detailed as follows:

	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
Impact on assets, liabilities and equity			
December 31, 2014			
Investments accounted for using equity method	$ 8,671,115	$ 23	$ 8,671,138
Deferred tax assets	2,660,649	(5,675)	2,654,974
Total effect on assets	$ 11,331,764	$ (5,652)	$ 11,326,112
Accrued pension liabilities	$ 2,112,714	$ (33,381)	$ 2,079,333
Retained earnings	$ 420,209	$ 26,352	$ 446,561
Non-controlling interests	$ 995,254	$ 1,377	$ 996,631
December 31, 2013			
Investments accounted for using equity method	$ 8,367,398	$ 38	$ 8,367,436
Deferred tax assets	2,794,294	(6,118)	2,788,176
Total effect on assets	$ 11,161,692	$ (6,080)	$ 11,155,612
Accrued pension liabilities	$ 2,076,649	$ (35,988)	$ 2,040,661
Accumulated deficits	$ (3,794,292)	$ 28,410	$ (3,765,882)
Non-controlling interests	$ 897,056	$ 1,498	$ 898,554
Impact on total comprehensive income (loss) for the year ended December 31, 2014			
Operating cost	$ 129,032,363	$ (4,713)	$ 129,027,650
Share of profit or loss of associates and joint ventures	$ 138,084	$ (15)	$ 138,069
Income tax expense	$ 494,653	$ 801	$ 495,454
Net profit for the year	$ 527,343	$ 3,897	$ 531,240
Other comprehensive income	$ 65,598	$ (6,076)	$ 59,522
Comprehensive income for the year	$ 592,941	$ (2,179)	$ 590,762
Net profit attributable to:			
Owners of the Company	$ 411,367	$ 3,740	$ 415,107
Non-controlling interests	$ 115,976	$ 157	$ 116,133
Total comprehensive income attributable to:			
Owners of the Company	$ 462,768	$ (2,058)	$ 460,710
Non-controlling interests	$ 130,173	$ (121)	$ 130,052

b. New IFRSs in issue but not yet endorsed by the FSC

The Group has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced their effective dates.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2017
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: Prospectively applicable to transactions occurring in annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Group's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss, if any, recognized in profit or loss. Interest revenue is recognized in profit or loss by using the effective interest method;

b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment loss (recovery) and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for the above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Group takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

2) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made consequential amendment to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Group is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) Annual Improvements to IFRSs: 2010-2012 Cycle

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

4) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers and supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations from January 1, 2017.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 becomes effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

5) Amendment to IAS 1 "Disclosure Initiative"

The amendment clarifies that the consolidated financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its consolidated financial statements, the Group should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

The amendment further clarifies that the Group should consider the understandability and comparability of its consolidated financial statements to determine a systematic order in presenting its footnotes.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

1) Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Attribution of total comprehensive income to non-controlling interests

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition.

2) Subsidiaries included in consolidated financial statements

			% of Ownership		
			December 31		
Investment Company	**Subsidiaries**	**Main Business**	**2014**	**2013**	**Note**
Yang Ming Marine Transport Corporation	Yang Ming Line (B.V.I.) Holding Co., Ltd. (YML-BVI)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
	Yang Ming Line (Singapore) Pte. Ltd. (YML-Singapore)	Investment, shipping service, chartering, sale and purchase of ships; and forwarding agency	100.00	100.00	
	Ching Ming Investment Corp. (Ching Ming)	Investment	100.00	100.00	
	All Oceans Transportation Inc. (AOT)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
	Yes Logistics Corp. (Yes Logistics)	Warehouse operation and forwarding agency	50.00	50.00	
	Kuang Ming Shipping Corp. (Kuang Ming)	Shipping service, shipping agency and forwarding agency	86.57	86.57	
	Honming Terminal & Stevedoring Co., Ltd. (Honming)	Terminal operation and stevedoring	79.17	79.17	
	Jing Ming Transportation Co., Ltd. (Jing Ming)	Container transportation	50.98	50.98	
	Yang Ming Line Holding Co. (YML Holding)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
	Yang Ming (Liberia) Corp. (Yang Ming-Liberia)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
Ching Ming	Honming	Terminal operation and stevedoring	20.83	20.83	
	Yes Logistics	Warehouse operation and forwarding agency	46.36	46.36	
YML Holding	Yang Ming (America) Co. (Yang Ming-America)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
	Triumph Logistics, Inc.	Container transportation	100.00	100.00	
	Olympic Container Terminal LLC	Terminal operation and stevedoring	100.00	100.00	

(Continued)

Investment Company	Subsidiaries	Main Business	% of Ownership December 31 2014	2013	Note
	Topline Transportation, Inc.	Container transportation	100.00	100.00	
	Coastal Tarheel Express, Inc.	Container transportation	100.00	100.00	
	Transcont Intermodal Logistics, Inc.	Inland forwarding agency	100.00	100.00	
	Yang Ming Shipping (Canada) Ltd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
YML-BVI	Yang Ming Line N.V. (YML-NV).	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
YML-NV	Yang Ming Line B.V. (YML-BV)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
YML-BV	Yangming (UK) Ltd. (Yangming-UK)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
	Yang Ming Shipping Europe GmbH (Yangming-ERO)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
	Yang Ming Italy S.p.A. (Yang Ming-Italy)	Shipping agency	50.00	50.00	
	Yang Ming (Netherlands) B.V. (Yang Ming-Netherlands)	Shipping agency	100.00	100.00	
	Yang Ming (Belgium) N.V.	Shipping agency	89.92	89.92	
Yangming (Netherlands) B.V.	Yang Ming (Belgium) N.V.	Shipping agency	10.08	10.08	
Yang Ming-Italy	Yang Ming Naples S.r.l. (Yang Ming-Naples)	Forwarding agency	60.00	60.00	
YML-Singapore	Young-Carrier Company Ltd.	Investment, shipping agency, forwarding agency and shipping managers	91.00	91.00	
	Yang Ming Shipping (B.V.I.) Inc. (YMS-BVI)	Forwarding agency and shipping agency	51.00	51.00	
	Yangming (Japan) Co., Ltd. (Yangming Japan)	Shipping services, chartering, sale and purchase of ships, and forwarding agency	100.00	100.00	
	Sunbright Insurance Pte. Ltd.	Insurance	100.00	100.00	
	Yang Ming Line (Hong Kong) Ltd. (YML-HK)	Forwarding agency and shipping agency	51.00	51.00	
	Yangming Shipping (Singapore) Pte. Ltd. (YMS-Singapore)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
	Yang Ming Line (M) Sdn. Bhd. (YML-M)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
	Yang Ming Line (India) Pvt. Ltd. (YML-India)	Shipping agency, forwarding agency and shipping managers	60.00	60.00	
	Yang Ming (Korea) Co., Ltd. (Yang Ming-Korea)	Shipping agency, forwarding agency and shipping managers	60.00	60.00	
	Yang Ming Anatolia Shipping Agency S.A.	Shipping agency, forwarding agency and shipping managers	50.00	50.00	
Yangming (Japan)	Manwa & Co., Ltd.	Forwarding agency and shipping agency	100.00	100.00	
YMS-BVI	Karlman Properties Limited	Property agency	100.00	100.00	
Kuang Ming Shipping Corp. (Kuang Ming)	Kuang Ming (Liberia) Corp.	Forwarding agency	100.00	100.00	
Yes Logistics	Yes Logistics Corp. USA (Yes-USA)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
	Yes Yangming Logistics (Singapore) Pte. Ltd. (Yes-Singapore)	Investment and subsidiaries management	100.00	100.00	
Yes-USA	Yes Logistics (Shanghai) Corp.	Forwarding agency	100.00	100.00	
	Golden Logistics USA Corporation (Golden-USA)	Container transportation	100.00	100.00	
	Yes Logistics Europe GmbH (Yes-ERO)	Forwarding agency	100.00	100.00	
Yes-Singapore	Yes Logistics Company, Ltd.	Forwarding agency	100.00	100.00	
	Yes Logistics (Netherlands) B.V.	Forwarding agency	-	100.00	Note a
	Yes Logistics Benelux B.V.	Forwarding agency	70.00	70.00	
Yes Logistics Europe GmbH	Merlin Logistics GmbH	Forwarding agency	80.00	80.00	

(Concluded)

Note a: Yes Logistics board of directors resolved to liquidate 100% interest of Yes Logistics (Netherlands) B.V. and the liquidation has been completed on May 9, 2014

YMTC disposed partial interest in Kao Ming Container Terminal Corp. (Kao-Ming) in December 2013, YMTC's interest declined from 60% to 47.5%. After the disposal, YMTC had lost control-over Kao Ming (Note 30)

The financial statements of some insignificant consolidated entities as of and for the year ended December 31, 2014 (Yes Logistics Benelux B.V., Golden Logistics USA Corporation, Yes Logistics Europe GmbH and Merlin Logistics GmbH), 2013 (Yes Logistics Benelux B.V., Golden Logistics USA Corporation, Yes Logistics Europe GmbH, Merlin Logistics GmbH and Yes Logistics (Netherlands) B.V.) were unaudited. YMTC's management believed that unaudited financial statements of these companies will not have material effect on the Group's consolidated financial statements.

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the subsidiaries and associates in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate.

On the disposal of a foreign operation or a disposal involving loss of control over a subsidiary that includes a foreign operation all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

f. 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.

g. Investment in associates and jointly controlled entities

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Joint venture arrangements that involve the establishment of a separate entity in which ventures have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of associates and jointly controlled entities are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associate and jointly controlled entities are initially recognized at cost and adjusted thereafter to recognize the share of the profit or loss and other comprehensive income of the associate and jointly controlled entities. The Group also recognizes the changes in the Group's share of equity of associates and jointly controlled entities.

When the Group's share of losses of associate and jointly controlled entities equals or exceeds its interest in that associate and jointly controlled entities (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and jointly controlled entities), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of the associate and jointly controlled entities.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of associate and jointly controlled entities recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

h. Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Freehold land is not depreciated.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. Assets are depreciated over the shorter of the lease term and their useful lives using the straight-line method.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life.

Gain or loss arising from derecognition of an intangible asset, which is measured as the difference between the net proceeds of disposal and the carrying amount of the asset, is recognized in profit or loss when the asset is derecognized.

k. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation. Or, Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent allocation basis.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

m. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

i. Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset may be designated as at fair value through profit or loss upon initial recognition if:

i) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii) The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii) The contract contains one or more embedded derivatives so that the entire hybrid (combined) contract can be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

ii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. The changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

iii. Loans and receivables

Loans and receivables (including trade receivables, cash and cash equivalent, other receivables and other financial assets) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are 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 financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables and other receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables, and other situation.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract, such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or financial re-organization, or the disappearance of an active market for that financial asset because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, the impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 34.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (mandatory convertible bonds and convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to capital surplus - share premium. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premium.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component, using the effective method to amortize in subsequent periods.

5) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to oil price variation risks including oil swap and oil swap option.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

n. Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The provision is measured using the present value of cash flows estimated to settle the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1) Onerous contracts

Where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract is called an onerous contract.

2) Dismantling provisions

The costs of property, plant and equipment include in the initial estimate of related provisions of dismantling, removing and restoring the item when acquired.

o. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

1) Cargo revenue

Cargo revenue is recognized using the percentage-of-completion of voyage method. The percentage is calculated using the percentage of completed days to total estimated voyage days.

2) Rental revenues on ships, container and warehouse

Rental revenues from operating leases are recognized on a straight-line basis over the lease term.

3) Terminal operating revenue

Terminal and stevedoring revenue is recognized when the service is provided; berthing revenue is recognized by the reference to berthing hour and at berthing rate regulated by Taiwan international Ports Corporation.

4) Forwarding agency revenue

Forwarder revenues are recognized upon the completion of packing for shipment. The revenues from cargo arrangement services are recognized upon the completion of service.

5) Other service revenue

Other service revenue is recognized on an accrual basis during the service is rendered or upon the completion of service.

6) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

p. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1) The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortized on a straight-line basis over the lease term. Contingent rents arising under operating leases are recognized as revenue in the period in which they are incurred.

2) The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheets as a finance lease obligation.

Minimum lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rents are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Contingent rents arising under operating leases are recognized as an expense in the period in which they are incurred.

3) Sales and leaseback

If a sale and leaseback results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss should be recognized immediately. If the sale price is below fair value, any profit or loss should be recognized immediately except that, if the loss is compensated by future lease payments at below market price, it should be deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value should be deferred and amortized over the period for which the asset is expected to be used.

q. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method. All actuarial gains and losses on the defined benefit obligation are recognized immediately in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated balance sheets represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognized past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Curtailment or settlement gains or losses on the defined benefit plan are recognized when the curtailment or settlement occurs.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

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.

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carry forward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimates and assumptions about the information that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Non-financial assets (excluding goodwill) impairment

The Group’s major operating assets are ships, containers, terminal construction and equipment. At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss.

When assessing for impairment, the Group relies on subjective judgments, such as the usage of assets and business environment to determine expected cash flows, useful life and future gains and losses generated from these assets. Significant impairment may result from economic changes, fluctuation of the assets' value or changes in the Group's strategy.

The Group did not recognize any impairment loss for the years ended December 31, 2014 and 2013.

b. Provisions for onerous contracts

The Group estimates provisions for onerous contracts based on the unavoidable costs of meeting the obligations under the contract in excess of the economic benefits expected to be received from irrevocable contracts of charter-in hire. Expected economic benefits are estimated according to related charter-out hire contract price and expected future market price; unavoidable costs are estimated by irrevocable charter-in contracts. As of December 31, 2014 and 2013, the provisions for onerous contracts were $620,012 thousand and $562,680 thousand, respectively.

c. Estimation of operating costs

Estimated accruals for cargo handling and voyage costs are based on the bills received; for the bills in transit, estimation is made using standard cost method. Reconciliation of the difference between actual costs and estimated amounts is made afterwards, and standard costs are adjusted accordingly.

d. Estimation of ships and containers' useful life and residual value

The Group's major operating assets are ships and containers. The management estimates ships and containers' useful life based on the Company's business model, assets management policy, industry practices, expected repairs and maintenance and new technology or changes in business environment. Management also estimates ships and containers' residual value by considering current price of scrap steel and historical disposal price. As mentioned in Note 4, the Group reviews estimated useful life and residual value of property, plant and equipment every reporting period. For the years ended December 31, 2014 and 2013, the Company had not changed the useful life and residual value of all assets.

e. Income taxes

Tax rates used by the Group entities operating in their jurisdictions are based on the tax laws in those jurisdictions. Uncertainty regarding tax effects may exist when reconciling accounting profit and taxable profit; management should make judgments on the Group's overall tax planning.

Anticipated deferred and current tax liabilities are recognized based on the best estimation from information currently available. If actual tax liabilities differ from accruals, the adjustment of current and deferred tax liability is necessary.

As of December 31, 2014 and 2013, the carrying amount of deferred tax assets was $2,660,649 thousand and $2,794,294 thousand, respectively; the carrying amount of deferred tax liabilities was $2,105,244 thousand and $2,330,771 thousand. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available. If the actual profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal take place.

f. Estimated impairment of trade receivables (included other receivables)

Objective evidence of impairment of trade receivables include financial difficulty of the debtor or financial re-organization, bankruptcy, escape and accounts overdue.

General impairment of trade receivables are based on aging of receivables, recoverability from historical experience and actual rate of occurrence. Individual assessment of impairment is based on objective evidence. For other receivables, assessment for impairment is made according to the credit situation and objective evidence. If objective evidence has changed, the assessment for impairment of trade receivables and other receivables should be modified. If actual cash flows are less than expected, a material impairment loss may occur.

Other information about impairment of trade receivables and changes in doubtful accounts, please refer to Note 10.

g. Fair value of financial instruments

As described in Note 34, the Group's management uses its judgment in selecting an appropriate valuation technique for financial instruments that do not have quoted market price in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions were based on quoted market rates adjusted for specific features of the instruments. The Group's management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

h. Impairment of shipping fuel

Net realizable value of shipping fuel is the estimated revenue generated in the ordinary course of business less the estimated costs necessary to generate the revenue. The estimation of net realizable value was based on current market conditions. Change in market conditions may have a material impact on the estimation of net realizable value.

i. Recognition and measurement of defined benefit plans

Accrued pension liabilities and the resulting pension expense under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and long-term average future salary increase. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2014	**2013**
Cash on hand	$ 8,352	$ 9,148
Checking accounts and demand deposits	12,996,967	7,388,306
Cash equivalents		
Time deposit with original maturities less than three months	8,678,236	6,234,521
	$ 21,683,555	$ 13,631,975

The market rate intervals of cash in bank at the end of the reporting period were as follows:

	December 31	
	2014	**2013**
Bank balance	0.25%-8.75%	0.15%-3.35%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2014	2013
Financial assets designated as at FVTPL		
Principal guaranteed notes (a)	$ 960,158	$ 949,676
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Oil swap and oil swap option (b)	78,486	55,590
Non-derivative financial assets		
Domestic quoted shares	211,960	138,872
Mutual funds	617,635	742,735
	908,081	937,197
	$ 1,868,239	$ 1,886,873
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Oil swap and oil swap option (b)	$ 77,844	$ -
Put option of bond (Note 18)	814	19,820
	$ 78,658	$ 19,820

a. Principal guaranteed notes were held to link to TTT50, commercial paper, and interest rate within the range of one-month Libor, three-month Libor, six-month Libor and three-month Shibor. Realized profit and loss arose from redemption were $10,683 thousand and $4,163 thousand for the years ended December 31, 2014 and 2013, respectively.

b. The Company's purpose for trading oil swap and oil swap option was to reduce the cost burden from oil price increase. The Group entered into oil swap and oil swap option contracts. The contracts were settled in amounts that ranged from US$9,112 thousand to US$57,690 thousand and from US$11,850 thousand to US$20,127 thousand every month for the years ended December 31, 2014 and 2013, respectively. The terms of the derivatives mentioned above did not qualify as effective hedging instruments, thus hedge accounting was not applied.

   Outstanding oil swap and oil swap option contracts at the end of reporting periods were as follows:

		Unsettled Amount	
	Maturity Date	Notional Amount	Fair Value
December 31, 2014	2015.03.31	US$ 5,982 thousand	$ 78,486
December 31, 2014	2015.03.31	US$ 5,982 thousand	(77,844)
December 31, 2013	2014.12.31	US$ 81,261 thousand	55,590

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2014	**2013**
Domestic investments		
Domestic quoted stocks	$ 1,539,004	$ 2,002,470
Mutual funds	2,636	51,421
	$ 1,541,640	$ 2,053,891
Current	$ 2,648	$ 51,433
Non-current	1,538,992	2,002,458
	$ 1,541,640	$ 2,053,891

9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	December 31	
	2014	**2013**
Domestic unquoted common stocks	$ 494,457	$ 494,457
Overseas unquoted common stocks	140	5,043
	$ 494,597	$ 499,500
Classified according to financial asset measurement categories		
Available-for-sale financial assets	$ 494,597	$ 499,500

Management believed that the above unlisted equity investments held by the Group, whose fair value cannot be reliably measured due to the range of reasonable fair value estimates was so significant; therefore they were measured at cost less impairment at the end of reporting period.

Some investees had continuing deficits; thus, the Group recognized impairment loss of $4,903 thousand in 2014.

The Group disposed of certain financial assets measured at cost and recognized disposal gain of $359,237 thousand in other gains and losses for the year ended December 31, 2013.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2014	**2013**
Notes receivable		
Notes receivable - non-related-parties	$ 380,495	$ 348,283
Less: Allowance for impairment loss	(15,887)	(15,405)
	$ 364,608	$ 332,878

(Continued)

	December 31	
	2014	2013
Trade receivable		
Trade receivable - non-related parties	$ 7,495,594	$ 5,503,098
Trade receivable - related parties	373,677	445,394
Less: Allowance for impairment loss	(15,976)	(37,828)
	$ 7,853,295	$ 5,910,664

(Concluded)

Trade Receivable

The average credit period of trade receivable from cargo business is 14 to 28 days. For logistics, terminal, and warehousing services, the average credit period is within 90 days. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. An impairment loss is recognized when there is objective evidence that the trade receivable is impaired. Objective evidence of impairment could include past default experience with the counterparties, decline in credit quality and an unfavorable change in their current financial position.

The Group's customers are scattered around the world and not related to each other. The management believes there is no significant concentration of credit risk for trade receivable.

For the trade receivables balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss, because there was not a significant change in credit quality and the amounts were still considered recoverable. The Group acquired bank's guaranteed letter from agencies or received security deposit from clients; for the rest of the receivables, the Group did not hold any collateral or other credit enhancements for these balances.

The aging of receivables that were past due but not impaired was as follows:

	December 31	
	2014	2013
Less than 90 days	$ 290,211	$ 356,054
91-180 days	48,888	8,704
181-365 days	6,957	3,071
Over 365 days	5,799	7,783
	$ 351,855	$ 375,612

The above aging schedule was based on the past due date.

Movement in the allowance for impairment loss recognized on notes receivable and trade receivables were as follow:

	For the Year Ended December 31, 2013				
	Notes Receivable		Trade Receivable		
	Individually Assessed for Impairment	Collectively Assessed for Impairment	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2013	$ -	$ 8,942	$ 27,317	$ 14,149	$ 50,408
Add: Impairment losses recognized (reversed) on receivables	-	5,570	866	(2,969)	3,467
Less: Amounts written off as uncollectible	-	-	(251)	(1,747)	(1,998)
Effect of exchange rate changes	-	893	357	106	1,356
Balance at December 31, 2013	$ -	$ 15,405	$ 28,289	$ 9,539	$53,233

	For the Year Ended December 31, 2014				
	Notes Receivable		Trade Receivable		
	Individually Assessed for Impairment	Collectively Assessed for Impairment	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2014	$ -	$ 15,405	$ 28,289	$ 9,539	$ 53,233
Add: Impairment losses recognized (reversed) on receivables	-	2,004	1,988	2,927	6,919
Less: Amounts written off as uncollectible	-	(450)	(26,086)	(939)	(27,475)
Effect of exchange rate changes	-	(1,072)	165	93	(814)
Balance at December 31, 2014	$ -	$ 15,887	$ 4,356	$ 11,620	$ 31,863

11. SHIPPING FUEL

	December 31	
	2014	2013
Shipping fuel	$ 3,199,263	$ 3,543,069

The cost of shipping fuel recognized as operating cost for the years ended December 31, 2014 and 2013, was $27,534,762 thousand and $29,214,446 thousand, respectively.

The cost of shipping fuel recognized as operating cost for the years ended December 31, 2014 and 2013 included shipping fuel write-downs of $37,295 thousand and $36,129 thousand, respectively.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2014	2013
Investment in associates	$ 8,253,340	$ 8,012,101
Investment in jointly controlled entities	$ 417,775	$ 355,297

a. Investment in associates

	December 31	
	2014	2013
Kao Ming Container Terminal Corp.	$ 6,267,700	$ 6,324,364
West Basin Container Terminal LLC	827,993	901,063
Sino Trans PFS Cold Chain Logistics Co., Ltd.	296,025	-
United Terminal Leasing LLC	232,099	204,815
Formosa International Development Corporation	213,957	195,372
Yunn Wang Investment Co., Ltd.	127,809	158,832
Yang Ming (U.A.E.) LLC	100,485	82,296
Transyang Shipping Pte. Ltd.	75,064	69,767
Yang Ming Shipping (Egypt) S.A.E.	55,567	36,064
Yang Ming (Australia) Pty. Ltd.	25,772	14,266
Sino-Yes Tianjin Cold Chain Logistics Company Limited	15,770	14,963
Yang Ming (Vietnam) Corp.	7,248	1,348
Corstor Ltd.	6,312	6,375
ANSHIP-YES Logistics Corporation Limited	1,539	2,576
	$ 8,253,340	$ 8,012,101

As the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

	December 31	
	2014	2013
Kao Ming Container Terminal Corp.	47.50%	47.50%
West Basin Container Terminal LLC	40.00%	40.00%
Sino Trans PFS Cold Chain Logistics Co., Ltd.	20.00%	-
United Terminal Leasing LLC	40.00%	40.00%
Formosa International Development Corporation	30.00%	30.00%
Yunn Wang Investment Co., Ltd.	49.75%	49.75%
Yang Ming (U.A.E.) LLC	49.00%	49.00%
Transyang Shipping Pte. Ltd.	49.00%	49.00%
Yang Ming Shipping (Egypt) S.A.E.	49.00%	49.00%
Yang Ming (Australia) Pty. Ltd.	50.00%	50.00%
Sino-Yes Tianjin Cold Chain Logistics Company Limited	49.00%	49.00%
Yang Ming (Vietnam) Company Limited	49.00%	49.00%
Corstor Ltd.	50.00%	50.00%
ANSHIP-YES Logistics Corporation Limited	49.00%	49.00%

YMTC had lost control over Kao Ming Container Terminal Corp. but retains to have significant influence after the disposal of partial interest of Kao Ming Container Terminal Corp. in December 2013. Related information is summarized in Note 30.

YMTC acquired 20% equity interest in Sino Trans PFS Cold Chain Logistics Co., Ltd., Sino Trans PFS Logistics (Shanghai) Co., Ltd. and Sinotrans PFS Cold Storage (Tianjin) Co., Ltd. for RMB60,000 thousand in 2014. After reorganization in December 2014, Sino Trans PFS Cold Chain Logistics Co., Ltd. acquired 100% equity interest in Sino Trans PFS Logistics (Shanghai) Co., Ltd. and Sinotrans PFS Cold Storage (Tianjin) Co., Ltd. YMTC remained 20% equity interest in Sino Trans PFS Cold Chain Logistics Co., Ltd.

YMTC did not have controlling interest on Corstor Ltd. and Yang Ming (Australia) Pty. Ltd.; thus their accounts were not incorporated in consolidated financial statements.

The summarized financial information in respect of the Group's associates is set out below:

	December 31	
	2014	2013
Total assets	$ 22,375,020	$ 20,029,885
Total liabilities	$ 9,937,159	$ 8,936,565

	For the Year Ended December 31	
	2014	2013
Revenue	$ 15,422,856	$ 10,044,481
Profit for the year	$ 596,430	$ 215,136
Other comprehensive income	$ (65,553)	$ 33,261
Group's share of profit and other comprehensive income of associates for the year	$ 142,569	$ 118,340

Except for Sino Trans PFS Cold Chain Logistics Co., Ltd. that was not audited in 2014, the rest had been audited. YMTC's management believed that had the financial statements of Sino Trans PFS Cold Chain Logistics Co., Ltd. been audited, any adjustments arising would have had no material effect on the Group's consolidated financial statements.

b. Investment in jointly controlled entities

	Carrying Amount	
	December 31	
	2014	2013
Chang Ming Logistics Company Limited	$ 358,080	$ 355,297
YES Liberal Logistics Corp.	50,013	-
LogiTrans Technology Private Limited	9,682	-
	$ 417,775	$ 355,297

As the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

	% of Ownership and Voting Rights Held by the Company	
	December 31	
	2014	2013
Chang Ming Logistics Company Limited	49.00%	49.00%
YES Liberal Logistics Corp.	50.00%	-
LogiTrans Technology Private Limited	51.00%	-

The Group has the power to appoint three out of the seven directors of Chang Ming Logistics Company Limited. The finance, operation and human resources policies of Chang Ming Logistics Company Limited need to be approved in a resolution adopted by a two-third vote in a meeting of the board of directors attended by two-third or more of all the directors. Therefore, Chang Ming Logistics Company Limited is classified as a jointly controlled entity of the Group.

The board of directors of Yes Logistics resolved to establish a joint venture, YES Liberal Logistics Corp. with Liberal Logistics Corp. in which Yes Logistics is required to own 50% equity interest.

The Group acquired 51% equity interest in LogiTrans Technology Private Limited in July 2014. The Group has 51% of voting right in the board of directors of the investee, and the Group has control over the investee company. Therefore, the investee is classified as a jointly controlled entity of the Group.

YMTC did not have controlling interest in YES Liberal Logistics Corp. and LogiTrans Technology Private Limited；thus their accounts were not incorporated in the consolidated financial statements.

The summarized financial information in respect of the Group's associates is set out below:

	December 31	
	2014	**2013**
Current assets	$ 67,757	$ 36,155
Non-current assets	$ 358,892	$ 340,166
Current liabilities	$ 5,726	$ 17,877
Non-current liabilities	$ 3,148	$ 3,147

	For the Year Ended December 31	
	2014	**2013**
Revenue	$ 28,013	$ 32,535
Expenses	$ (37,403)	$ (37,894)

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2104 and 2013 were based on the joint ventures' financial statements audited by the auditors for the same years.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Container and Chassis	Ships	Leased Assets	Leasehold Improvements	Miscellaneous Equipment	Property in Construction	Total
Cost									
Balance at January 1, 2013	$ 691,084	$ 1,259,545	$ 24,408,280	$ 91,097,861	$ 8,473,365	$ 465,263	$ 3,644,818	$ 1,109,946	$ 131,150,162
Additions (a)	-	2,743	3,374,812	3,179,714	-	9,106	76,107	5,723,924	12,366,406
Disposals (d)	-	(462)	(7,414,041)	(4,178,263)	-	-	(156,031)	(1,430,276)	(13,179,073)
Reclassification (b)	-	-	-	3,390,839	-	-	(578)	(3,734,360)	(344,099)
Effect of deconsolidation of subsidiary	-	-	-	-	-	-	(22,283)	-	(22,283)
Effect of foreign currency exchange differences	(487)	10,004	-	314,109	159,571	1,370	28,562	315	513,444
Balance at December 31, 2013	$ 690,597	$ 1,271,830	$ 20,369,051	$ 93,804,260	$ 8,632,936	$ 475,739	$ 3,570,595	$ 1,669,549	$ 130,484,557
Accumulated depreciation and impairment									
Balance at January 1, 2013	$ -	$ 336,210	$ 16,265,056	$ 20,017,412	$ 3,048,765	$ 275,627	$ 2,524,503	$ -	$ 42,467,573
Disposals (d)	-	(429)	(6,598,747)	(2,045,383)	-	-	(153,776)	-	(8,798,335)
Reclassification	-	-	-	(189,554)	-	-	(892)	-	(190,446)
Depreciation expenses	-	28,006	1,648,345	4,779,519	416,910	32,893	233,939	-	7,139,612
Effect of deconsolidation of subsidiary	-	-	-	-	-	-	(12,851)	-	(12,851)
Effect of foreign currency exchange differences	-	2,752	-	106,954	26,414	732	14,850	-	151,702
Balance at December 31, 2013	$ -	$ 366,539	$ 11,314,654	$ 22,668,948	$ 3,492,089	$ 309,252	$ 2,605,773	$ -	$ 40,757,255
Carrying amount at December 31, 2013	$ 690,597	$ 905,291	$ 9,054,397	$ 71,135,312	$ 5,140,847	$ 166,487	$ 964,822	$ 1,669,549	$ 89,727,302
Cost									
Balance at January 1, 2014	$ 690,597	$ 1,271,830	$ 20,369,051	$ 93,804,260	$ 8,632,936	$ 475,739	$ 3,570,595	$ 1,669,549	$ 130,484,557
Additions (a)	-	445	3,747,167	1,326,688	-	3,106	141,523	5,201,424	10,420,353
Disposals	-	-	(2,200,747)	(14,359,074)	-	(80)	(77,701)	-	(16,637,602)
Reclassification	2,208	8,630	-	4,949,243	-	43	93	(4,950,476)	9,741
Effect of foreign currency exchange differences	(182)	22,996	400	714,274	348,692	742	10,941	-	1,097,863
Balance at December 31, 2014	$ 692,623	$ 1,303,901	$ 21,915,871	$ 86,435,391	$ 8,981,628	$ 479,550	$ 3,645,451	$ 1,920,497	$ 125,374,912
Accumulated depreciation and impairment									
Balance at January 1, 2014	$ -	$ 366,539	$ 11,314,654	$ 22,668,948	$ 3,492,089	$ 309,252	$ 2,605,773	$ -	$ 40,757,255
Disposals	-	-	(2,100,351)	(6,189,850)	-	(80)	(72,637)	-	(8,362,918)
Reclassification	-	2,268	-	-	-	-	(1,098)	-	1,170

(Continued)

	Freehold Land	Buildings	Container and Chassis	Ships	Leased Assets	Leasehold Improvements	Miscellaneous Equipment	Property in Construction	Total
Depreciation expenses	$ -	$ 27,481	$ 1,416,364	$ 4,418,135	$ 419,456	$ 31,816	$ 217,649	$ -	$ 6,530,901
Effect of foreign currency exchange differences	-	7,635	-	250,916	86,241	715	8,437	-	353,944
Balance at December 31, 2014	$ -	$ 403,923	$ 10,630,667	$ 21,148,149	$ 3,997,786	$ 341,703	$ 2,758,124	$ -	$ 39,280,352
Carrying amount at December 31, 2014	$ 692,623	$ 899,978	$ 11,285,204	$ 65,287,242	$ 4,983,842	$ 137,847	$ 887,327	$ 1,920,497	$ 86,094,560

(Concluded)

a. Additions to ships for the years ended December 31, 2014 and 2013 included reclassification of prepayment for equipment with carrying amount of $1,090,450 thousand and $1,408,796 thousand, respectively. Additions to property in construction for the years ended December 31, 2014 and 2013 included reclassification of prepayment for equipment with carrying amount of $486,811 thousand and $730,144 thousand respectively.

b. Ships held for disposal were reclassified as held-for-sale asset - noncurrent of Kuang-Ming Shipping Corp. with costs of $343,206 thousand and accumulative depreciation of $189,554 thousand which had been disposed in March 2013. Disposal loss was $6,527 thousand.

c. The Group entered into sale and leaseback contracts of containers in September and November 2013. The leaseback periods were 18 months to 36 months. Proceeds from disposal of $2,977,067 thousand had been collected and gains from disposal of $2,200,220 thousand were included in other operating income and expenses.

d. The Group entered into sale and leaseback contracts of ships in June, July and December 2014. The leaseback periods were 48 months to 72 months. Proceeds from disposal of $8,232,032 thousand and gain from disposal of $946,350 thousand were included in other operating income and expenses.

e. The Group entered into agreements to purchase containers in February 2015; the contract amounts were from US$83,300 thousand to US$86,000 thousand

The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

Buildings	53-56 years
Container and chassis	6-10 years
Ships	20-25 years
Dry dock	2.5-5 years
Leased assets	
Container and chassis	3-10 years
Ships	18-25 years
Leasehold improvements	2-10 years
Miscellaneous equipment	3-18 years

The dry dock is a significant component of ships.

The Company's property, plant and equipment pledged as collaterals for the secured loans were summarized in Note 36.

14. INVESTMENT PROPERTIES

	December 31 2014	2013
Completed investment property	$ 3,892,335	$ 3,927,498

	For the Year Ended December 31	
	2014	**2013**
Cost		
Balance, beginning of year	$ 4,183,164	$ 4,183,164
Additions	-	-
Reclassification	-	-
Disposals	(10,839)	-
Effect of foreign currency exchange differences	-	-
Balance, end of year	$ 4,172,325	$ 4,183,164
Accumulated depreciation and impairment		
Balance, beginning of year	$ 255,666	$ 229,974
Depreciation expense	26,592	25,692
Reclassified from property, plant and equipment	(2,268)	-
Effect of foreign currency exchange differences	-	-
Balance, end of year	$ 279,990	$ 255,666

The investment properties held by the Group were depreciated over their estimated useful lives, using the straight-line method.

Buildings	40-56 years

The fair value valuation was performed by independent qualified professional valuers. The valuation was arrived at by reference to income approach and land development analysis approach for undeveloped land as of December 31, 2014 and 2013. The key assumptions and fair value were as follows:

	December 31	
	2014	**2013**
Discount rate	4.625%	4.625%
Income capitalized rate	1.60-4.23%	1.24-4.23%
Profit rate	10-20%	10-25%
Fair value	$ 7,905,227	$ 7,956,826

All of the Group’s investment properties were held under freehold interests. The carrying amount of investment properties pledged by the Group to secure borrowings granted to the Group, were reflected in Note 36.

15. LONG-TERM PREPAYMENTS FOR LEASE

	December 31	
	2014	**2013**
Current asset (included in prepayments)	$ 193,348	$ 217,684
Non-current asset	599,705	631,278
	$ 793,053	$ 848,962

a. For the purpose of managing storage, processing, transfer and distribution of goods, YMTC collaborated with Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. in construction and operation of the First and Second Logistics Centers of the Kaohsiung Third Container Center. YMTC is entitled to the use of the center for 30 years and 28 years and 9 months, respectively, based on the initial investment made by YMTC. The center is amortized over the period in use.

b. The Group entered into agreements to lease ships and offices with other company. As of December 31, 2014 and 2013, prepayments for lease were $161,776 thousand and $186,112 thousand, respectively.

16. OTHER FINANCIAL ASSETS

	December 31	
	2014	**2013**
Time deposits with original maturities over three months	$ 1,055,463	$ 696,719
Deposit of stand-by letter of credit (Notes 23 and 36)	4,910,558	5,179,768
Restricted bank balance (Note 36)	72,781	13,764
Cash surrender value of life insurance	28,525	26,087
	$ 6,067,327	$ 5,916,338
Current	$ 1,055,463	$ 696,719
Non-current	$ 5,011,864	$ 5,219,619

The interest rate of time deposits with original maturities over three months were 0.43%-9.05% and 1.30%-1.45% per annum as of December 31, 2014 and 2013, respectively.

17. BORROWINGS

a. Short-term borrowings

	December 31	
	2014	**2013**
Unsecured borrowings		
Line of credit borrowings	$ 530,859	$ 386,355
Loans from related parties	416,166	551,480
	$ 947,025	$ 937,835

1) The range of weighted average effective interest rate on credit borrowings was 1.10%-2.15% and 1.24%-1.70% per annum as of December 31, 2014 and 2013, respectively.

2) Loans from related parties of the Group were the amounts repayable to government-related entities. Interest rate was 1.0331%-2.3500% and 1.40%-2.35% per annum as of December 31, 2014 and 2013.

b. Short-term bills payable

	December 31	
	2014	2013
Commercial paper	$ -	$ 80,000
Less: Unamortized discount on bills payable	-	169
	$ -	$ 79,831

Outstanding short-term bills payable were as follows:

December 31, 2013

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate	Collateral	The Carrying Value of Collateral
Dah Chung Bills Finance Corp.	$ 80,000	$ 169	$ 79,831	1.350%	None	$ -

c. Long-term borrowings

	December 31	
	2014	2013
Secured borrowings (Note 36)		
Secured bank loans	$ 5,939,742	$ 8,289,015
Loans from related parties	20,675,368	22,414,741
	26,615,110	30,703,756
Unsecured borrowings		
Line of credit borrowings	10,716,667	6,036,667
Loans from related parties	4,800,000	4,515,000
	15,516,667	10,551,667
Long-term bills payable		
Commercial paper	2,500,000	1,500,000
Less: Unamortized discount on bills payable	1,961	979
	2,498,039	1,499,021
	44,629,816	42,754,444
Less: Current portion	6,687,671	8,174,927
Long-term borrowings	$ 37,942,145	$ 34,579,517

Bank loans are repayable in installments at varying amounts or fully repaid at maturity in New Taiwan dollars, U.S. dollars and JPY every six months or every year. The Company's loans features and terms are as follows:

	December 31	
	2014	2013
NT$		
Amount	$ 34,649,080	$ 29,575,567
Interest rate	1.2590%-2.0803%	1.2293%-2.2410%
Contract term	2008/05/30-2024/07/16	2008/05/30 - 2023/06/21

(Continued)

	December 31	
	2014	2013
US$		
Foreign currency amount	$ 314,651	$ 436,678
New Taiwan dollar amount	9,980,736	13,078,516
Interest rate	0.7500%-1.5308%	0.5117%-1.5461%
Contract term	2009/12/17-2020/04/20	2006/04/24 - 2020/04/20
JPY		
Foreign currency amount	-	352,000
New Taiwan dollar amount	-	100,361
Interest rate	-	0.9929%
Contract term	-	2013/01/23 - 2020/01/23

(Concluded)

Secured borrowings

1) Secured bank loans

The secured bank loans of the Group will be repaid in U.S. dollars and New Taiwan dollars. The loans are repayable in installment at varying amounts before March 20, 2023. Interest rates were 1.2066%-1.8979% and 0.5117%-2.0% on December 31, 2014 and 2013, respectively. The Group's ships and investment properties are pledged as collaterals for the secured loans.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in New Taiwan dollars, U.S. dollars and JPY from government-related entities. Interest rates were 0.7500%-2.0803% and 0.6875%-2.2410% on December 31, 2014 and 2013, respectively. The loans are repayable in installment at varying amounts before July 16, 2024. The Group's ships and containers are pledged as collaterals for the secured loans.

Unsecured borrowings

1) Unsecured bank loans

The Group's unsecured bank loans will be repaid in New Taiwan dollars in one-lump sum payment at maturity and repaid in installments every month.

The loans are expected to be fully repaid before October 15, 2018. Interest rates were 1.3900%-1.7500% and 1.3500%-1.7500% on December 31, 2014 and 2013, respectively.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in New Taiwan dollars from government-related entities, and will be repaid in one-lump sum payment. The loans are expected to be fully repaid before December 12, 2016. Interest rates were 1.4260%-1.6880% and 1.4000%-1.5700% on December 31, 2014 and 2013, respectively.

Commercial paper

YMTC signed three-year underwriting contracts for issuance of commercial paper with a bills finance corporation in February 2014 and November 2013. YMTC can issue the commercial papers in a revolving scheme during the period of the financing contracts. The issuance period of each commercial paper cannot be over 60 or 90 days. During the issuance period, YMTC's short-term and long-term credit ratings (rated by Taiwan ratings or other rating organization recognized by authority) should be maintained to a certain level specified in the contracts. As of December 31, 2014 and 2013, YMTC met the above requirements.

As of December 31, 2014 and 2013, the interest rates were 1.4085%-1.4600% and 1.344%-1.388%, respectively.

18. BONDS PAYABLE

	December 31	
	2014	2013
Domestic privately placed secured mandatory convertible bonds	$ 775,898	$ 910,466
Domestic privately placed unsecured bonds	13,740,180	9,888,084
Secured domestic bonds	8,939,292	11,429,870
Unsecured domestic bonds	5,000,000	5,000,000
Domestic unsecured convertible bonds	3,832,063	4,263,875
	32,287,433	31,492,295
Less: Current portion	5,855,599	2,627,746
	$ 26,431,834	$ 28,864,549

a. Domestic privately placed secured mandatory convertible bonds

YMTC issued seven-year domestic privately placed secured mandatory convertible bonds with an aggregate face value of $5,800,000 thousand at June 27, 2012; 3% annual interest is repayable annually. Bondholders could request to convert the bonds into YMTC's common shares between September 28, 2012 and June 17, 2019. The bonds shall only be converted into YMTC's common shares at the prevailing conversion price at the last day of the seven-year tenor. The initial conversion price is $12.68 as of the date of issuance. The bonds contained liability component and equity component to recognize capital surplus-equity component of mandatory convertible bonds of $4,413,702 thousand. The effective interest rate of the liability component was 4.79% per annum. Movements of the convertible bonds' liability and equity component for the years ended December 31, 2014 and 2013 were as follows:

	Liability Component	Equity Component
January 1, 2013	$ 1,038,886	$ 4,413,702
Interest charged using effective interest rate method	45,580	-
Interest paid	(174,000)	-
December 31, 2013	$ 910,466	$ 4,413,702
January 1, 2014	$ 910,466	$ 4,413,702
Interest charged using effective interest rate method	39,432	-
Interest paid	(174,000)	-
December 31, 2014	$ 775,898	$ 4,413,702

As of December 31, 2014, no bondholder requested to convert the bonds into YMTC's common shares.

The bond was guaranteed by banks (including government-owned banks amounting to $5,350,000 thousand). According to performance guarantee agreements, YMTC has to pay the bank guarantee on the date of issuance and each quarter thereafter. The guarantee payments are recognized as costs attributed to the issue of the bonds and are amortized over the issuance period. As of December 31, 2014 and 2013, unamortized cost of issuance was recognized as other financial liabilities (Note 23).

According to performance guarantee agreements, the required financial ratios calculated on the basis of annual consolidated financial statements of YMTC are as follows:

1) Current ratio should not be less than 90%.

2) Debt ratio should not be: Over 350% before the end of 2013; over 300% from 2014 to 2016; over 230% after 2017.

3) Interest coverage ratio should not be less than 5 times.

4) The net tangible assets value should be over $30,000,000 thousand.

As of December 31, 2014 and 2013, YMTC had received waivers to the above 2) to 3) financial ratios, respectively. Meanwhile, YMTC met the other financial ratio requirements based on 2014 and 2013 financial statements.

b. Domestic privately placed unsecured bonds

YMTC issued the first privately placed unsecured bonds with an aggregate face value of $5,544,000 thousand on March 6, 2012 (the "March 6 2012 Bonds"), issued the second privately placed unsecured bonds with an aggregate face value of $4,350,000 thousand on March 30, 2012 (the "March 30 2012 Bonds"), and issued the third privately placed unsecured bonds with an aggregate face value of $3,850,000 thousand on July 8, 2014 (the "July 8 2014 Bonds").

The bond features and terms are as follows:

March 6 2012 Bonds:	Type A - aggregate face value of $1,759,000 thousand and maturity on March 6, 2016. The principal will be repaid in a lump sum payment at maturity; interest rate is 2.08%
	Type B - aggregate face value of $3,785,000 thousand and maturity on March 6, 2017. The principal will be repaid in a lump sum on March 6, 2017; interest rate is 2.18% annual interest is repayable semiannually.
March 30 2012 Bonds:	Type A - aggregate face value of $1,550,000 thousand and maturity on March 30, 2016. The principal will be repaid in a lump sum on March 30, 2016; 2.08% annual interest is repayable semiannually.
	Type B - aggregate face value of $2,800,000 thousand and maturity on March 30, 2017. The principal will be repaid in a lump sum on March 30, 2017; 2.18% annual interest is repayable semiannually.
July 8 2014 Bonds:	Aggregate face value of $3,850,000 thousand and maturity on July 8, 2019. The principal will be repaid in a lump sum on July 8, 2019; 2.2% annual interest is repayable semiannually.

c. Secured domestic bonds

YMTC issued five-year domestic secured bonds with an aggregate face value of $5,000,000 thousand on May 20, 2010 (the "May 2010 Bonds"), and issued another five-year domestic secured bonds with an aggregate face value of $6,500,000 thousand on December 27, 2011 (the "December 2011 Bonds").

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.

As of May 20, 2014 the Type-A to Type-H bonds had been 50% repaid.

The bond is guaranteed by banks ($2,500,000 thousand is guaranteed by government - owned banks).

The bond features and terms are as follows:

December 2011 Bonds:	Type A - aggregate face value: $1,000,000 thousand; repayments: 50% - December 27, 2015 and 50%- December 27, 2016, 1.30% annual interest.
	Type B - aggregate face value of $500,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.
	Type C - aggregate face value: $1,000,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.
	Type D - aggregate face value: $1,000,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.
	Type E - aggregate face value: $1,000,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.
	Type F - aggregate face value: $1,000,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.

(Continued)

December 2011 Bonds:	Type G - aggregate face value of $500,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.
	Type H - aggregate face value of $500,000 thousand; repayments: 50% - December 27, 2015 and 50% - December 27, 2016, 1.30% annual interest.

(Concluded)

The bond is guaranteed by banks ($5,000,000 thousand is guaranteed by government - owned banks).

d. Domestic unsecured bonds

On various dates, YMTC issued domestic unsecured bonds; the dates and the aggregate face values were as follows: $5,000,000 thousand on November 1, 2013 (the “November 2013 Bonds”).

The bond features and terms were as follows:

November 2013 Bonds:	Type A - aggregate face value: $1,100,000 thousand and maturity on November 1, 2018. The principal will be repaid in a lump sum on November 1, 2018; 2.20% annual interest is repayable annually.
	Type B - aggregate face value: $3,900,000 thousand and maturity on November 1, 2020. The principal will be repaid in a lump sum on November 1, 2020; 2.45% annual interest is repayable annually.

e. Domestic unsecured convertible bonds

On June 7, 2013, YMTC issued five-year domestic unsecured bonds (the “2013 convertible Bonds”) with an aggregate face value of $4,600,000 thousand and the issuance price was 100.2% of face value. Bond settlement is as follows:

1) Lump-sum payment to the holders upon maturity at the face value;

2) Conversion by the holders, from July 8, 2013 to 10 days before the due date, into YMTC’s common shares at the prevailing conversion price;

3) Reselling to YMTC by the holders before maturity.

4) Redemption by YMTC, under certain conditions, at face value before bond maturity.

The initial conversion price was $14.23 as of the date of issuance. The bonds contained liability component and equity component to recognize capital surplus-equity component of convertible bonds of $352,604 thousand. There were 536,000 thousand bonds converted into 37,667 thousand common shares of YMTC during 2014. Movements of the convertible bonds’ liability and equity components from June 7, 2013 to December 31, 2014 were as follows:

	Liability Component		**Equity Component**
	Bond	**Financial Liability**	**Option**
June 7, 2013	$ 4,222,488	$ 34,108	$ 352,604
Interest charged using effective interest rate method	41,387	-	-
Valuation (gain) loss	-	(14,288)	-
December 31, 2013	$ 4,263,875	$ 19,820	$ 352,604

(Continued)

	Liability Component		Equity Component
	Bond	Financial Liability	Option
January 1, 2014	$ 4,263,875	$ 19,820	$ 352,604
Interest charged using effective interest rate method	73,598	-	-
Bonds payable converted to common stock	(505,410)	(1,987)	(41,086)
Valuation (gain) loss	-	(17,019)	-
December 31, 2014	$ 3,832,063	$ 814	$ 311,518

(Concluded)

19. TRADE PAYABLE

	December 31	
	2014	2013
Trade payable		
Operating	$ 14,084,195	$ 12,185,629
Non-operating	-	-
	$ 14,084,195	$ 12,185,629
Payable for cost of voyage in sailing	$ 8,576,869	$ 7,270,591
Fuel	3,821,944	3,424,861
Space hire	1,142,040	935,527
Payable for freight expenses	395,490	404,507
Payable for stevedoring expenses	143,625	139,595
Payable for management expenses	4,227	10,548
	$ 14,084,195	$ 12,185,629

20. OBLIGATION UNDER FINANCE LEASE

	December 31	
	2014	2013
Minimum lease payments		
Not later than one year	$ 745,695	$ 703,580
Later than one year and not later than five years	2,762,421	2,731,328
Later than five years	5,348,002	5,629,435
	8,856,118	9,064,343
Less: Future finance charges	3,127,677	3,349,696
Present value of minimum lease payments	$ 5,728,441	$ 5,714,647

(Continued)

	December 31	
	2014	2013
Present value of minimum lease payments		
Not later than one year	$ 348,101	$ 306,959
Later than one year and not later than five years	1,421,194	1,371,815
Later than five years	3,959,146	4,035,873
	$ 5,728,441	$ 5,714,647
Current (included in current portion of long-term borrowings and bond payables)	$ 348,101	$ 306,959
Non-current	5,380,340	5,407,688
	$ 5,728,441	$ 5,714,647

(Concluded)

YMTC leases containers under capital lease agreements. 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. YMTC 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. Yangming UK leases ships under 18-year capital lease agreements. Annual rentals are stipulated in the contracts.

Interest rates were 0.0167%-7.2413% and 0.0286%-7.2249% for the years ended December 31, 2014 and 2013.

21. OTHER PAYABLES

	December 31	
	2014	2013
Payable for container lease	$ 737,423	$ 525,699
Payable for salary and bonus	422,800	390,204
Payable for interest expenses	246,631	163,257
Equipment M&R expenses	168,470	285,991
Payable for annual leave	161,992	159,497
Payable for vessel charter hire	148,405	50,708
Others	1,007,447	796,887
	$ 2,893,168	$ 2,372,243

22. PROVISIONS

	December 31	
	2014	2013
Restoration cost for leased assets (a)	$ 102,300	$ 115,708
Onerous leases (b)	620,012	562,680
	$ 722,312	$ 678,388

(Continued)

	December 31	
	2014	2013
Current	$ 620,012	$ 562,680
Non-current	102,300	115,708
	$ 722,312	$ 678,388

(Concluded)

	Onerous Leases	Restoration Cost for Leased Assets	Total
Balance at January 1, 2013	$ 340,811	$ 226,000	$ 566,811
Additional provisions recognized	667,639	-	667,639
Utilized	(453,131)	(110,292)	(563,423)
Effect of foreign currency exchange differences	7,361	-	7,361
Balance at December 31, 2013	562,680	115,708	678,388
Additional provisions recognized	1,103,318	-	1,103,318
Utilized	(1,074,001)	(13,408)	(1,087,409)
Effect of foreign currency exchange differences	28,015	-	28,015
Balance at December 31, 2014	$ 620,012	$ 102,300	$ 722,312

a. When returning operating leased assets, lessees have legal or construction obligation to restore operating leased assets to original status. Lessees need to accrue restoration costs provision over the lease term on a straight-line basis.

b. The provision for onerous lease contracts represents the present value of the future lease payments that the Group was presently obligated to make under non-cancellable onerous operating lease contracts of ships, less revenue expected to be earned on the lease, where applicable. The estimation may change due to changes in the operation of the leased ships and sub-lease agreements signed with other entities.

23. OTHER FINANCIAL LIABILITIES

	December 31	
	2014	2013
Cost of issuance of bonds (Note 18 (a))	$ 215,185	$ 261,825
Others	4,733,748	4,973,392
	$ 4,948,933	$ 5,235,217
Current (included in current portion of long-term liabilities)	$ 233,611	$ 208,085
Non-current	4,715,322	5,027,132
	$ 4,948,933	$ 5,235,217

YML-BVI leased ships under 25-year capital lease agreements in 2000 and 2001. The lease contracts were secured by standby letters of credit issued by a bank. YML-BVI deposited a portion of its lease payments in bank as collaterals (included in other financial assets). The balance was $4,910,558 thousand and $5,179,768 thousand, respectively as of the years ended December 31, 2014 and 2013.

These transactions involve the legal form of a lease. In accordance with the indicators announced by the Standard Interpretations Committee No. 27, "Evaluating the substance of transactions involving the legal form of a lease", transactions that don't meet the guidelines of IAS No. 17, "Lease" in substance should be reclassified to ships under property, plant and equipment by their nature under IFRSs. Obligations under capital leases should be reclassified to other financial liabilities under IFRSs.

	December 31	
	2014	2013
Current (included in current portion of long-term liabilities)	$ 185,410	$ 161,445
Non-current	4,548,338	4,811,947
	$ 4,733,748	$ 4,973,392

Other financial liabilities-other is paid quarterly. The principal and interest paid are reset based on three months' Libor rate quarterly.

Related gains and losses for the years ended 2014 and 2013 are included in the following account.

	For the Year Ended December 31	
	2014	2013
Non-operating income and expenses		
Other income	$ 30,260	$ 28,021
Finance costs	$ (28,007)	$ (30,858)

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

YMTC and domestic subsidiaries' pension plans under the Labor Pension Act (the "Act") for onshore employees and shipping crews are defined contribution schemes. Starting on July 1, 2005, the Group makes monthly contributions to the employees' individual pension accounts in the Bureau of Labor Insurance at 6% of employees' salaries every month.

For domestic crews providing service in foreign ships, pension plan is based on hiring contracts, the Group makes monthly contributions to the employees' account together with salaries.

Yang Ming (America) Corporation has entered into an agreement with the ILWU office and Clerical Employees Local 63 to provide medical care covered by the agreement, and it was defined benefit pension plan. However, according to collective bargaining agreements, effective June 1, 2008, a new taft-hartely trust, named "OCU Health Trust" will replace the 2003 YML/ILWU agreement's framework for the above stated benefits, which is a defined contribution plan. Starting from 2008, the contribution made to the OCU trust was calculated based on US$4.05 per working hour. In addition to the US$4.05 per hour contribution, the Company does have a contractual obligation to fund the unfunded liability transferred to the OCU multiemployer trust over a period of no more than ten years. As of December 31, 2014 and 2013, the balance of the accrued expense was $91,285 thousand and $79,846 thousand, respectively.

Some consolidated subsidiaries, which are mainly for investment holding purpose, have either very few or no staff. These subsidiaries have no pension plans and thus do not contribute to pension funds and do not recognize pension costs.

Except for these companies, the consolidated subsidiaries all contribute to pension funds and recognize pension costs based on local government regulations.

b. Defined benefit plans

1) Pension plan of YMTC

YMTC has adopted three pension plans since it was privatized on February 15, 1996. Before YMTC'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 YMTC after privatization will be excluded from the calculation of pension payments after privatization. These plans are as follows:

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 Company contributed amounts equal to 3% of salaries every month. 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 crews is a defined benefit plan. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crew's 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 YMTC. Benefits are based on the proportion of service years between YMTC and Kuang Ming Shipping Corp. and are paid by individual pension accounts.

2) Pension plan of subsidiaries

Domestic subsidiaries' pension plan under the Labor Standards Law is a defined benefit scheme. Benefits are based on service years and average basic salary of the six months before retirement. The Subsidiaries contribute certain percentage of total salaries and wages every month, to each pension fund, which is administered by each pension plan committee and deposited in each committee's name in the Bank of Taiwan.

Yang Ming (Japan) Co., Ltd.'s pension plan is defined benefit plan. Benefits are based on service years and average basic salary of the last month before retirement. Service years less than (including) 12 years are given two bases, service years more than 12 years are given an extra base per year added with maximum base of 40.

All Oceans Transportation Inc., Yang Ming (UK) Ltd., and Yang Ming (Liberia) Corp.'s pension plan under the Maritime Labor Law for shipping crews are defined benefit plans. 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 monthly salary of the six months before retirement.

The actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by qualifying actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2014	2013
Discount rates	1.625%-2.25%	1.625%-2.15%
Expected return on plan assets	1.25%-2.00%	2.00%-3.00%
Expected rates of salary increase	2.00%-3.00%	2.00%-3.00%

The assessment of the overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, by reference to the aforementioned use of the plan assets and the impact of the related minimum return.

Amounts recognized in profit or loss in respect of these defined benefit plans are as follows:

	For the Year Ended December 31	
	2014	2013
Current service cost	$ 126,165	$ 76,948
Interest cost	59,229	46,913
Expected return on plan assets	(10,167)	(16,111)
Past service cost	(230)	(2,646)
	$ 174,997	$ 105,104
An analysis by function		
Operating cost	$ 103,525	$ 43,967
Marketing expenses	56,018	46,893
Administration expenses	14,454	14,244
	$ 174,997	$ 105,104

Actuarial gains and losses recognized in other comprehensive income for the years ended December 31, 2014 and 2013 was $7,694 thousand and $(83,313) thousand, respectively. The cumulative amount of actuarial gains and losses recognized in other comprehensive income as of December 31, 2014 and 2013 was $(151,141) thousand and $(158,835) thousand, respectively.

The amount included in the consolidated balance sheet arising from the Group's obligation in respect of its defined benefit plans was as follows:

	December 31	
	2014	2013
Present value of funded defined benefit obligation	$ 1,738,306	$ 1,719,619
Fair value of plan assets	(831,530)	(832,779)
Deficit	906,776	886,840
Present value of unfunded defined benefit obligation	1,080,886	1,073,587
Past service cost not yet recognized	33,381	35,988
Restrictions on asset recognized	-	388
Prepaid pension (recognized as other non-current assets)	386	-
Net liability arising from defined benefit obligation	$ 2,021,429	$ 1,996,803

Movements in the present value of the defined benefit obligations were as follows:

	For the Year Ended December 31	
	2014	2013
Opening defined benefit obligation	$ 2,793,206	$ 2,696,562
Current service cost	126,712	76,948
Interest cost	59,229	46,913
Actuarial losses	318	94,626
Recognized past service cost in this period	2,377	-
Benefits paid	(156,092)	(132,050)
Exchange differences on foreign plans	(6,558)	20,010
Effect of deconsolidation of subsidiary	-	(9,803)
Closing defined benefit obligation	$ 2,819,192	$ 2,793,206

Movements in the fair value of the plan assets were as follows:

	For the Year Ended December 31	
	2014	2013
Opening fair value of plan assets	$ 832,779	$ 806,357
Expected return on plan assets	10,167	16,111
Actuarial (gains) losses	9,322	(5,751)
Contributions from the employer	33,136	32,127
Benefits paid	(53,874)	(16,065)
Closing defined benefit obligation	$ 831,530	$ 832,779

For the years ended December 31, 2014 and 2013, the actual returns on plan assets were $19,489 thousand and $10,360 thousand, respectively.

The major categories of plan assets at the end of the reporting period for each category were disclosed based on the information announced by Bureau of Labor Funds, Ministry of Labor:

	December 31	
	2014	2013
Cash and cash equivalents	19.10	22.86
Equity instruments	52.50	45.57
Debt instruments	26.40	27.47
Other	2.00	4.10
	100.00	100.00

The Group chose to disclose the history of experience adjustments as the amounts determined for each accounting period prospectively from the date of transition to IFRSs (January 1, 2012):

	December 31, 2014	December 31, 2013	December 31, 2012	January 1, 2012
Present value of defined benefit obligation	$ 2,819,192	$ 2,793,206	$ 2,696,562	$ 2,577,430
Fair value of plan assets	$ 831,530	$ 832,779	$ 806,357	$ 775,505

(Continued)

	December 31, 2014	December 31, 2013	December 31, 2012	January 1, 2012
Deficit	$ 906,776	$ 886,840	$ 780,458	$ 728,778
Experience adjustments on plan liabilities	$ 41,691	$ (225,406)	$ (6,848)	$ -
Experience adjustments on plan assets	$ 9,322	$ (5,751)	$ (8,037)	$ -

(Concluded)

The fund appropriated by the Group for the defined benefit plans for the year ended December 31, 2014 was $52,656 and the fund appropriated by the Group for the defined benefit plans for the year ended December 31, 2015 is estimated to be $33,186.

c. In an effort to encourage employee retirement, hence improve the human resource structure and enhance vitality within organization, the Group calculates favorable retirement benefits according to the retirement policies. The Group recognized pension cost of $82,586 thousand and $14,380 thousand for the years ended December 31, 2014 and 2013, respectively.

25. EQUITY

	December 31	
	2014	2013
Share capital	$ 28,563,800	$ 28,187,131
Capital surplus	4,899,288	8,562,852
Retained earnings (accumulated loss)	420,209	(3,794,292)
Unrealized loss on available-for-sale financial assets	(727,627)	(221,390)
Exchange differences on translating foreign operations	490,379	(58,417)
Non-controlling interests	995,254	897,056
	$ 34,641,303	$ 33,572,940

a. Share capital

1) Ordinary shares

	December 31	
	2014	2013
Numbers of shares authorized (in thousands)	4,500,000	4,500,000
Shares authorized	$ 45,000,000	$ 45,000,000
Number of shares issued and fully paid (in thousands)	2,856,380	2,818,713
Shares issued	$ 28,563,800	$ 28,187,131

The changes in YMTC’s ordinary shares were due to the convertible bonds converted to ordinary shares.

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

2) Global depositary receipts

On November 14, 1996, YMTC issued 10 million units of global depositary receipts (GDRs), representing 100 million shares, at an issue price of US$11.64 dollar per unit. As of December 31, 2014 and 2013, there were 5,330,595 units outstanding, representing 53,306,040 shares, 1.87% and 1.89% of total issued shares, respectively.

The holders of the GDR retain stockholder's rights that are the same as those of YMTC'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 through the depository bank.

b. Capital surplus

A reconciliation of the carrying amount for the years ended 2014 and 2013, for each class of capital surplus was as follows:

	Share Premium	**Differences Between Consideration and Carrying Amount of Subsidiaries Disposed**	**Conversion Options**	**Total**
Balance at January 1, 2013	$ 1,333,992	$ 2,462,554	$ 4,413,702	$ 8,210,248
Issuance of coverable bonds	-	-	352,604	352,604
Balance at December 31, 2013	1,333,992	2,462,554	4,766,306	8,562,852
Capital surplus used to offset accumulated deficits	(1,331,738)	(2,462,554)	-	(3,794,292)
Convertible bonds converted to ordinary shares	171,814	-	(41,086)	130,728
Balance at December 31, 2014	$ 174,068	$ -	$ 4,725,220	$ 4,899,288

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds and differences between consideration and carrying amount of subsidiaries disposed) may be used to offset a deficit; in addition, when YMTC has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of YMTC's paid-in capital and once a year).

The capital surplus from conversion options may not be used for any purpose.

c. Retained earnings and dividend policy

YMTC'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 which should be at least 25% of the above amount 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.

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

YMTC did not accrue bonus to employees because of appropriation of special reserve for expending transportation equipment for the years ended December 31, 2014.

Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

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

The offsetting of deficit for 2013 approved in the shareholders' meetings on June 18, 2014 was as follows:

Legal reserve	$ 5,143
Special reserve	46,291
Capital surplus - share premium	1,331,738
Capital surplus - differences between consideration and carrying amount of subsidiaries disposed	2,462,554
	$ 3,845,726

The stockholders resolved to appropriate the 2012 earnings on June 14, 2013, as follows:

	Appropriation of Earnings
Legal reserve	$ 5,143
Special reserve	46,291

The appropriations of earnings for 2012 were proposed according to the Company's financial statements for the years ended December 31, 2012, which were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the Generally Accepted Accounting Standard in the Republic of China ("ROC GAAP").

The appropriations of earnings for 2014 had been proposed by the Company's board of directors on March 25, 2015. The appropriations were as follows:

	Appropriation of Earnings
Legal reserve	$ 41,137
Special reserve	379,072
	$ 420,209

The appropriations of earnings for 2014 will be resolved in the stockholders' meeting on June 18, 2015.

d. Others equity items

1) Exchange differences on translating foreign operations

	For the Year Ended December 31	
	2014	2013
Balance at January 1	$ (58,417)	$ (357,131)
Exchange differences arising on translating the foreign operations	548,796	298,714
Balance at December 31	$ 490,379	$ (58,417)

2) Unrealized loss on available-for-sale financial assets

	For the Year Ended December 31	
	2014	2013
Balance at January 1	$ (221,390)	$ (487,048)
Unrealized gain arising on revaluation of available-for-sale financial assets	(451,781)	256,952
Cumulative gain reclassified to profit or loss on sale of available-for-sale financial assets	(21,612)	(7,841)
Share of unrealized gain on revaluation of available-for-sale financial assets of associates accounted for using the equity method	(32,844)	16,547
Balance at December 31	$ (727,627)	$ (221,390)

e. Non-controlling interests

	For the Year Ended December 31	
	2014	2013
Balance at January 1	$ 897,056	$ 3,773,293
Attributable to non-controlling interests:		
Share of profit for the year	115,976	36,204
Exchange difference arising on translation of foreign entities	15,345	11,871
Effect of deconsolidation of subsidiary (see Note 30)	-	(2,813,562)
Actuarial gains and losses on defined benefit plan	(1,148)	1,072
Cash dividends distributed by subsidiaries	(31,975)	(111,822)
Balance at December 31	$ 995,254	$ 897,056

26. REVENUE

	For the Year Ended December 31	
	2014	2013
Cargo revenue	$ 123,807,070	$ 107,538,977
Rental revenue on ships	2,868,719	2,511,321

(Continued)

	For the Year Ended December 31	
	2014	2013
Charter hire revenue	$ 577,860	$ 1,522,259
Commission revenue	674,352	697,010
Other operating revenue	6,849,857	6,604,393
	$ 134,777,858	$ 118,873,960

(Concluded)

27. NET PROFIT (LOSS)

Net Profit (loss) included items below:

a. Other operating income and expenses

	For the Year Ended December 31	
	2014	2013
Gain on disposal and retirement of property, plant and equipment	$ 2,786,915	$ 3,626,768
Reimbursement income	151,322	71,287
Other	8,325	-
	$ 2,946,562	$ 3,698,055

b. Other income

	For the Year Ended December 31	
	2014	2013
Rental income	$ 115,964	$ 128,806
Interest income		
Bank deposits	154,667	100,603
Short-term bills	19	1,108
Other	351	4,667
Dividends	66,194	61,127
	$ 337,195	$ 296,311

c. Other gains and losses

	For the Year Ended December 31	
	2014	2013
Gain on disposal of subsidiaries and fair value of residual investment	$ -	$ 3,763,334
Gain on disposal of available-for-sale financial assets	21,612	7,841
Net foreign exchange losses	(295,827)	(137,705)
Net gain (loss) arising on financial assets/liabilities designated as at fair value through profit and loss	(209,933)	362,556
Other	17,533	468,059
	$ (466,615)	$ 4,464,085

d. Finance costs

	For the Year Ended December 31	
	2014	2013
Interest on bank overdrafts and loans	$ 630,996	$ 775,402
Interest on obligations under finance leases	406,447	430,795
Interest on other financial liabilities	28,007	30,858
Interest on bonds	704,412	630,039
Other interest expense	30,864	8,346
	1,800,726	1,875,440
Less: Capitalized interest	(26,381)	(17,078)
	$ 1,774,345	$ 1,858,362

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2014	2013
Capitalized interest	$ 26,381	$ 17,078
Capitalization rate	0.884%-1.784%	0.838%-1.903%

e. Depreciation and amortization

	For the Year Ended December 31	
	2014	2013
Property, plant and equipment	$ 6,530,901	$ 7,139,612
Investment property	26,592	25,692
Intangible assets	32,076	41,428
	$ 6,589,569	$ 7,206,732
An analysis of deprecation by function		
Operating costs	$ 6,402,775	$ 7,001,470
Operating expenses	128,126	138,142
Other expenses and losses	26,592	25,692
	$ 6,557,493	$ 7,165,304
An analysis of amortization by function		
Operating costs	$ 6,125	$ 15,481
Operating expenses	25,951	25,947
	$ 32,076	$ 41,428

f. Employee benefits expense

	For the Year Ended December 31	
	2014	2013
Short-term benefits		
Salary	$ 5,375,070	$ 5,322,311
Bonus	288,572	185,068
Labor and health insurance	406,527	376,300
Other employee benefits	357,990	309,353
	6,428,159	6,193,032
Retirement benefits (Note 24)		
Defined contribution plans	232,447	211,015
Defined benefit plans	174,997	105,104
	407,444	316,119
Termination benefits	82,586	14,380
Total employee benefits expense	$ 6,918,189	$ 6,523,531
An analysis of employee benefits by function		
Operating costs	$ 2,807,673	$ 2,728,743
Operating expenses	4,110,516	3,794,788
	$ 6,918,189	$ 6,523,531

28. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense (income) were as follows:

	For the Year Ended December 31	
	2014	2013
Current tax		
In respect of the current year	$ 492,515	$ 526,009
In respect of prior periods	167	(113)
	492,682	525,896
Deferred tax		
In respect of the current year	1,971	(630,390)
Income tax (benefit) expense recognized in profit or loss	$ 494,653	$ (104,494)

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2014	2013
Profit (loss) before tax	$ 1,021,996	$ (3,014,404)
Tax expense (income) calculated at the statutory rate	$ 537,007	$ (300,983)
Nondeductible expenses in determining taxable income	812	10,017
Tax-exempt income	(36,611)	(571,485)
Unrecognized temporary differences	(165,241)	550,225

(Continued)

	For the Year Ended December 31	
	2014	2013
Offshore income tax	$ 132,102	$ 114,778
Additional income tax on unappropriated earnings	10	118
Income tax expense adjustments on prior years	167	(113)
Others	26,407	92,949
Income tax expense (gain) recognized in profit or loss	$ 494,653	$ (104,494)

(Concluded)

The applicable tax rate used above is the corporate tax rate of 17% payable by the Group in ROC, while the applicable tax rate used by subsidiaries in America is 40%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

As the status of 2015 appropriations of earnings is uncertain, the potential income tax consequences of 2014 unappropriated earnings are not reliably determinable

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2014	2013
Deferred tax		
In respect of the current yea:		
Actuarial gains and losses on defined benefit plan	$ 1,531	$ (17,064)

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2014

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Investment tax credits	$2,329,685	$ (68,630)	$ -	$ -	$ 2,261,055
Temporary differences					
Unrealized shipping fuel valuation losses	25,227	6,332	-	-	31,559
Investment loss on investments accounted for using equity method	9,275	(4,639)	-	-	4,636
Defined benefit plan	262,137	(5,861)	(1,531)	-	254,745
Unrealized loss on voyage in sailing	75,763	(51,649)	-	-	24,114
Payable for annual leave	17,100	(275)	-	-	16,825
Others	75,107	(7,392)	-	-	67,715
	$ 2,794,294	$ (132,114)	$ (1,531)	$ -	$ 2,660,649

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Investment gain on investments accounted for using equity method	$ 1,373,772	$ (52,772)	$ -	$ -	$ 1,321,000
Reserve for land value increment tax	479,639	-	-	-	479,639
Property, plant and equipment	83,938	(5,875)	-	-	78,063
Sales and leaseback	338,248	(185,602)	-	-	152,646
Others	55,174	114,106	-	(95,384)	73,896
	$ 2,330,771	$ (130,143)	$ -	$ (95,384)	$ 2,105,244

For the year ended December 31, 2013

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Effect of Deconsolidation of Subsidiary	Closing Balance
Investment tax credits	$ 26,219	$ (13,886)	$ -	$ -	$ (12,333)	$ -
Income tax losses	1,556,570	787,912	-	-	(14,797)	2,329,685
Temporary differences						
Unrealized shipping fuel valuation losses	17,860	7,367	-	-	-	25,227
Investment loss on investments accounted for using equity method	2,206	7,069	-	-	-	9,275
Defined benefit plan	287,314	(41,862)	17,064	-	(379)	262,137
Payable for annual leave	14,467	2,633	-	-	-	17,100
Unrealized loss on voyage in sailing	22,681	53,082	-	-	-	75,763
Others	55,489	11,659	-	7,959	-	75,107
	$ 1,982,806	$ 813,974	$ 17,064	$ 7,959	$ (27,509)	$ 2,794,294

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Effect of Deconsolidation of Subsidiary	Closing Balance
Temporary differences						
Investment gain on investments accounted for using equity method	$ 1,485,986	$ (112,214)	$ -	$ -	$ -	$ 1,373,772
Reserve for land value increment tax	479,639	-	-	-	-	479,639
Unrealized gain on voyage in sailing	55,649	(55,649)	-	-	-	-
Property, plant and equipment	44,089	39,849	-	-	-	83,938
Sales and leaseback	74,159	264,089	-	-	-	338,248
Others	7,665	47,509	-	-	-	55,174
	$ 2,147,187	$ 183,584	$ -	$ -	$ -	$ 2,330,771

d. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31 2014	December 31 2013
Loss carryforwards		
Expire in 2019	$ 948,478	$ 2,683,337
Expire in 2021	7,138,380	6,346,075
Expire in 2022	31,373	33,429
	$ 8,118,231	$ 9,062,841
Deductible temporary differences	$ 44,856	$ 72,253

e. Information about unused loss carry-forward and tax-exemption

As of December 31, 2014, unused loss carryforwards comprised of:

Unused Amount	**Expiry Year**
$ 948,478	2019
9,246,501	2021
2,721,172	2022
8,072,317	2023
430,092	2024
$ 21,418,560	

f. Integrated income tax

Information about integrated income tax of the Group was as follows:

	Balance of Imputation Credit Account (ICA) December 31 2014	**Balance of Imputation Credit Account (ICA) December 31 2013**	**Estimated Rates of 2014**	**Actual Rates of 2013**
Yang Ming Marine Transport Corporation	$ 604,168	$ 579,614	20.48%	-
Kuang Ming Shipping Corp.	$ 18,728	$ 18,728	20.69%	-
Honming Terminal & Stevedoring Co., Ltd.	$ 4,770	$ 4,763	20.48%	20.73%
Jing Ming Transportation Co., Ltd.	$ 3,287	$ 3,782	21.65%	21.65%
YES Logistics Corp.	$ 32,339	$ 30,486	-	-
Ching Ming Investment Corp.	$ 10,422	$ 9,347	-	-

YES Logistics Corp. and Ching Ming Investment Corp. had no unappropriated earnings as of December 31, 2014. Thus, the ICA balance will be accumulated until the date of dividend distribution in the future.

g. As of December 31, 2014 and 2013, the Company had no unappropriated retained earnings generated before June 30, 1998.

h. Income tax assessments

Company	**Year**
Yang Ming Marine Transport Corporation	2012
Kuang Ming Shipping Corp.	2012
Honming Terminal & Stevedoring Co., Ltd.	2012
Jing Ming Transportation Co., Ltd.	2012
YES Logistics Corp.	2012
Ching Ming Investment Corp.	2012

29. EARNINGS (LOSS) PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31 2014	**For the Year Ended December 31 2013**
Basic earnings (loss) per share	$ 0.13	$ (0.90)
Diluted earnings (loss) per share	$ 0.13	$ (0.90)

The earnings (loss) and weighted average number of ordinary shares outstanding in the computation of earnings (loss) per share were as follows:

Net Profit (Loss) for the Year

	For the Year Ended December 31	
	2014	**2013**
Earnings (loss) used in the computation of basic loss per share	$ 411,367	$ (2,946,114)
Effect of dilutive potential common stock:		
Convertible bonds	-	-
Earnings (loss) used in the computation of basic loss per share	$ 411,367	$ (2,946,144)

Number of Ordinary Shares

	For the Year Ended December 31	
	2014	**2013**
Outstanding shares	2,818,973	2,818,713
Not exercised number of convertible shares of mandatory convertible bonds	457,413	457,413
Weighted average number of ordinary shares used in the computation of basic loss per share	3,276,386	3,276,126
Effect of dilutive potential common stock:		
Convertible bonds	-	-
Weighted average number of ordinary shares used in the computation of basic loss per share	3,276,386	3,276,126

The Company did not consider the potential shares of convertible bonds in the calculation of diluted EPS for the years ended December 31, 2014 and 2013 due to their anti-dilutive effect.

If the Group offered to settle bonuses paid to employees in cash or shares, the Group assumed the entire amount of the bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year. YMTC did not accrue bonus to employees because of appropriation of special reserve for expending transportation equipment for the years ended December 31, 2014. YMTC did not accrue bonus to employees because of the losses for the years ended December 31, 2013.

30. DISPOSAL OF SUBSIDIARIES - LOSS CONTROL

In November 2013, YMTC entered into a share sale agreement to dispose of its 12.5% equity interests in Kao Ming Terminal Corp. After the disposal in December 2013, YMTC's continuing interest declined from 60% to 47.5% and elected only four out of nine directors of Kao Ming Terminal Corp. Starting December 2013, YMTC had no power to govern the personnel, financial, and operating policies of Kao Ming Terminal Corp. (According to Kao Ming's articles of incorporation, these issues shall be decided by a resolution to be adopted by two-third vote of the directors present at a meeting of the board of directors). Accordingly, the Group derecognized related assets, liabilities and non-controlling interests of Kao Ming Terminal Corp.

a. Consideration received from the disposal

	December 31, 2013
Consideration received in cash	$ 1,659,313

b. Analysis of assets and liabilities on the date control was lost

	December 31, 2013
Current assets	
Cash	$ 100
Trade receivables	269,338
Other financial assets - current	2,551,822
Others	307,110
Non-current assets	
Property, plant and equipment	9,432
Long-term prepayments for lease	10,224,513
Others	70,521
Current liabilities	
Payables	(404,330)
Current portion of long-term debts	(198,000)
Others	(31,894)
Non-current liabilities	
Borrowings	(5,753,375)
Others	(11,332)
Net assets disposed of	$ 7,033,905

c. Gain on disposal of subsidiary

YMTC disposed of its 12.5% and retained its 47.5% equity interest in Kao Ming Terminal Corp. The gain on the disposal and the gain on the fair value of the retained equity, which were all included in other gains and losses, were calculated as follows:

	For the Year Ended December 31, 2013
Fair value of consideration received	$ 1,659,313
Fair value of interest retained	6,324,364
Carrying amount of non-controlling interest	2,813,562
	10,797,239
Less: Carrying amount of net assets of ex-subsidiary	(7,033,905)
Gain on disposal of shares and interest retained (included in other gains and losses)	$ 3,763,334

Gain on interest retained evaluated at fair value was as follows:

	For the Year Ended December 31, 2013
Fair value of interest retained	$ 6,324,364
Carrying amount in proportion to interest retained	(3,341,105)
Gain on fair value of interest retained	$ 2,983,259

d. Net cash inflow on disposal of subsidiary

	For the Year Ended December 31, 2013
Consideration received in cash	$ 1,659,313
Less: Cash balances disposed of	(100)
	$ 1,659,213

31. NON-CASH TRANSACTIONS

For the years ended December 31, 2014 and 2013, the Group entered into the following non-cash acquiring and disposing of property, plant and equipment which were not reflected in the consolidated statement of cash flows:

	For the Year Ended December 31	
	2014	2013
Proceeds from acquisition of property, plant and equipment	$ 10,420,353	$ 12,366,406
Reclassification of prepayments for equipment	(1,577,261)	(2,138,940)
Decrease (increase) in payables on equipment	535,300	(510,548)
Cash paid	$ 9,378,392	$ 9,716,918
Proceeds from disposal of property, plant and equipment	$ 11,061,599	$ 8,161,158
Increase (decrease) in advances from disposal of property, plant and equipment (included in other current liabilities)	(240,780)	293,755
Cash received	$ 10,820,819	$ 8,454,913

32. OPERATING LEASE ARRANGEMENTS

a. The Group as lessee

The Group entered into operating lease agreements to lease office, ships, containers and container yard that will expire on various dates until September 2036. The rentals are paid monthly or quarterly, and the Group has deposited $361,946 thousand and $314,384 thousand as guarantee fund as of December 31, 2014 and 2013. The total rental for the years ended December 31, 2014 and 2013 was $15,862,955 thousand and $13,239,223 thousand, respectively.

The future minimum lease payments of non-cancellable operating lease commitments were as follows:

	December 31	
	2014	2013
Not later than 1 year	$ 16,399,838	$ 12,745,232
Later than 1 year and not later than 5 years	53,473,074	39,859,128
Later than 5 years	11,935,916	16,499,572
	$ 81,808,828	$ 69,103,932

Provisions recognized for non-cancellable operating lease commitments was summarized in Note 22.

b. The Group as lessor

1) Ship

The Company signed ship lease contracts under operating lease. As of December 31, 2014 and 2013, the future minimum lease payments of non-cancellable operating lease were as follows:

	December 31	
	2014	2013
Not later than 1 year	$ 665,251	$ 1,144,411
Later than 1 year and not later than 5 years	28,434	333,088
Later than 5 years	-	-
	$ 693,685	$ 1,477,499

2) Investment properties

The Company signed land and building contracts under operating lease. As of December 31, 2014 and 2013, the future minimum lease payments of non-cancellable operating lease were as follows:

	December 31	
	2014	2013
Not later than 1 year	$ 62,891	$ 68,258
Later than 1 year and not later than 5 years	31,408	86,587
Later than 5 years	-	-
	$ 94,299	$ 154,845

33. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns to maintain the capital structure through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, capital surplus, retained earnings, other equity and non-controlling interests).

The gearing ratio at end of the reporting period was as follows:

	December 31	
	2014	2013
Debt (a)	$ 113,871,117	$ 108,661,096
Cash and cash equivalents	(21,683,555)	(13,631,975)
Net debt	$ 92,187,562	$ 95,029,121
Equity (b)	$ 34,641,303	$ 33,572,940
Net debt to equity ration	266.12%	283.05%

a. Debt is defined as long-term and short-term borrowing (excluding derivatives and financial guarantee contracts).

b. Equity includes all capital, capital surplus, retained earnings, other equity and non-controlling interests, of the Group that are managed as capital.

34. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values or their fair values cannot be reliably measured.

	December 31			
	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Bonds payable (included current portion)	$ 32,287,433	$ 32,954,048	$ 31,492,295	$ 31,646,283
Financial lease payables (included current portion)	5,728,441	5,945,228	5,714,647	6,041,667

2) Fair value measurements recognized in the consolidated balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Principal guaranteed notes	$ -	$ 960,158	$ -	$ 960,158
Derivative financial instruments	-	-	78,486	78,486
Mutual funds	617,635	-	-	617,635
Quoted stocks	211,960	-	-	211,960
	$ 829,595	$ 960,158	$ 78,486	$ 1,868,239
Financial liabilities at FVTPL				
Derivative financial instruments	$ -	$ -	$ 78,658	$ 78,658
Available-for-sale financial assets				
Quoted stocks	$ 1,539,004	$ -	$ -	$ 1,539,004
Mutual funds	2,636	-	-	2,636
	$ 1,541,640	$ -	$ -	$ 1,541,640

December 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Principal guaranteed notes	$ -	$ 949,676	$ -	$ 949,676
Derivative financial instruments	-	-	55,590	55,590
Mutual funds	742,735	-	-	742,735
Quoted stocks	138,872	-	-	138,872
	$ 881,607	$ 949,676	$ 55,590	$ 1,886,873
Financial liabilities at FVTPL				
Derivative financial instruments	$ -	$ -	$ 19,820	$ 19,820
Available-for-sale financial assets				
Quoted stocks	$ 2,002,470	$ -	$ -	$ 2,002,470
Mutual funds	51,421	-	-	51,421
	$ 2,053,891	$ -	$ -	$ 2,053,891

There were no transfers between Level 1 and 2 in the current and prior periods.

3) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2014

Financial assets at fair value through profit or loss:

	Held for Trading		
	Foreign Exchange Forward Contracts and Foreign Exchange Options	Oil Swap and Oil Swap Options	Total
Balance at January 1, 2014	$ -	$ 55,590	$ 55,590
Total gains or losses			
In profit or loss	3,668	135,659	139,327
In other comprehensive income	-	-	-
Reclassification	-	-	-
Purchases	-	38,788	38,788
Disposals/settlements	(3,668)	(151,551)	(155,219)
Transfers out of Level 3	-	-	-
Balance at December 31, 2014	$ -	$ 78,486	$ 78,486

Financial liabilities at fair value through profit or loss:

	Held for Trading			
	Foreign Exchange Forward Contracts and Foreign Exchange Options	Oil Swap and Oil Swap Options	Put Option of Bonds	Total
Balance at January 1, 2014	$ -	$ -	$ 19,820	$ 19,820
Total gains or losses				
In profit or loss	-	393,121	(17,019)	376,102
In other comprehensive income	-	-	-	-
Reclassification	-	-	-	-
Purchases	-	-	-	-
Disposals/settlements	-	(315,277)	(1,987)	(317,264)
Transfers out of Level 3	-	-	-	-
Balance at December 31, 2014	$ -	$ 77,844	$ 814	$ 78,658

For the year ended December 31, 2013

Financial assets at fair value through profit or loss:

	Held for Trading		
	Foreign Exchange Forward Contracts and Foreign Exchange Options	**Oil Swap and Oil Swap Options**	**Total**
Balance at January 1, 2013	$ -	$ 34,028	$ 34,028
Total gains or losses			
In profit or loss	13,437	287,903	301,340
In other comprehensive income	-	-	-
Reclassification	-	-	-
Purchases	-	-	-
Disposals/settlements	(13,437)	(266,341)	(279,778)
Transfers out of Level 3	-	-	-
Balance at December 31, 2013	$ -	$ 55,590	$ 55,590

Financial liabilities at fair value through profit or loss:

	Held for Trading			
	Foreign Exchange Forward Contracts and Foreign Exchange Options	**Oil Swap and Oil Swap Options**	**Put Option of Bonds**	**Total**
Balance at January 1, 2013	$ -	$ 5,112	$ -	$ 5,112
Total gains or losses				
In profit or loss	(6,864)	(27,576)	(14,288)	(48,728)
In other comprehensive income	-	-	-	-
Reclassification	-	-	-	-
Purchases	6,864	-	34,108	40,972
Disposals/settlements	-	22,464	-	22,464
Transfers out of Level 3	-	-	-	-
Balance at December 31, 2013	$ -	$ -	$ 19,820	$ 19,820

The total gains or losses for the years ended December 31, 2014 and 2013 included a gain of $17,661 thousand and $35,850 thousand (included in other gains and losses) relating to assets measured at fair value on Level 3 fair value measurement and held at the end of reporting date.

4) Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices included quoted stocks, mutual funds and bonds investment. 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.

b) The fair values of derivative instruments were calculated using quoted prices. Where such prices were not available, a discounted cash flow analysis was performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. The above estimates and assumptions are consistent with those generally used by other market participants to price financial instruments.

b. Categories of financial instruments

	December 31	
	2014	**2013**
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)		
Held for trading	$ 908,081	$ 937,197
Designated as at FVTPL	960,158	949,676
Loans and receivables (1)	36,581,838	26,331,610
Available-for-sale financial assets (2)	2,036,237	2,553,391
<u>Financial liabilities</u>		
Fair value through profit or loss (FVTPL)		
Held for trading	78,658	19,820
Amortized cost (3)	100,348,909	96,050,543

1) The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes and trade receivables (including related parties) and other financial assets.

2) The balances included the carrying amount of available-for-sale financial assets measured at cost.

3) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes and trade payables (including related parties), other payables, payables on equipment, bonds issued and other financial liabilities.

c. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, structured investment instrument, trade receivable, other financial assets, trade payables, other payables, bonds payable, borrowings and other financial liabilities. The Group's Corporate Treasury function provides all kinds of financial service to each division by using different financial instruments. Also, the treasury function controls and analyzes the financial risks related to operations; these risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by managing stocks and flow and using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies "Regulations Governing the Acquisition and Disposal of Assets" approved by the board of directors. Compliance with policies was reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below). The Group uses assets, liabilities and a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group's operations involve foreign currency transactions so the Group is exposed to foreign currency risk. The Group's transaction involve contain various currencies due to its industrial feature, operating revenue and operating costs are mainly denominated in U.S. dollars. Exchange rate exposures were managed within approved policy parameters utilizing net cash flows offset of the influence on net assets and liabilities, forward foreign exchange contracts and instruments of swap and options.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 38.

Sensitivity analysis

Monetary assets and liabilities were mainly exposed to the U.S. dollars, RMB, GBP, EUR and JPY.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the U.S. dollars, RMB, GBP, EUR and JPY. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in profit and other equity associated with New Taiwan dollars strengthen 1% against U.S. dollars, RMB, GBP, EUR and JPY. For a 1% weakening of New Taiwan dollars against the U.S. dollars, RMB, GBP, EUR and JPY, there would be an equal and opposite impact on profit or loss.

	For the Year Ended December 31	
Profit (Loss) of 1% Variation (i)	**2014**	**2013**
U.S. dollars	$ (47,135)	$ (103,712)
RMB	13,630	13,396
GBP	8,004	5,227
EUR	(4,644)	577
JPY	(2,383)	(5,941)

i. This was mainly attributable to the exposure of outstanding foreign currency deposits, receivables and payables at the end of the reporting period.

The Group's sensitivity to foreign currency exchange rate during the current period was mainly due to the increase in RMB and GBP's monetary assets, trade receivables and cash equivalents that was greater than the increase in the relevant currency payables, which caused the increase in net assets. The decrease of U.S. dollars, EUR and JPY is due to the reduction of liabilities in foreign currency.

Sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2014	**2013**
Fair value interest rate risk		
Financial assets	$ 8,271,042	$ 6,939,222
Financial liabilities	41,676,122	38,406,602
Cash flow interest rate risk		
Financial assets	18,487,091	12,211,922
Financial liabilities	46,865,525	47,807,667

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the year ended December 31, 2014 would decrease/increase by $28,378 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings, other financial liabilities and variable-rate financial assets.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the year ended December 31, 2013 would decrease/increase by $35,596 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings, other financial liabilities and variable-rate financial assets.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and was exposed to oil price risk through its holding oil swap and oil swap option contracts. The Group periodically evaluates price risk and investment performance according to procedures of acquisition and disposal of assets and expects no significant price risk occurred.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, profit for the years ended December 31, 2014 and 2013 would have increased/decreased by $10,598 thousand and $6,943 thousand, respectively, and the other comprehensive income for the years ended December 31, 2014 and 2013 would increase/decrease by $76,950 thousand and $100,123 thousand, respectively, as a result of the changes in fair value of available-for-sale shares.

The sensitivity analyses below were determined based on the exposure to oil price risks at the end of the reporting period.

If oil prices had been increase/decrease by US$1 dollar, fair value increase/decrease by $4,236 thousand (US$141 thousand) for holding oil swap and oil swap option contracts (oil swap and oil swap option for hedging purpose but not determined to be an effective hedge) for the years ended December 31, 2013.

2) Credit risk

There is no significant concentration of credit risk for the Group. Credit risk is from cash and cash equivalents deposit in banks, derivative financial instruments transactions with banks and financial institutions and trade receivable from customers.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient letter of bank guarantee and security deposit, where appropriate, as a means of mitigating the risk of financial loss from defaults. To reduce credit risk, the Group has established an internal monitoring procedures to monitor credit risk exposure and credit condition of counterparties.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2014 and 2013, the Group had available unutilized short-term bank loan facilities $10,533,591 thousand and $14,327,131 thousand, respectively.

a) Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2014

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing	$ 18,114,754	$ 142,754	$ -
Finance lease liabilities	745,695	2,762,421	5,348,002
Other financial liabilities (i)	203,489	1,122,977	3,656,879
Variable interest rate liabilities	7,340,542	33,754,707	5,378,467
Fixed interest rate liabilities	7,250,678	24,475,593	3,995,550
Financial guarantee liabilities	1,016,746	-	-
Derivative financial liabilities	78,658	-	-
	$ 34,750,562	$ 62,258,452	$ 18,378,898

i. Cash outflows of other financial liabilities of different terms will be offset by principal secured by standby letters of credit and interest revenue. Expected cash inflows not later than one year, later than one year and not later than five years, and later than five years were $273,586 thousand, $1,127,484 thousand and $2,972,105 thousand, respectively.

December 31, 2013

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing	$ 16,172,714	$ 115,666	$ -
Finance lease liabilities	703,580	2,731,328	5,629,435
Other financial liabilities (i)	184,109	1,031,708	4,085,950
Variable interest rate liabilities	8,825,381	29,663,999	6,198,975
Fixed interest rate liabilities	4,104,081	26,393,373	4,265,100
Financial guarantee liabilities	775,341	-	-
Derivative financial liabilities	19,820	-	-
	$ 30,785,026	$ 59,936,074	$ 20,179,460

Cash outflows of other financial liabilities of different terms will be offset by principal secured by standby letters of credit and interest revenue. Cash inflows expected to occur not later than one year, to occur later than one year and not later than five years, and to occur later than five years were $242,441 thousand, $1,026,575 thousand and $3,386,836 thousand, respectively.

The amounts included above for financial guarantee contracts were within the limitation the Group can offer to related parties; i.e. the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the management considers that it is more likely than not that no amount will be payable under the arrangement.

Derivative instruments

Derivative instruments the Group held are all settled within one year as of December 31, 2014 and 2013.

4) Reclassifications

On July 1, 2008, the Group reclassified its financial assets and the fair values at the reclassification date were as follows:

	Before Reclassifications	After Reclassifications
Financial assets at fair value through profit or loss - held for trading	$ 2,377,600	$ 1,118,330
Available-for-sale financial assets	611,000	1,870,270
	$ 2,988,600	$ 2,988,600

In view of the Group'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 2008, the Group 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) were as follows:

	December 31			
	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Available-for-sale financial assets	$ 2,636	$ 2,636	$ 24,246	$ 24,246

The gains or losses recorded for the reclassified financial assets (excluding those that had been derecognized) for 2014 and 2013 and the pro forma gains or losses assuming no reclassifications had been made were as follows:

	2014		2013	
	Gains (Losses) Recorded	Pro Forma Gains (Losses)	Gains (Losses) Recorded	Pro Forma Gains (Losses)
Available-for-sale financial assets	$ -	$ 59	$ -	$ 2,529

35. TRANSACTIONS WITH RELATED PARTIES

Most of YMTC's directors in the board were appointed by MOTC. Transactions with other government-related entities were mainly bank deposits, borrowing and guaranteed business with government-owned banks (see Notes 17 and 18), concession right of Port of Kaohsiung, Taiwan International Ports Corporation Kaohsiung harbor intercontinental container and logistics center (see Note 15) and shipbuilding contracts signed with CSBC Corporation (see Notes 13 and 37). In spite of the above transactions, the other transactions with Government - related parties were both individually and collectively insignificant, hence not included in the below disclosures.

Balances and transactions between the Company and its subsidiaries, which are related party of the Company, have been eliminated on consolidation and are not disclosed in this note. Apart from the above-mentioned transactions with the government-related party and the related party information shown in other notes and Schedule A and B, the following is a summary of the significant related party transaction carried out in the normal course of the Group's business:

a. Profit (loss) from operation

Related Parties Types	For the Year Ended December 31 2014	2013
Operating revenue		
Government - related parties	$ 299,608	$ 290,215
Associates	245,329	15,556
Investors that have significant influence over the subsidiaries	3,048	65,482
	$ 547,985	$ 371,253
Operating cost		
Associates	$ 4,124,667	$ 3,254,705
Government - related parties	766,534	989,564
Investors that have significant influence over the subsidiaries	425,271	464,800
	$ 5,316,472	$ 4,709,069
Operating expenses		
Government - related parties	$ 57,406	$ 54,534
Other related parties - other	29,327	38,469
Investors that have significant influence over the subsidiaries	9,827	10,110
Associates	5	36
	$ 96,565	$ 103,149

b. Bank deposits

Bank deposits on reporting period (including time deposits with original maturity more than 3 months and pledged time deposits included in other financial assets) balance were as follows:

	December 31 2014	2013
Government - related parties	$ 7,645,767	$ 5,637,719

c. Receivables and payables from related parties

	December 31 2014	2013
Trade receivable		
Associates	$ 373,378	$ 387,052
Government - related parties	270	58,342
Investors that have significant influence over the subsidiaries	29	-
	$ 373,677	$ 445,394

	December 31	
	2014	**2013**
Other receivable - related parties (included in other current assets)		
Associates	$ 142,869	$ 60,140
Government - related parties	11,353	4,164
Investors that have significant influence over the subsidiaries	288	79
	$ 154,510	$ 64,383
Trade payable to related parties		
Associates	$ 934,190	$ 756,581
Investors that have significant influence over the subsidiaries	103,370	118,320
Government - related parties	46,947	79,162
	$ 1,084,507	$ 954,063
Other payable - related parties (included in other payables)		
Government - related parties	$ 40,159	$ 30,300
Associates	171	171
	$ 40,330	$ 30,471
Payables on equipment		
Government - related parties	$ -	$ 467,039

d. Amounts accounted for shipping agents

Amounts accounted for shipping agents on reporting periods were as follows:

	December 31	
	2014	**2013**
Advances to shipping agents		
Associates	$ 79,586	$ 52,607

e. Bonds payables

Bonds payable (Note 1) balance on reporting periods were as follows:

	December 31	
	2014	**2013**
Government - related parties	$ 7,699,000	$ 7,549,000
Investors that have significant influence over the subsidiaries	450,000	450,000
Associates	25,000	25,000
	$ 8,174,000	$ 8,024,000

Note 1: Original investment amount of privately placed bonds.

f. Others

Related Parties Types	For the Year Ended December 31 2014	2013
Rental income		
Other related parties - other	$ 3,429	$ 3,429
Interest income		
Government - related parties	$ 26,795	$ 23,695
Associates	45	283
	$ 26,840	$ 23,978
Finance cost		
Government - related parties	$ 496,356	$ 699,333
Investors that have significant influence over the subsidiaries	3,154	3,646
Associates	537	537
	$ 500,047	$ 703,516

The Group's transactions with related parties were conducted under contract terms.

g. Property, plant and equipment acquired

The Group acquired property, plant and equipment from government-related parties; the amounts were $5,165,456 thousand and $3,063,971 during the years ended December 31, 2014 and 2013, respectively.

h. Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the years ended December 31, 2014 and 2013 were as follows:

	For the Year Ended December 31 2014	2013
Short-term employee benefits	$ 27,179	$ 25,921
Post-employment benefits	10,396	16,819
	$ 37,575	$ 42,740

The remuneration of directors and key executives is determined by the remuneration committee on the basis of the performance of individuals and market trends.

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

In addition to those mentioned in Note 17, the following assets had been pledged as collaterals for syndicated bank loans, long-term bank loans, bonds and credit lines:

	December 31 2014	2013
Property, plant and equipment, net	$ 48,081,824	$ 65,782,623
Deposit of stand-by letter of credit (included in other financial assets)	4,910,558	5,179,768

(Continued)

	December 31	
	2014	2013
Pledged time deposits (included in other financial assets)	$ 72,781	$ 13,764
Investment properties, net	1,381,287	1,390,320
	$ 54,446,450	$ 72,366,475

(Concluded)

37. COMMITMENTS AND CONTINGENT LIABILITY

In addition to those mentioned in Schedule B and other notes, commitments and contingent liability on reporting periods were as follows:

a. Kuang Ming Shipping Corp. signed a contract, "operating commission", with Taiwan Power Company, Ltd. since August 2011 and the contract is for six years. Kuang Ming Shipping Corp. is responsible for managing and operating vessels owned by Taiwan Power Company.

b. The Company signed shipbuilding contracts with government-related entity. As of December 31, 2014 and 2013, unpaid amount for these contracts were $5,294,992 thousand and $9,577,683 thousand frespectively.

c. The Company signed tramp ships building contracts with non-related party. As of December 31, 2014 and 2013, unpaid amounts for these contracts were $3,016,572 thousand and $2,094,609 thousand respectively.

d. The Group signed ship lease contracts with other companies which will start in 2013 with lease periods from 10 to 12 years. Future rentals are estimated from US$2,527,000 thousand to US$3,032,000 thousand.

38. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 500,036	31.7200 (USD:NTD)	$ 15,861,140
GBP	104,585	1.5567 (GBP:USD)	5,164,072
RMB	470,661	5.1111 (RMB:NTD)	2,405,594
USD	24,661	2.3256 (USD:TRY)	782,258
EUR	12,408	38.5620 (EUR:NTD)	478,467
GBP	5,649	49.3770 (GBP:NTD)	278,948
JPY	1,049,906	0.2651 (JPY:NTD)	278,338
RMB	49,029	0.1611 (RMB:USD)	250,590
HKD	6,657	0.1289 (HKD:USD)	27,230

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Non-monetary items			
GBP	$ 1	49.3770 (GBP:NTD)	$ 59
Financial liabilities			
Monetary items			
USD	660,276	31.7200 (USD:NTD)	20,943,957
GBP	92,115	1.5567 (GBP:USD)	4,548,339
RMB	253,022	5.1111 (RMB:NTD)	1,293,219
USD	13,020	2.3256 (USD:TRY)	412,984
EUR	24,450	38.5620 (EUR:NTD)	942,858
GBP	1,910	49.3770 (GBP:NTD)	94,318
JPY	1,948,715	0.2651 (JPY:NTD)	516,618

(Concluded)

December 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 515,693	29.9500 (USD:NTD)	$ 15,445,020
GBP	107,800	1.6522 (GBP:USD)	5,334,299
RMB	278,756	4.9471 (RMB:NTD)	1,379,043
JPY	2,071,817	0.2851 (JPY:NTD)	590,708
AUD	13,773	26.7124 (AUD:NTD)	367,898
JPY	2,494	0.0095 (JPY:USD)	711
Non-monetary items			
EUR	85	41.2621 (EUR:NTD)	3,508
GBP	7	49.4834 (GBP:NTD)	366
Financial liabilities			
Monetary items			
USD	861,976	29.9500 (USD:NTD)	25,816,187
GBP	97,244	1.6522 (GBP:USD)	4,811,947
RMB	7,980	4.9471 (RMB:NTD)	39,479
JPY	3,779,431	0.2851 (JPY:NTD)	1,077,576
AUD	1,649	26.7124 (AUD:NTD)	44,061
EUR	2,758	41.2621 (EUR:NTD)	113,797
JPY	378,489	0.0095 (JPY:USD)	107,913

39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided: Please see Schedule A attached;

2) Endorsement/guarantee provided: Please see Schedule B attached;

3) Marketable securities held: Please see Schedule C attached;

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: Please see Schedule D attached;

5) Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None;

6) Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None;

7) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: None;

8) Receivable from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please see Schedule E attached;

9) Trading in derivative instruments. (Note 7)

10) Intercompany relationships and significant intercompany transactions: Please see Schedule F attached;

11) Information on investees: Please see Schedule G attached;

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Please see Schedule H attached;

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None;

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

40. SEGMENT INFORMATION

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Year Ended December 31, 2014					
	Marine Cargo Transportation Department	**Tramp Department**	**Wharf Department**	**Other Departments**	**Adjustment and Eliminations**	**Combined**
Sales to customers	$ 126,674,134	$ 2,755,293	$ 657,979	$ 4,690,452	$ -	$ 134,777,858
Intercompany sales	1,098,570	-	867,521	1,169,859	(3,135,950)	-
Total revenue	$ 127,772,704	$ 2,755,293	$ 1,525,500	$ 5,860,311	$ (3,135,950)	$ 134,777,858
Segment operating income (loss)	$ 808,535	$ (839,689)	$ 56,378	$ 139,397	$ 49,498	$ 214,119
Administration cost						(373,004)
Other operating income and expenses						2,946,562
Share of profit or loss of associates and joint ventures accounted for using the equity method						138,084
Other income						337,195
Financial costs						(1,774,345)
Other gains and losses						(466,615)
Continuing operation loss before tax expense						$ 1,021,996

	Year Ended December 31, 2013					
	Marine Cargo Transportation Department	**Tramp Department**	**Wharf Department**	**Other Departments**	**Adjustment and Eliminations**	**Combined**
Sales to customers	$ 109,859,289	$ 2,503,951	$ 2,186,899	$ 4,323,821	$ -	$ 118,873,960
Intercompany sales	601,297	-	1,403,845	1,165,019	(3,170,161)	-
Total revenue	$ 110,460,586	$ 2,503,951	$ 3,590,744	$ 5,488,840	$ (3,170,161)	$ 118,873,960
Segment operating income (loss)	$ (8,763,802)	$ (1,086,156)	$ 378,931	$ 30,912	$ 46,901	$ (9,393,214)
Administration cost						(340,073)
Other operating income and expenses						3,698,055
Share of profit or loss of associates and joint ventures accounted for using the equity method						118,794
Other income						296,311
Financial costs						(1,858,362)
Other gains and losses						4,464,085
Continuing operation loss before tax expense						$ (3,014,404)

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profits (loss) of associates, gain recognized on the disposal of interest in former associates, rental revenue, interest income, gain or loss on disposal of property, plant and equipment, gain or loss on disposal of financial instruments, exchange gain or loss, valuation gain or loss on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment assets

Because reportable segments do not regularly report measures to the chief operating decision maker, measure of segment assets is zero.

c. Geographical information

The Group operates in four principal geographical areas - domestic, America, Europe and Asia.

The Group's revenue from continuing operation and information about its noncurrent assets by geographical location are detailed below. Ships and construction in process can not be allocated by location because they are used for worldwide operation.

	Revenue From External Customers Year Ended December 31, 2014	Noncurrent Assets December 31, 2014
Domestic	$ 5,758,293	$ 6,726,908
America	54,887,133	21,647
Europe	40,440,196	76,816
Asia	33,673,961	187,768
Others	18,275	168,574
	$ 134,777,858	7,181,713
Containers		11,631,590
Ships and construction in process		72,346,488
		$ 91,159,791

	Revenue From External Customers Year Ended December 31, 2013	Noncurrent Assets December 31, 2013
Domestic	$ 5,960,635	$ 6,764,393
America	48,014,268	31,242
Europe	34,944,385	85,620
Asia	29,843,895	342,287
Others	110,777	198,409
	$ 118,873,960	7,421,951
Containers		9,467,364
Ships and construction in process		78,564,464
		$ 95,453,779

Noncurrent assets excluded those classified as financial assets, deferred tax assets, deferred pension costs and assets arising from insurance contracts.

d. Critical customer

No single customer accounted for at least 10% of the Group's total operating revenues.

SCHEDULE A

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financier	Borrower	Financial Statement Account	Maximum Balance for the Year (Note C)	Ending Balance (Note C)	Amount Actually Drawn (Note C)	Interest Rate	Nature of Financing (Note A)	In the Last Five Years Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Maximum Amount of Financing to Individual Borrower	Maximum Amount of Financing that Can Be Provided by the Financier
												Item	Value		
0	Yang Ming Marine Transport Corporation	Yang Ming (Liberia) Corp.	Other receivables	$ 9,000,000	$ 2,500,000	$ 1,415,447	1.8276%	1	$ 2,380,710	Repayment of loans/Obtain working capital	$ -	-	$ -	$ 13,458,419	$ 16,823,024
		All Oceans Transportation, Inc.	Other receivables	3,500,000	3,500,000	592,364	1.8276%	1	3,237,111	Obtain working capital	-	-	-	13,458,419	16,823,024
1	Yang Ming Line (Singapore) Pte. Ltd.	Yang Ming (Australia) Pty, Ltd.	Other receivables	10,263 (AUD 395)	-	-	-	2	-	Obtain working capital	-	-	-	249,102	498,204
		Antwerp International Terminal N.V.	Other receivables	12,594 (EUR 327)	-	-	-	2	-	Obtain working capital	-	-	-	249,102	498,204
2	Yang Ming (America) Corp.	Olympic Container Terminal LLC	Other receivables	482,144 (US$ 15,200)	-	-	-	2	-	Obtain working capital	-	-	-	513,864	570,960
3	Yang Ming Shipping (B.V.I.) Inc.	Karlman Properties Limited	Other receivables	11,452 (HK$ 2,800)	6,544 (HK$1,600)	3,927 (HK$ 960)	0.5000%	2	-	Repayment of loans	-	-	-	50,177	100,355
4	Kung Ming Shipping Corp.	Kung Ming (Liberia) Corp.	Other receivables	317, 200 (US$ 10,000)	317,200 (US$ 10,000)	-	-	2	-	Obtain working capital	-	-	-	363,617	1,090,852
5	Yes Logistics Corp.	Yes Logistics Europe GmbH	Other receivables	18,317 (EUR 475)	18,317 (EUR 475)	18,317 (EUR 475)	2.7080%	1	65,344	Obtain working capital	-	-	-	233,021	466,043
		Yes Logistics (Shanghai) Corp.	Other receivables	95,160 (US$ 3,000)	95,160 (US$ 3,000)	95,160 (US$ 3,000)	1.8260%	1	40,587	Obtain working capital	-	-	-	233,021	466,043
		Sino Trans PFS Cold Chain Logistics Co., Ltd.	Other receivables	34,065 (RMB 6,665)	34,065 (RMB 6,665)	-	6.0000%	2	-	Obtain working capital	-	-	-	155,347	310,695
6	Kung Ming (Liberia) Corp.	Kung Ming Shipping Corp.	Other receivables	285,480 (US$ 9,000)	285,480 (US$ 9,000)	50,752 (US$ 1,600)	1.1003%	2	-	Obtain working capital	-	-	-	348,061	1,044,185
7	Yang Ming Line Holding Co.	Olympic Container Terminal LLC	Other receivables	317,200 (US$ 10,000)	317,200 (US$ 10,000)	317,200 (US$ 10,000)	2.0000%	2	-	Obtain working capital	-	-	-	905,316	905,316
8	Ching Ming Investment Corp.	Sino Trans PFS Cold Chain Logistics Co., Ltd.	Other receivables	17,046 (RMB 3,335)	17,046 (RMB 3,335)	-	6.0000%	2	-	Obtain working capital	-	-	-	160,260	320,520

Notes:

A. Nature of financing:

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

B. The maximum financing amount is 60% of the net assets of the Corporation. For borrowers with transactions with the Corporation, maximum financing is 40% of the net assets of the Corporation. For borrowers with short-term financing need, the maximum is 10% of the 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.

(Continued)

D. For a borrower that is a subsidiary of the Corporation, maximum financing is the lower of 40% of the latest net assets audited or reviewed by CPA of the Corporation or the total amount of transactions between the Corporation and the subsidiary in the last five years.

E. The maximum financing amount is 50% of the total assets of the lender. For borrowers with transactions with the lender, maximum financing is 30% of the total assets of the lender. For borrowers with short-term financing need, the maximum is 20% of the total assets of the lender.

F. For borrowers with transactions with the lender, maximum financing is the lower of 15% of the total assets of the lender or the total amount of transactions between the lender and the borrower in the last five years. For the borrower needing short-term financing, maximum financing is 10% of the total assets of the lender.

G. Represents US$18,000,000.

H. Represents 90% of US$18,000,000.

I. The maximum financing amount is 50% of the total assets of the lender. For borrowers with transactions with the lender, maximum financing is 30% of the total assets of the lender. For borrowers with short-term financing need, the maximum is 20% of the total assets of the lender.

J. For borrowers with transactions with the lender, maximum financing is the lower of 15% of the total assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For the borrower needing short-term financing, maximum financing is 10% of the total assets of the lender.

K. The maximum financing amount is the 60% of the latest net assets audited or reviewed by CPA of the lender. For borrowers with transactions with the lender, maximum financing is 30% of the latest net assets audited or reviewed by CPA of the lender. For borrowers with short-term financing need, the maximum is the 30% of the latest net assets audited or reviewed by CPA of the lender.

L. For borrowers with transactions with the lender, maximum financing is 15% of the latest net assets or received by CPA of the lender. For subsidiaries with transactions with the lender maximum financing is 30% of the latest net assets. For the borrower needing short-term financing maximum financing is 10% of the total assets of the lender.

M. The maximum financing amount is 50% of the total assets of the lender. For borrowers with transactions with the lender, maximum financing is 30% of the total assets of the lender. For borrowers with short-term financing need, the maximum is 20% of the total assets of the lender.

N. For borrowers with transactions with the lender, maximum financing is the lower of 15% of the total amount financing amount or the total amount of transactions between the lender and the borrower in the last two years. For the borrower needing short-term financing, maximum financing is 10% of the financing amount.

O. The maximum financing amount is 60% of the net assets of the lender. For borrower with transactions with lender maximum financing is 30% of the net total assets of the lender. For subsidiaries with transaction with the lender, maximum financing is 30% of the latest net assets. For the borrower needing short-term financing, maximum financing is 30% of the total assets of the lender.

P. For borrower with transaction with the lender, maximum financing is 15% of the total amount of transactions between the lender and the borrower in the last two years. For the borrower needing short-term financing maximum financing is 10% of the net assets of the lender.

Q. The maximum financing amount is 80% of the net assets of the lender. For borrower with transactions with lender maximum financing is 40% of the net total assets of the lender. For the borrower needing short-term financing maximum financing is 50% of the net total assets.

R. For borrower with transaction with the lender, maximum financing is 20% of the total amount of transaction between the lender and the borrower in the last two years. For the borrower needing short-term financing maximum financing is 50% of the net assets of the lender.

S. The maximum financing amount is 50% of the total assets of the lender. For borrower with transactions with lender maximum financing is 30% of the total assets of the lender. For the borrower needing short-term financing maximum financing is 20% of the total assets of the lender.

T. For borrower with transaction with the lender, maximum financing is 15% of the total amount of transactions between the lender and the borrower in the last two years. For the borrower needing short-term financing maximum financing is 10% of the net assets of the lender.

U. United States dollars, Great British Pounds, Euros dollars and Hong Kong dollars translated into New Taiwan dollars at the exchange rate of US$1=NT$31.72, US$1=AUD1.220778, US$1=EUR0.822571, US$1=HK$7.7552 and US$=RMB6.2061 as of December 31, 2014.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorser/Guarantee		Limits on Endorsement/Guarantee Given on Behalf of Each Party	Maximum Amount	Ending Balance (Note M)	Actual Borrowing Amount (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	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Yang Ming Marine Transport Corporation	All Oceans Transportation, Inc.	Subsidiary	$ 53,833,677	$ 10,096,568 (US$ 318,303)	$ 10,096,568 (US$ 318,303)	$ 5,106,831 (US$ 160,997)	$ -	30.01%	$ 67,292,096	Y	N	N
		Kuang Ming (Liberia) Corp.	Subsidiary	53,833,677	5,563,018 (US$ 157,594 and JPY 2,128,000)	4,932,020 (US$ 155,486)	4,914,938 (US$ 154,948)	-	14.66%	67,292,096	Y	N	N
		Yang Ming (Liberia) Corp.	Subsidiary	53,833,677	20,433,072 (US$ 644,170)	6,579,045 (US$ 207,410)	2,467,142 (US$ 77,779)	-	19.55%	67,292,096	Y	N	N
		Yang Ming (America) Corp.	Subsidiary	53,833,677	158,600 (US$ 5,000)	158,600 (US$ 5,000)	158,600 (US$ 5,000)	-	0.47%	67,292,096	Y	N	N
		United Terminal Leasing LLC	Equity-method investee of subsidiary	53,833,677	228,384 (US$ 7,200)	228,384 (US$ 7,200)	72,503 (US$ 2,286)	-	0.68%	67,292,096	N	N	N
		West Basin Container Terminal LLC	Equity-method investee of subsidiary	53,833,677	591,261 (US$ 18,640)	591,261 (US$ 18,640)	272,413 (US$ 8,588)	-	1.76%	67,292,096	N	N	N
		Olympic Container Terminal LLC	Subsidiary	53,833,677	158,605 (US$ 5,000)	158,605 (US$ 5,000)	158,605 (US$ 5,000)	-	0.47%	67,292,096	Y	N	N
1	Yang Ming Line Holding Co.	West Basin Container Terminal LLC	Equity-method investee of subsidiary	773,551	141,111 (US$ 4,449)	141,111 (US$ 4,449)	-	-	0.42%	966,939	N	N	N
		United Terminal Leasing LLC	Equity-method investee of subsidiary	773,551	55,990 (US$ 1,765)	55,990 (US$ 1,765)	-	-	0.17%	966,939	N	N	N
2	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming (UK) Ltd.	Subsidiary	4,433,909	13,259 (GBP 269)	9,613 (GBP 195)	9,613 (GBP 195)	-	0.03%	5,542,386	N	N	N
3	All Oceans Transportation, Inc.	Yang Ming Marine Transport Corporation	Parent	22,646,985	10,380,000	5,950,000	5,158,417	5,950,000 (Note N)	17.68%	28,308,731	N	Y	N
4	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Subsidiary	11,635,755	4,360,661 (US$ 42,600 JPY 10,220,000 and NT$ 300,000)	4,208,405 (US$ 37,800 JPY 10,220,000 and NT$ 300,000)	2,937,622 (US$ 91,775 and JPY 100,000)	-	12.51%	14,544,694	N	N	N
5	Kuang Ming (Liberia) Corp.	Kuang Ming Shipping Corp.	Parent	5,568,989	1,290,320 (US$ 6,000 and NT$ 1,100,000)	1,290,320 (US$ 6,000 and NT$ 1,100,000)	-	-	3.83%	6,961,236	N	N	N

(Continued)

A. Represents 200% of the paid-in capital of Yang Ming Marine Transport Corporation (the "Corporation").

B. Represents 80% of the amount mentioned in Note A.

C. Represents 50% of assets of Yang Ming Line Holding Co.

D. Represents 80% of the amount mentioned in Note C.

E. Represents 50% of assets 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 400% 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 of Kuang Ming (Liberia) Corp.

L. Represents 80% of the amount mentioned in Note K.

M. United States dollars, Great Britain Pounds and Japanese yen translated into New Taiwan dollars at the exchange rate of US$1=NT$31.72, US$1=GBP0.642405 and US$1=JPY119.65 on December 31, 2014.

N. Represents 5 ships used as guarantees, with carrying value of $2,922,676 thousand as of December 31, 2014.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2014
(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	December 31, 2014				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value	
Yang Ming Marine Transport Corporation	Common stock							
	Taipei Port Container Terminal Co., Ltd.	-	Financial asset carried at cost - noncurrent	51,000,000	$ 472,188	9.81	$ -	
	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	-	
	Stock							
	Taiwan Navigation Co., Ltd.	Governed by the MOTC	Available-for-sale financial asset - noncurrent	70,758,243	1,538,992	16.96	1,538,992	Note A
	Mutual fund							
	BlackRock ICS GBP Liquidity Funds	-	Financial assets at fair value through profit or loss - current	1,196	59	-	59	
	Corporates bonds							
	Domestic Privately Placed Unsecured Bonds - Kuang Ming Shipping Corp.	Subsidiary	Debt investment with no active market	-	1,000,000	-	-	
Ching Ming Investment Corp.	Common stock							
	Ascentek Venture Capital Corporation	-	Financial asset carried at cost - noncurrent	784,000	7,896	2.14	-	
	Kingmax Technology Corp.	-	Financial asset carried at cost - noncurrent	822,115	6,420	1.40	-	
	Stock							
	China Steel Corporation	-	Available-for-sale financial assets - current	471	12	-	12	
	Taiwan Navigation Co., Ltd.	-	Financial assets at fair value through profit or loss - current	324,000	7,047	0.08	7,047	
	Taiwan Fertilizer Co., Ltd.	-	Financial assets at fair value through profit or loss - current	155,000	8,649	0.02	8,649	
	Runtex Industries Limited	-	Financial assets at fair value through profit or loss - current	63,327	4,224	0.01	4,224	
	Hon Hai Precision Co., Ltd.	-	Financial assets at fair value through profit or loss - current	240,000	21,096	-	21,096	
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	484	25	-	25	
	Phision Electronics Corp.	-	Financial assets at fair value through profit or loss - current	48,000	10,512	0.03	10,512	
	Formosa Plastic Corporation	-	Financial assets at fair value through profit or loss - current	2,000	145	-	145	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value	
	DyPack International Technology Corporation	-	Financial assets at fair value through profit or loss - current	40,000	$ 2,948	0.03	$ 2,948	
	Flexium Interconnect Inc.	-	Financial assets at fair value through profit or loss - current	42,271	2,997	0.02	2,997	
	Tze Shin International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	497,150	5,841	0.29	5,841	
	Tong Yang Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	100,000	3,665	0.02	3,665	
	Makalot Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss - current	43,519	7,355	0.02	7,355	
	Scino Pharm Taiwan, Ltd.	-	Financial assets at fair value through profit or loss - current	57,200	3,203	0.01	3,203	
	Sunspring Metal Corporation	-	Financial assets at fair value through profit or loss - current	35,000	2,027	0.02	2,027	
	Adata Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	60,438	3,542	0.03	3,542	
	Ruentex Development Co., Ltd.	-	Financial assets at fair value through profit or loss - current	120,000	6,048	0.01	6,048	
	Wistron NeWeb Corporation	-	Financial assets at fair value through profit or loss - current	100,800	6,754	0.03	6,754	
	Adlink Technology Inc.	-	Financial assets at fair value through profit or loss - current	91,000	6,798	0.05	6,798	
	Career Technology (MFG) Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50,000	1,605	0.02	1,605	
	Elite Advanced Laser Corporation	-	Financial assets at fair value through profit or loss - current	30,000	3,195	0.04	3,195	
	Champion Microelectronic Corp.	-	Financial assets at fair value through profit or loss - current	150,000	12,105	0.27	12,105	
	Prime Oil Chemical Service Corporation	-	Financial assets at fair value through profit or loss - current	5,000	132	0.01	132	
	First Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	339,000	6,322	-	6,322	
	Taishin Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	110,000	1,435	-	1,435	
	Mega Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	380,000	9,291	-	9,291	
	Yuanta Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,130,000	17,402	0.01	17,402	
	Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50,000	2,347	-	2,347	
	Evergreen International Storage & Transport Co., Ltd.	-	Financial assets at fair value through profit or loss - current	995,000	18,258	0.09	18,258	
	Evergreen Marine Corp. (Taiwan) Ltd.	-	Financial assets at fair value through profit or loss - current	50,000	1,120	-	1,120	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	193,000	27,213	-	27,213	
	W.I.S.E. Yuanta/P-shares CSI 300 ETF	-	Financial assets at fair value through profit or loss - current	513,000	8,659	-	8,659	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value	
	<u>Mutual fund</u>							
	Hua Nan Global Infrastructure Fund A	-	Available-for-sale financial assets - current	200,000	$ 1,416	-	$ 1,416	
	Templeton Developing Market Trust	-	Available-for-sale financial assets - current	2,254	1,220	-	1,220	
	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,435,618	24,693	-	24,693	
	Shin Kong Chi-Shin Money Market Fund	-	Financial assets at fair value through profit or loss - current	328,049	4,996	-	4,996	
	The Rsit Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,221,342	26,128	-	26,128	
	Fuh Hwa Money Market Fund	-	Financial assets at fair value through profit or loss - current	719,076	10,220	-	10,220	
	Franklin Templeton Sinoam New World Fund	-	Financial assets at fair value through profit or loss - current	759,591	10,027	-	10,027	
	Taishin Lation America Fund	-	Financial assets at fair value through profit or loss - current	500,000	3,240	-	3,240	
	Taishin India Fund	-	Financial assets at fair value through profit or loss - current	384,025	5,054	-	5,054	
	First China Century Fund	-	Financial assets at fair value through profit or loss - current	632,645	5,953	-	5,953	
	Yuanta Greater China Small and Medium Cap Fund	-	Financial assets at fair value through profit or loss - current	628,332	4,687	-	4,687	
	Pine Bridge BRIIC Infrastructure Equity Fund	-	Financial assets at fair value through profit or loss - current	623,609	4,602	-	4,602	
	Eastspriing Investment China Fund	-	Financial assets at fair value through profit or loss - current	811,924	10,222	-	10,222	
	Allianz Global Investors Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,097,778	25,803	-	25,803	
	Allianz Global Investors Global Biotech Fund	-	Financial assets at fair value through profit or loss - current	138,236	4,986	-	4,986	
	Allianz Global Investors All Seasons Growth Fund of Fund	-	Financial assets at fair value through profit or loss - current	976,799	10,120	-	10,120	
	Eastspring Investment India Fund	-	Financial assets at fair value through profit or loss - current	420,532	10,151	-	10,151	
	Eastspring Investment Asia-Pacific High Yield Equity Fund	-	Financial assets at fair value through profit or loss - current	1,049,198	15,140	-	15,140	
	Eastspring Investment Asia Pacific Infrastructure Fund	-	Financial assets at fair value through profit or loss - current	651,466	7,511	-	7,511	
	Eastspring Investment Asian Income Balance Fund A	-	Financial assets at fair value through profit or loss - current	2,514,453	25,225	-	25,225	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,597,173	21,219	-	21,219	
	Taishin CSI Leading Consumption and Service Index Fund	-	Financial assets at fair value through profit or loss - current	400,128	5,162	-	5,162	
	Fuh Hwa Rising Asean Fund	-	Financial assets at fair value through profit or loss - current	364,970	4,639	-	4,639	
	Fuh Hwa Global consumer Fund	-	Financial assets at fair value through profit or loss - current	200,000	2,020	-	2,020	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value	
	Fuh Hwa Global Asset Backed Securities Fund A	-	Financial assets at fair value through profit or loss - current	374,116	$ 5,065	-	$ 5,065	
	Capital RMB Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,888,114	50,359	-	50,359	
	Capital India Medium and Small Cap Equity Fund	-	Financial assets at fair value through profit or loss - current	96,062	1,204	-	1,204	
	Yaunta Polaris RMB Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,745,044	50,860	-	50,860	
	Cathy Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,844,970	22,615	-	22,615	
	Cathy Global Multiple Income Balance Fund-A	-	Financial assets at fair value through profit or loss - current	986,627	10,034	-	10,034	
	Cathy Asian Growth Fund	-	Financial assets at fair value through profit or loss - current	500,000	5,005	-	5,005	
	SinoPac TWD Money Market Fund	-	Financial assets at fair value through profit or loss - current	730,285	9,996	-	9,996	
	SinoPac CSI 300 Divided Index Fund	-	Financial assets at fair value through profit or loss - current	640,543	10,300	-	10,300	
	Upamc Asian Bric Fund	-	Financial assets at fair value through profit or loss - current	633,914	7,455	-	7,455	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,820,741	28,258	-	28,258	
	Prudential Financial Global Bio-Health Fund	-	Financial assets at fair value through profit or loss - current	294,811	9,859	-	9,859	
	Prudential Financial Global Consumer Trends Fund	-	Financial assets at fair value through profit or loss - current	310,366	5,000	-	5,000	
	FSITC Asian Emerging Market Fund	-	Financial assets at fair value through profit or loss - current	890,093	10,112	-	10,112	
	Nomuara Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,071,465	17,173	-	17,173	
	Nomuara Global Biotech & Health Care Fund	-	Financial assets at fair value through profit or loss - current	295,159	5,000	-	5,000	
	Nomuara Global High Dividend Fund Accumulate	-	Financial assets at fair value through profit or loss - current	290,192	5,038	-	5,038	
	Nomuara Asia Pacific High Dividend Fund Accumulate	-	Financial assets at fair value through profit or loss - current	649,878	7,734	-	7,734	
	Pinebridge Asia ex Japan Focus Equity Fund	-	Financial assets at fair value through profit or loss - current	729,053	7,261	-	7,261	
	Franklin Templeton Sinoam Global Growth Fund	-	Financial assets at fair value through profit or loss - current	1,000,000	10,000	-	10,000	
	Manulife Asia Pacific Mid and Small	-	Financial assets at fair value through profit or loss - current	509,910	9,439	-	9,439	
	Shin Kong Dragon Fund of Funds	-	Financial assets at fair value through profit or loss - current	443,552	5,145	-	5,145	
	Shin Kong Global Biotech Health Care Fund	-	Financial assets at fair value through profit or loss - current	943,082	9,884	-	9,884	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares/Units	Carrying Value	% of Ownership	Market Value or Net Asset Value	
	Jpmorgan (Taiwan) Multi Income Fund of Fund - Accumulation Share class	-	Financial assets at fair value through profit or loss - current	500,000	$ 5,226	-	$ 5,226	
	CTBC Hua Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,101,871	22,752	-	22,752	
	CTBC Multiple Income Fund-A	-	Financial assets at fair value through profit or loss - current	596,207	6,201	-	6,201	
	Paradigm Pion Money Market Fund	-	Financial assets at fair value through profit or loss - current	705,327	8,011	-	8,011	
	Paradigm China Muti-opportunities Fund	-	Financial assets at fair value through profit or loss - current	976,733	10,488	-	10,488	
	Mega China A Share Euiqty Fund	-	Financial assets at fair value through profit or loss - current	396,197	5,369	-	5,369	
	Mega Life Science Fund	-	Financial assets at fair value through profit or loss - current	253,293	4,932	-	4,932	
Yes Logistics Corp.	Common stock							
	B2B.Com Holdings Ltd.	-	Financial asset carried at cost - noncurrent	800,000	140	9.88	-	
	United Raw Material Solutions Inc./URMS	-	Financial asset carried at cost - noncurrent	319,751	2,953	2.76	-	
	Mutual fund							
	Shin Kong Chi-Shin Money Market Fund	-	Financial assets at fair value through profit or loss - current	656,642	10,003	-	10,003	

Note A: More than half of the directors are identical.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 Corp.	Mutual fund														
	Jih Sun Money Market Fund	Available-for-sale financial assets - current	-	-	-	$ -	334,473,429	$ 4,850,000	334,473,429	$ 4,852,588	$ 4,850,000	$ 2,588	$ -	-	$ -
	Mega Diamond Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	176,815,435	2,170,000	176,815,435	2,171,648	2,170,000	1,648	-	-	-
	Yuanta Wan Tai Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	181,770,675	2,700,000	181,770,675	2,701,094	2,700,000	1,094	-	-	-
	UPAMC James Bond Money Market	Available-for-sale financial assets - current	-	-	-	-	122,651,012	2,010,000	122,651,012	2,010,871	2,010,000	871	-	-	-
	Capital Money Market	Available-for-sale financial assets - current	-	-	-	-	222,006,374	3,510,000	222,006,374	3,511,300	3,510,000	1,300	-	-	-
	Eastspring Inv well Pool Money Market	Available-for-sale financial assets - current	-	-	-	-	70,547,817	940,000	70,547,817	940,485	940,000	485	-	-	-
	Black Rock ICS_GBP_Liquidity Fund	Available-for-sale financial assets - current	-	-	7,401	366	15,123,795	776,622	15,130,000	776,929	776,929	-	-	1,196	59
	SinoPac Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	25,637,645	350,000	25,637,645	350,286	350,000	286	-	-	-
	FSITC Taiwan Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	98,086,465	1,470,000	98,086,465	1,470,606	1,470,000	606	-	-	-
	Cathy Taiwan Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	89,893,991	1,100,000	89,893,991	1,100,487	1,100,000	487	-	-	-
	Taishin 1699 Money Market	Available-for-sale financial assets - current	-	-	-	-	82,950,204	1,100,000	82,950,204	1,100,546	1,100,000	546	-	-	-
	Fubon Chi-Hsian Money Market	Available-for-sale financial assets - current	-	-	-	-	32,507,428	500,000	32,507,428	500,432	500,000	432	-	-	-
	Shin Kong Chi-Shin Money Market Fund	Available-for-sale financial assets - current	-	-	-	-	19,729,071	300,000	19,729,071	300,069	300,000	69	-	-	-
	Corporate bonds														
	Demestic Privately Placed Unsecured Bonds - Kuang Ming Shipping Corp.	Debt investment with no active market	-	-	-	-	-	1,000,000	-	-	-	-	-	-	1,000,000

Note A: Carrying value is the original acquisition amount.

SCHEDULE E

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2014
(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 Corporation	All Oceans Transportation, Inc.	A	$ 21,169,400 (Note E)	-	$ -	-	$ -	$ -
	Yang Ming (Liberia) Corp.	A	1,415,446 (Note F)	-	-	-	-	-
	Young-Carrier Company Limited	A	1,378,858	-	-	-	1,378,858	-
	Yang Ming (Netherland) B.V.	A	120,404	-	-	-	120,404	-
	Yang Ming (Italy) S.P.A.	A	236,199	-	-	-	236,199	-
	Yang Ming (Vietnam) Company Ltd.	D	139,681	-	-	-	139,681	-
	Yang Ming Shipping Europe GmbH.	A	202,701	-	-	-	202,701	-
	Yang Ming (UK Ltd.)	A	136,715	-	-	-	136,715	-
All Oceans Transportation, Inc.	Yang Ming (Liberia) Corp.	B	6,775,793 (Note G)	-	-	-	-	-
Young-Carrier Company Limited	Yang Ming Marine Transport Corporation	C	608,433	-	-	-	608,433	-
	Yang Ming (UK Ltd.)	B	105,301	-	-	-	105,301	-
Yang Ming Line (Hong Kong) Ltd.	Yang Ming Marine Transport Corporation	C	129,390	-	-	-	129,390	-
Yang Ming (America) Corp.	Yang Ming Marine Transport Corporation	C	247,707	-	-	-	247,707	-
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yangming (UK) Ltd.	A	3,417,043 (Note H)	-	-	-	-	-
Yang Ming Shipping (B.V.I.) Inc.	Yang Ming Line (Hong Kong) Ltd.	B	281,121	-	-	-	281,121	-
Yangming (UK) Ltd.	Yang Ming Marine Transport Corporation	C	848,108	-	-	-	-	-
	Young-Carrier Company Limited	B	311,328	-	-	-	311,328	-
Jing Ming Transportation Co., Ltd.	Yang Ming Marine Transport Corporation	C	101,137	-	-	-	85,069	-
Yang Ming Line Holding Co.	Olympic Container Terminal LLC	B	320,372	-	-	-	-	-
	West Basin Container Terminal LLC	D	120,536	-	-	-	-	-
Olympic Container Terminal LLC	Yang Ming Marine Transport Corporation	C	104,637	-	-	-	66,585	-
Yes Logistics Corp.	Yes Logistics (Shanghai) Corp.	B	121,759	-	-	-	-	-

(Continued)

Notes:

A. Subsidiary of the Corporation.

B. The same parent company.

C. Parent company.

D. Associates

E. Interest receivable, financing provided and proceeds from sale of ships.

F. Financing provided.

G. Interest receivable and proceeds from sale of ships.

H Accounts receivable.

I. Collections between related parties made according to “Agency Accounting Procedure” by the Corporation and local business conventions.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
0	Yang Ming Marine Transport Corp.	All Oceans Transportation, Inc.	1	Advances	$ 73,189	Conducted as agreed terms	-
				Long-term note receivables	21,169,400	Conducted as agreed terms	16
				Operating revenue	9,688	Conducted as agreed terms	-
				Operating cost	2,895,796	Conducted as agreed terms	2
				Interest revenue	331,089	Conducted as agreed terms	-
		Yang Ming (Liberia) Corp.	1	Long-term note receivables	1,415,446	Conducted as agreed terms	1
				Operating cost	2,107,830	Conducted as agreed terms	2
				Interest revenue	105,080	Conducted as agreed terms	-
		Honming Terminal & Stevedoring Co., Ltd.	1	Other receivable	19,587	Conducted as agreed terms	-
				Operating cost	273,682	Conducted as agreed terms	-
				Operating revenue	39,826	Conducted as agreed terms	-
				Trade payable	71,299	Conducted as agreed terms	-
				Rent income	184	Conducted as agreed terms	-
				Other income	25,829	Conducted as agreed terms	-
		Jing Ming Transportation Co.,	1	Other receivable	144	Conducted as agreed terms	-
				Other payable	59,033	Conducted as agreed terms	-
				Operating cost	672,567	Conducted as agreed terms	-
				Rent income	1,256	Conducted as agreed terms	-
				Trade payable	42,104	Conducted as agreed terms	-
		Yang Ming Shipping (B.V.I.) Inc.	1	Payable to shipping agent	17,130	Conducted as agreed terms	-
				Operating cost	181,026	Conducted as agreed terms	-
		Yang Ming Line (Hone Kong) Ltd.	1	Trade receivable	22,869	Conducted as agreed terms	-
				Payable to shipping agent	129,390	Conducted as agreed terms	-
				Operating cost	110,358	Conducted as agreed terms	-
		Yang Ming Line (India) Pvt. Ltd.	1	Operating cost	22,425	Conducted as agreed terms	-
				Advances to shipping agents	28	Conducted as agreed terms	-
				Trade receivable	1,101	Conducted as agreed terms	-
		Yang Ming (Korea) Co., Ltd.	1	Trade receivable	34,466	Conducted as agreed terms	-
				Operating cost	165,923	Conducted as agreed terms	-
		Young-Carrier Company Ltd.	1	Trade receivable	1,378,858	Conducted as agreed terms	1
				Payable to shipping agent	608,433	Conducted as agreed terms	-
				Operating cost	587,138	Conducted as agreed terms	-
		Ching Ming Investment Corp.	1	Operating revenue	36	Conducted as agreed terms	-
				Rent income	871	Conducted as agreed terms	-
		Yang Ming (Japan) Co., Ltd.	1	Trade receivable	40,621	Conducted as agreed terms	-
				Operating cost	254,986	Conducted as agreed terms	-
				Payable to shipping agent	46,110	Conducted as agreed terms	-
		Manwa & Co., Ltd.	1	Trade receivable	237	Conducted as agreed terms	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
		Yang Ming Shipping (Singapore) Pte. Ltd.	1	Operating cost	$ 84,450	Conducted as agreed terms	-
		Yang Ming Line (M) Sdn. Bhd.	1	Payable to shipping agent	74,952	Conducted as agreed terms	-
				Operating cost	37,444	Conducted as agreed terms	-
		Sunbright Insurance Pte. Ltd.	1	Operating cost	38,227	Conducted as agreed terms	-
				Other income	156,179	Conducted as agreed terms	-
				Advances	2,767	Conducted as agreed terms	-
		Yang Ming Anatolia Shipping Agency S.A.	1	Payable to shipping agent	30,288	Conducted as agreed terms	-
				Operating cost	48,748	Conducted as agreed terms	-
				Trade receivable	95,485	Conducted as agreed terms	-
		Yang Ming (America) Corp.	1	Payable to shipping agent	247,707	Conducted as agreed terms	-
				Operating cost	1,240,627	Conducted as agreed terms	1
		Olympic Container Terminal LLC	1	Operating cost	585,458	Conducted as agreed terms	-
				Trade payable	104,637	Conducted as agreed terms	-
				Other receivable	59,806	Conducted as agreed terms	-
		Triumph Logistics, Inc.	1	Operating cost	76,445	Conducted as agreed terms	-
				Trade payable	1,911	Conducted as agreed terms	-
		Topline Transportation, Inc.	1	Operating cost	23,156	Conducted as agreed terms	-
				Trade payable	601	Conducted as agreed terms	-
		Coastal Tarheel Express, Inc.	1	Operating cost	68,760	Conducted as agreed terms	-
				Trade payable	1,288	Conducted as agreed terms	-
		Transcont Intermodal Logistics, Inc.	1	Trade payable	1,548	Conducted as agreed terms	-
				Operating cost	34,649	Conducted as agreed terms	-
		Yang Ming Shipping (Canada) Ltd.	1	Payable to shipping agent	10,113	Conducted as agreed terms	-
				Operating cost	24,832	Conducted as agreed terms	-
		Yang Ming (Belgium) N.V.	1	Trade receivable	88,050	Conducted as agreed terms	-
				Payable to shipping agent	16,060	Conducted as agreed terms	-
				Operating cost	51,907	Conducted as agreed terms	-
		Yang Ming (Netherlands) B.V.	1	Trade receivable	120,404	Conducted as agreed terms	-
				Payable to shipping agent	21,767	Conducted as agreed terms	-
				Operating cost	80,080	Conducted as agreed terms	-
				Operating revenue	8,046	Conducted as agreed terms	-
		Yang Ming Shipping Europe GmbH	1	Trade receivable	202,701	Conducted as agreed terms	-
				Payable to shipping agent	55,440	Conducted as agreed terms	-
				Operating cost	347,244	Conducted as agreed terms	-
		Yang Ming (Italy) S.P.A	1	Trade receivable	236,199	Conducted as agreed terms	-
				Payable to shipping agent	42,596	Conducted as agreed terms	-
				Operating cost	91,935	Conducted as agreed terms	-
		Yang Ming (U.K.) Ltd.	1	Trade receivable	136,715	Conducted as agreed terms	-
				Operating revenue	1,269,644	Conducted as agreed terms	1
				Operating cost	5,032,825	Conducted as agreed terms	4
				Trade payable	848,108	Conducted as agreed terms	-
				Advances to shipping agents	94,380	Conducted as agreed terms	-
				Payable to shipping agent	34,748	Conducted as agreed terms	-
		Kuang Ming Shipping Corp.	1	Non-active market debt instruments - noncurrent	1,000,000	Conducted as agreed terms	1
				Operating revenue	1,268	Conducted as agreed terms	-
				Interest expense	10	Conducted as agreed terms	-
				Rent income	4,526	Conducted as agreed terms	-
				Other receivable	2,395	Conducted as agreed terms	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
				Refundable deposits	$ 126	Conducted as agreed terms	-
				Refundable deposit from related parties	702	Conducted as agreed terms	-
				Marketing expense	722	Conducted as agreed terms	-
				Interest revenue	2,396	Conducted as agreed terms	-
		Kuang Ming (Liberia) Shipping Corp.	1	Operating revenue	329	Conducted as agreed terms	-
		Yes Logistics Corp.	1	Trade payable	1,829	Conducted as agreed terms	-
				Rent income	6,142	Conducted as agreed terms	-
				Interest expense	14	Conducted as agreed terms	-
				Refundable deposit from related parties	1,030	Conducted as agreed terms	-
				Operating revenue	818,942	Conducted as agreed terms	1
				Operating cost	46,303	Conducted as agreed terms	-
				Other receivable	1,564	Conducted as agreed terms	-
				gain or loss on disposal of property, plant and equipment	43	Conducted as agreed terms	-
				Notes receivables	6,640	Conducted as agreed terms	-
				Investment properties	281,145	Conducted as agreed terms	-
				Other payable	1,427	Conducted as agreed terms	-
		Golden Logistics USA Corporation	1	Operating cost	40,251	Conducted as agreed terms	-
				Trade payable	9,259	Conducted as agreed terms	-
		Yang Ming Line Holding Corp.	1	Other receivable	12,299	Conducted as agreed terms	-
		Yes Logistics Company, Ltd.	1	Trade receivable	1,040	Conducted as agreed terms	-
				Operating revenue	181,592	Conducted as agreed terms	-
		Yes Logistics Corp. (USA)	1	Other receivable	7,866	Conducted as agreed terms	-
				Trade payable	93	Conducted as agreed terms	-
				Other current liabilities	10,084	Conducted as agreed terms	-
				Operating revenue	52,211	Conducted as agreed terms	-
				Operating cost	243	Conducted as agreed terms	-
1	All Oceans Transportation, Inc.	Yang Ming (Liberia) Corp.	2	Long-term note receivables	6,775,793	Conducted as agreed terms	5
				Interest revenue	109,785	Conducted as agreed terms	-
		Sunbright Insurance Pte. Ltd.	2	Advances	3,331	Conducted as agreed terms	-
				Operating cost	47,277	Conducted as agreed terms	-
		Yang Ming (U.K.) Ltd.	2	Operating revenue	341,315	Conducted as agreed terms	-
2	Yang Ming (Liberia) Corp.	Sunbright Insurance Pte. Ltd.	2	Advances	2,071	Conducted as agreed terms	-
				Operating cost	31,561	Conducted as agreed terms	-
		Yang Ming (U.K.) Ltd.	2	Operating revenue	272,880	Conducted as agreed terms	-
3	Honming Terminal & Stevedoring Co., Ltd.	Jing Ming Transportation Co.	2	Operating cost	31,987	Conducted as agreed terms	-
				Other payable	10,623	Conducted as agreed terms	-
		Yes Logistics Corp.	2	Other receivable	445	Conducted as agreed terms	-
				Other payable	4,277	Conducted as agreed terms	-
				Operating revenue	8,382	Conducted as agreed terms	-
4	Jing Ming Transportation Co., Ltd.	Yes Logistics Corp.	2	Trade receivable	930	Conducted as agreed terms	-
				Operating revenue	6,190	Conducted as agreed terms	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
5	Yang Ming Shipping (Singapore) Pte. Ltd.	Young-Carrier Company Ltd.	2	Refundable deposit from related parties	$ 7,004	Conducted as agreed terms	-
				Rent income	26,780	Conducted as agreed terms	-
				Other payable	1,409	Conducted as agreed terms	-
				Investment properties	172,440	Conducted as agreed terms	-
		YES Logistics (Shanghai) Corp.	2	Refundable deposit from related parties	143	Conducted as agreed terms	-
				Rent income	546	Conducted as agreed terms	-
6	Yang Ming Shipping (B.V.I.) Inc.	Karlman Properties Limited	2	Other receivable	3,927	Conducted as agreed terms	-
				Interest revenue	35	Conducted as agreed terms	-
		Yang Ming Line (Hone Kong) Ltd.	2	Trade receivable	281,121	Conducted as agreed terms	-
				Marketing expense	23,460	Conducted as agreed terms	-
7	Karlman Properties Limited	Yang Ming Line (Hone Kong) Ltd.	2	Refundable deposit from related parties	818	Conducted as agreed terms	-
				Rent income	9,384	Conducted as agreed terms	-
8	Yang Ming Line (Hone Kong) Ltd.	Yes Logistics Company Ltd.	2	Rent income	235	Conducted as agreed terms	-
9	Yang Ming (Italy) S.P.A	Yang Ming (U.K.) Ltd.	2	Trade receivable	6,691	Conducted as agreed terms	-
				Trade payable	72,409	Conducted as agreed terms	-
				Operating revenue	23,100	Conducted as agreed terms	-
10	Yang Ming (Japan) Co., Ltd.	Manwa & Co., Ltd.	2	Other receivable	91	Conducted as agreed terms	-
				Operating revenue	940	Conducted as agreed terms	-
				Rent income	172	Conducted as agreed terms	-
		Kuang Ming (Liberia) Shipping Corp.	2	Other receivable	69	Conducted as agreed terms	-
11	Manwa & Co., Ltd.	Yes Logistics Company Ltd.	2	Operating revenue	976	Conducted as agreed terms	-
12	Sunbright Insurance Pte. Ltd.	Kuang Ming Shipping Corp.	2	Operating revenue	7,025	Conducted as agreed terms	-
				Trade receivable	1,093	Conducted as agreed terms	-
		Kuang Ming (Liberia) Shipping Corp.	2	Trade receivable	8,593	Conducted as agreed terms	-
				Operating revenue	42,355	Conducted as agreed terms	-
		Yang Ming (U.K.) Ltd.	2	Operating revenue	11,509	Conducted as agreed terms	-
13	Yang Ming (America) Corp.	Yang Ming Line Holding Corp.	2	Other receivable	7,370	Conducted as agreed terms	-
				Other payable	9,116	Conducted as agreed terms	-
		Olympic Container Terminal LLC	2	Interest revenue	2,859	Conducted as agreed terms	-
		Triumph Logistics, Inc.	2	Trade receivable	10,563	Conducted as agreed terms	-
		Topline Transportation, Inc.	2	Trade receivable	634	Conducted as agreed terms	-
		Coastal Tarheel Express, Inc.	2	Marketing expense	291	Conducted as agreed terms	-
				Trade receivable	15,266	Conducted as agreed terms	-
		Transcont Intermodal Logistics, Inc.	2	Operating revenue	3,187	Conducted as agreed terms	-
				Marketing expense	470	Conducted as agreed terms	-
		Yang Ming Shipping (Canada) Ltd.	2	Operating cost	10,407	Conducted as agreed terms	-
		Yes Logistics Corp. (USA)	2	Other income	752	Conducted as agreed terms	-
		Golden Logistics USA Corporation	2	Other current asset	7,930	Conducted as agreed terms	-
14	Triumph Logistics, Inc.	Coastal Tarheel Express, Inc.	2	Other payable	11,211	Conducted as agreed terms	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
15	Topline Transportation, Inc.	Coastal Tarheel Express, Inc.	2	Other payable	$ 2,253	Conducted as agreed terms	-
16	Yang Ming (B.V.I.) Co., Ltd.	Yang Ming Line N.V.	2	Other receivable	3,063	Conducted as agreed terms	-
		Yang Ming (U.K.) Ltd.	2	Trade receivable	3,417,043	Conducted as agreed terms	3
				Operating revenue	265,148	Conducted as agreed terms	-
17	Yang Ming Line N.V.	Yang Ming Line B.V.	2	Other receivable	4,622	Conducted as agreed terms	-
18	Yang Ming Shipping Europe GmbH	Yes Logistics Europe GmbH	2	Trade receivable	10,036	Conducted as agreed terms	-
				Rent income	460	Conducted as agreed terms	-
19	Yang Ming Italy S.p.A.	Yang Ming (Naples) S.r.l.	2	Trade receivable	10,142	Conducted as agreed terms	-
				Notes payable	1,130	Conducted as agreed terms	-
				Other payable	381	Conducted as agreed terms	-
				Operating cost	3,294	Conducted as agreed terms	-
20	Yang Ming (U.K.) Ltd.	Yes Logistics Corp.	2	Trade receivable	493	Conducted as agreed terms	-
				Trade payable	238	Conducted as agreed terms	-
		Yang Ming Shipping (Canada) Ltd.	2	Payable to shipping agent	7,342	Conducted as agreed terms	-
				Operating cost	6,505	Conducted as agreed terms	-
		Yang Ming (America) Corp.	2	Payable to shipping agent	22,529	Conducted as agreed terms	-
				Operating cost	76,197	Conducted as agreed terms	-
		Yang Ming Line (Hone Kong) Ltd.	2	Trade receivable	39,855	Conducted as agreed terms	-
				Payable to shipping agent	8,224	Conducted as agreed terms	-
				Operating cost	25,139	Conducted as agreed terms	-
		Yang Ming Line (India) Pvt. Ltd.	2	Payable to shipping agent	6,718	Conducted as agreed terms	-
				Trade receivable	71,308	Conducted as agreed terms	-
				Operating cost	675	Conducted as agreed terms	-
		Yang Ming (Korea) Co., Ltd.	2	Trade receivable	54,637	Conducted as agreed terms	-
				Payable to shipping agent	19,325	Conducted as agreed terms	-
				Operating cost	13,800	Conducted as agreed terms	-
		Young-Carrier Company Ltd.	2	Trade receivable	311,328	Conducted as agreed terms	-
				Payable to shipping agent	105,301	Conducted as agreed terms	-
				Operating cost	53,065	Conducted as agreed terms	-
		Yang Ming (Japan) Co., Ltd.	2	Trade receivable	6,939	Conducted as agreed terms	-
				Payable to shipping agent	650	Conducted as agreed terms	-
				Operating cost	11,400	Conducted as agreed terms	-
		Yang Ming Shipping (Singapore) Pte. Ltd.	2	Payable to shipping agent	2,412	Conducted as agreed terms	-
				Operating cost	26,514	Conducted as agreed terms	-
		Yang Ming Line (M) Sdn Bhd.	2	Payable to shipping agent	4,721	Conducted as agreed terms	-
				Operating cost	18,019	Conducted as agreed terms	-
21	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Shipping Corp.	2	Other receivable	5	Conducted as agreed terms	-
				Other payable	50,778	Conducted as agreed terms	-
				Other current liabilities	426	Conducted as agreed terms	-
				Interest revenue	74	Conducted as agreed terms	-
				Other income	5,714	Conducted as agreed terms	-
				Interest expense	1,002	Conducted as agreed terms	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
22	Yes Logistics Corp.	Yes Benelux B.V	2	Trade payable	$ 3,756	Conducted as agreed terms	-
				Trade receivable	613	Conducted as agreed terms	-
				Operating revenue	799	Conducted as agreed terms	-
				Operating cost	24,651	Conducted as agreed terms	-
		Yes Logistics Company Ltd.	2	Operating revenue	1,070	Conducted as agreed terms	-
				Operating cost	11,445	Conducted as agreed terms	-
				Trade receivable	7,766	Conducted as agreed terms	-
				Trade payable	4,281	Conducted as agreed terms	-
		Yes Logistics Corp. (USA)	2	Trade payable	32,586	Conducted as agreed terms	-
				Operating revenue	36,060	Conducted as agreed terms	-
				Operating cost	588,315	Conducted as agreed terms	-
				Trade receivable	24,655	Conducted as agreed terms	-
				Other income	10,915	Conducted as agreed terms	-
		Yes Logistics Europe GmbH	2	Trade receivable	5,542	Conducted as agreed terms	-
				Long-term receivables	18,303	Conducted as agreed terms	-
				Operating revenue	844	Conducted as agreed terms	-
				Operating cost	66,188	Conducted as agreed terms	-
				Other income	966	Conducted as agreed terms	-
				Trade payable	11,211	Conducted as agreed terms	-
		YES Logistics (Shanghai) Corp.	2	Trade receivable	26,599	Conducted as agreed terms	-
				Long-term note receivables	95,160	Conducted as agreed terms	-
				Trade payable	35,294	Conducted as agreed terms	-
				Operating revenue	52,732	Conducted as agreed terms	-
				Operating cost	93,319	Conducted as agreed terms	-
		Honming Terminal & Stevedoring Co., Ltd.	2	Trade payable	391	Conducted as agreed terms	-
		Jing Ming Transportation Co.,	2	Trade payable	984	Conducted as agreed terms	-
		Yang Ming (U.K.) Ltd.	2	Trade payable	256	Conducted as agreed terms	-
23	Yes Benelux B.V.	Yes Logistics Europe GmbH	2	Trade receivable	131	Conducted as agreed terms	-
				Operating revenue	5,720	Conducted as agreed terms	-
				Trade payable	1	Conducted as agreed terms	-
				Operating cost	14	Conducted as agreed terms	-
		YES Logistics (Shanghai) Corp.	2	Trade payable	178	Conducted as agreed terms	-
				Operating cost	283	Conducted as agreed terms	-
				Trade receivable	959	Conducted as agreed terms	-
				Operating revenue	137	Conducted as agreed terms	-
		Yang Ming (Netherlands) B.V.	2	Trade payable	772	Conducted as agreed terms	-
24	Yes Logistics Company Ltd.	YES Logistics (Shanghai) Corp.	2	Trade receivable	20,867	Conducted as agreed terms	-
				Trade payable	26,095	Conducted as agreed terms	-
				Operating revenue	3,877	Conducted as agreed terms	-
				Operating cost	11,440	Conducted as agreed terms	-
		Yes Logistics Europe GmbH	2	Operating revenue	2	Conducted as agreed terms	-
		Yes Logistics Corp. (USA)	2	Trade receivable	2,041	Conducted as agreed terms	-
				Trade payable	192	Conducted as agreed terms	-
				Operating revenue	4	Conducted as agreed terms	-
				Operating cost	5,475	Conducted as agreed terms	-

(Continued)

Number (Note A)	Company Name	Counterparty	Nature of Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Consolidated Asset/Revenue
25	Yes Logistics Corp. (USA)	Yes Logistics Europe GmbH	2	Operating revenue	$ 51	Conducted as agreed terms	-
				Trade receivable	48	Conducted as agreed terms	-
		YES Logistics (Shanghai) Corp.	2	Trade payable	1,888	Conducted as agreed terms	-
				Operating revenue	11,564	Conducted as agreed terms	-
				Trade receivable	1,870	Conducted as agreed terms	-
				Operating cost	6,270	Conducted as agreed terms	-
		Golden Logistics USA Corporation	2	Trade receivable	41	Conducted as agreed terms	-
				Trade payable	33	Conducted as agreed terms	-
26	YES Logistics (Shanghai) Corp.	Yes Logistics Europe GmbH	2	Trade receivable	855	Conducted as agreed terms	-
				Trade payable	1,829	Conducted as agreed terms	-
				Operating revenue	1,532	Conducted as agreed terms	-
				Operating cost	2,266	Conducted as agreed terms	-
27	Yes Logistics Europe GmbH	Yes Logistics GmbH	2	Operating revenue	1,135	Conducted as agreed terms	-
				Interest revenue	403	Conducted as agreed terms	-
				Trade receivable	19,622	Conducted as agreed terms	-
				Other current asset	7,712	Conducted as agreed terms	-
		Yang Ming Shipping Europe GmbH	2	Trade receivable	79	Conducted as agreed terms	-
				Trade payable	10,114	Conducted as agreed terms	-
28	Kuang Ming (Liberia) Shipping Corp.	Yang Ming Shipping (Singapore) Pte. Ltd.	2	Operating cost	134	Conducted as agreed terms	-
		Kuang Ming Shipping Corp.	2	Interest revenue	1,004	Conducted as agreed terms	-
				Interest expense	76	Conducted as agreed terms	-
29	Yang Ming Line Holding Corp.	Olympic Container Terminal LLC	2	Other receivable	3,172	Conducted as agreed terms	-
				Long-term note receivables	317,200	Conducted as agreed terms	-
				Interest revenue	3,032	Conducted as agreed terms	-

Note A: Transactions between Yang Ming Marine Transport Corp. and its subsidiaries should be remarked, as well as numbered in the first column. Rules are as follows:

1. Yang Ming Marine Transport Corp. - 0
2. Subsidiaries are numbered in Arabic figures.

Note B: Related party transactions are divided into two categories as follows:

1. Yang Ming Marine Transport Corp. to its subsidiaries.
2. Subsidiaries to its parent company Yang Ming Marine Transport Corp.

Note C: Information on the Schedule is equivalent to the eliminated material intercompany transactions.

Note D: Yang Ming Marine Transport Corp disposed frames to Yang Ming Line Holding Co. current year, with carrying value of 20,535 thousand.

Note E: Yang Ming Marine Transport Corp disposed ships under construction to All Oceans Transportation Inc. current year, with carrying value of 961,532 thousand.

Note F: All Oceans Transportation Inc. disposed ships to Yang Ming Marine Transport Corp current year, with carrying value of 441,112 thousand.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
YEAR ENDED DECEMBER 31, 2014
(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 December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
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	$ 3,600,893	$ (244,102)	$ (244,102)	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	2,481,672	273,885	273,885	Subsidiary
	Ching Ming Investment Corp.	Taipei, Taiwan	Investment	1,500,013	1,500,013	160,650,000	100.00	1,572,869	35,766	35,766	Subsidiary
	All Oceans Transportation, Inc.	Monrovia, Republic of Liberia	Shipping agency, forwarding agency and shipping managers	3,235	3,235	1,000	100.00	1,672,661	(848,047)	(848,047)	Subsidiary
	Yes Logistics Corp.	Taipei, Taiwan	Warehouse operation and forwarding agency	593,404	593,404	60,000,000	50.00	621,139	26,980	13,490	Subsidiary
	Kuang Ming Shipping Corp.	Taipei, Taiwan	Shipping service, shipping agency and forwarding agency	3,587,496	3,587,496	177,920,000	86.57	3,147,951	33,221	28,760	Subsidiary
	Honming Terminal & Stevedoring Co., Ltd.	Kaohsiung, Taiwan	Terminal operation and stevedoring	79,273	79,273	7,916,908	79.17	117,445	15,117	11,968	Subsidiary
	Jing Ming Transportation Co., Ltd.	Kaohsiung, Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	114,362	16,336	8,328	Subsidiary
	Yang Ming Line Holding Co.	Wilmington, USA	Investment, shipping agency, forwarding agency and shipping managers	143,860	143,860	13,500	100.00	1,810,632	467,978	467,978	Subsidiary
	Yang Ming (Liberia) Corp.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	3,378	3,378	1	100.00	773,275	72,065	72,065	Subsidiary
	Kao Ming Container Terminal Corp.	Kaohsiung, Taiwan	Terminal operation and stevedoring	3,181,313	3,181,313	323,000,000	47.50	6,267,700	246,772	30,002	Investments in associates
	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	75,064	2,289	1,122	Investments in associates
	Yuan Wang Investment Co., Ltd.	Taipei, Taiwan	Investment	179,810	179,810	5,211,474	49.75	127,809	7,850	3,904	Investments in associates
Ching Ming Investment Corp.	Honming Terminal & Stevedoring Co., Ltd.	Kaohsiung, Taiwan	Terminal operation and stevedoring	24,988	24,988	2,083,092	20.83	30,901	15,117	-	Subsidiary
	Yes Logistics Corp.	Taipei, Taiwan	Warehouse operation and forwarding agency	548,286	548,286	55,630,977	46.36	576,532	26,980	-	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	149,406	18,603	-	Subsidiary
	Olympic Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	120,078	120,078	(Note L)	100.00	(231,628) (Note C)	8,586	-	Subsidiary
	Triumph Logistics, Inc.	U.S.A.	Container transportation	1,699	1,699	200	100.00	(6,346) (Note C)	(749)	-	Subsidiary
	Topline Transportation Inc.	U.S.A.	Container transportation	4,860	4,860	100	100.00	2,951	2,152	-	Subsidiary
	Coastal Tarheel Express Inc.	U.S.A.	Container transportation	2,430	2,430	100	100.00	6,418	(1,232)	-	Subsidiary
	Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	2,444	2,444	200	100.00	12,710	(1,286)	-	Subsidiary
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	1,000	100.00	25,960	435	-	Subsidiary
	West Basin Container Terminal LLC	Los Angeles, USA	Terminal operation and stevedoring	132,050	132,050	(Note D)	40.00	827,993	(13,826)	-	Investments in associates
	United Terminal Leasing LLC	Los Angeles, USA	Terminal operation and machine lease	34,750	34,750	(Note E)	40.00	232,099	36,276	-	Investments in associates
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	(2,605,388) (Note C)	(293,168)	-	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	(2,606,947) (Note C)	(292,400)	-	Subsidiary
Yang Ming Line B.V.	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	8,614	8,614	553	89.92	27,952	12,245	-	Subsidiary
	Yang Ming (Netherlands) B.V.	Amsterdam, The Netherlands	Shipping agency	15,285	15,285	(Note G)	100.00	95,666	59,668	-	Subsidiary
	Yang Ming (Italy) S.p.A.	Genova, Italy	Shipping agency	4,319	4,319	125,000	50.00	34,284	24,517	-	Subsidiary
	Yang Ming (UK) Ltd.	London, U.K.	Shipping agency, forwarding agency and shipping managers	70,709	70,709	1,500,000	100.00	(3,017,739) (Note C)	(384,508)	-	Subsidiary
	Yang Ming Shipping Europe GmbH	Hamburg, Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	(Note B)	100.00	131,349	6,510	-	Subsidiary
Yang Ming (Netherlands) B.V.	Yang Ming Shipping (Egypt) S.A.E.	Egypt	Shipping agency, forwarding agency and shipping managers	15,757	15,757	24,500	49.00	55,567	75,507	-	Investments in associates
	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	1,900	1,900	62	10.08	3,133	12,245	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount (Note A)		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
Yang Ming (UK) Ltd.	Corstor Ltd.	U.K.	Forwarding agency and shipping managers	$ 25	$ 25	500	50.00	$ 6,312	$ 4,094	$ -	Investments in associates
Yang Ming (Italy) S.p.A.	Yang Ming (Naples) S.r.l.	Naples, Italy	Forwarding agency	238	238	(Note I)	60.00	2,310	282	-	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	238,932	33,641	-	Subsidiary
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	2,138	2,138	510,000	51.00	(69,850) (Note C)	(30,032)	-	Subsidiary
	Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency and shipping managers	2,228	2,228	300,000	60.00	52,616	61,188	-	Subsidiary
	Yang Ming (Korea) Co., Ltd.	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	29,594	5,910	-	Subsidiary
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	3,229	3,229	910,000	91.00	194,068	10,479	-	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	(5,318) (Note C)	7,533	-	Subsidiary
	Yangming Shipping (Singapore) Pte. Ltd.	Singapore	Shipping agency, forwarding agency and shipping managers	18,851	18,851	1,000,000	100.00	111,468	14,121	-	Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	37,561	2,561	-	Subsidiary
	Sunbright Insurance Pte. Ltd.	Singapore	Insurance	32,440	32,440	3,000,000	100.00	243,114	44,953	-	Subsidiary
	Yang Ming Anatolia Shipping Agency	Turkey	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	77,125	121,947	-	Subsidiary
	Formosa International Development Corporation	Vietnam	Invest industry district and real estate	254,358	254,358	(Note K)	30.00	213,957	63,694	-	Investments in associates
	Yang Ming (U.A.E.) LLC.	U.A.E.	Shipping agency, forwarding agency and shipping managers	2,140	2,140	(Note M)	49.00	100,485	78,857	-	Investments in associates
	Yang Ming (Vietnam) Company Limited	Vietnam	Forwarding agency and shipping managers	3,197	3,197	(Note H)	49.00	7,248	11,510	-	Investments in associates
	Yang Ming (Australia) Pty. Ltd.	Australia	Shipping agency, forwarding agency and shipping managers	4,597	4,597	150,000	50.00	25,772	35,943	-	Investments in associates
	LogiTrans Technology Private Limited	India	Information system service	10,211	-	2,040,000	51.00	9,682	(1,463)	-	Investments in jointly controlled entities
Yangming (Japan) Co., Ltd.	Manwa & Co., Ltd.	Tokyo, Japan	Forwarding agency and shipping agency	2,666	2,666	200	100.00	2,628	(57)	-	Subsidiary
Yang Ming Shipping (B.V.I.) Inc.	Karlman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	90,911	418	-	Subsidiary
Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Shipping Corp.	Monrovia, Republic of Liberia	Forwarding agency	1,960,904	1,960,904	2	100.00	3,480,618	383,317	-	Subsidiary
Yes Logistics Corp.	Yes Logistics Corp. (USA)	Auckland, USA	Shipping agency, forwarding agency and shipping managers	179,750	179,750	5,460,000	100.00	81,107	(19,287)	-	Subsidiary
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	34,214	34,214	1,471,304	100.00	38,357	(43)	-	Subsidiary
	ANSHIP-YES Logistics Corporation Limited	Thailand	Terminal operation and stevedoring	3,763	3,763	39,200	49.00	1,539	(2,318)	-	Investments in associates
	Yes Liberal Logistics Corp.	Taiwan	Storage	50,000	-	5,000,000	50.00	50,013	25	-	Investments in jointly controlled entities
Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Benelux B.V.	Netherlands	Forwarding agency	10,179	10,179	12,600	70.00	2,200	1,331	-	Subsidiary
	Yes Logistics (Netherlands) B. V.	Netherlands	Forwarding agency	-	1,224	(Note J)	-	-	-	-	Subsidiary
	Yes Logistics Company Ltd.	Hong Kong	Forwarding agency	32,351	114,417	7,882,278	100.00	34,250	232	-	Subsidiary
Yes Logistics Corp. (USA)	Golden Logistics USA Corporation	USA	Container transportation	328	328	100.00	100.00	1,009	119	-	Subsidiary
	YES Logistics Europe GmbH	Hamburg, Germany	Forwarding agency	1,158	1,158	(Note F)	100.00	36,735	(10,275)	-	Subsidiary
Yes Logistics Europe GmbH	Merlin Logistics GmbH	Frankfurt Germany		7,771	7,771	(Note N)	80.00	6,854	(2,789)	-	Subsidiary

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. Investees had negative net assets. Thus, the negative carrying values of the investments were presented as liability.

D. This is equivalent to US$3,800,000, and no shares were issued.

E. This is equivalent to US$1,000,000, and no shares were issued.

F. Paid-in capital was equivalent to EUR25,000, and no shares were issued.

(Continued)

G. Paid-in capital was equivalent to EUR400,000, and no shares were issued.

H. This is equivalent to US$94,000, and no shares were issued.

I. This is equivalent to EUR6,000, and no shares were issued.

J. Liquidation was completed May 9, 2014.

K. This is equivalent to US$7,700,000, and no shares were issued.

L This is equivalent to US$4,000,000, and no shares were issued.

M. This is equivalent to AED245,000, and no shares were issued.

N. This equivalent to EUR200,000 and no shares were issued.

M. The information on investments in mainland China is provided in SCHEDULE H.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEES

INVESTMENTS IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2014
(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, 2014	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2014	Net Gain (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Value as of December 31, 2014 (Note E)	Accumulated Inward Remittance of Earnings as of December 31, 2014
						Outflow	Inflow						
Yes Logistics Corp.	Golden Logistics Corp. (Note A)	Shipping agency	US$ 5,000	Indirect investment through U.S.-based subsidiary's direct investment in Mainland China.	$ 158,600 (US$ 5,000)	$ -	$ -	$ 158,600 (US$ 5,000)	$ (16,837)	96.36	$ (16,837)	$ 20,906	$ -
	Chang Ming Logistics Company Limited (Note B)	Terminal operation and stevedoring	RMB144,800	Investee's direct investment in Mainland China.	295,028 (US$ 9,301)	-	-	295,028 (US$ 9,301)	(17,667)	47.22	(8,657)	358,080	-
	Sino - Yes Tianjin Cold Chain Logistics Company Limited	Stevedoring, container inspection, repair and maintenance, cleaning, dismantling and loading services	RMB 7,000	Investee's direct investment in Mainland China	- (Note G)	-	-	-	612	47.22	300	15,770	-
	Sino Trans PFS Cold Chain Logistic Co., Ltd.	Stevedoring equipment, management and correlation service	US$ 46,242	Investee's direct investment in Mainland China	-	195,522 (US$ 6,164)	-	195,522 (US$ 6,164)	(150,164)	12.85	(1,772)	197,175	-
Ching Ming Investment Corp.	Sino Trans PFS Cold Chain Logistic Co., Ltd.	Stevedoring equipment, management and correlation service	US$ 46,242	Investee's direct investment in Mainland China	-	97,824 (US$ 3,084)	-	97,824 (US$ 3,084)	(150,164)	6.67	(885)	98,850	-

Company Name	Accumulated Investment in Mainland China as of December 31, 2014	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Yang Ming Marine Transportation Corporation	$ -	$ 207,036 (US$ 6,527)	$ 20,784,782
Yes Logistics Corp.	$ 658,072 (US$ 14,301) (RMB 40,000)	$ 658,072 (US$ 14,301) (RMB 40,000)	- (Note F)
Ching Ming Investment Corp.	$ 102,222 (RMB 20,000)	$ 102,222 (RMB 20,000)	943,721

Notes:

A. 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.

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 April 11, 2005, August 22, 2006, November 29, 2006 and December 2, 2008.

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 December 16, 2013.

D. Ching Ming Investment Corp. (the subsidiary of the Corporation) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on December 17, 2013

E. Calculated by the % ownership of direct or indirect investment.

F. Yes Logistics Corp. got a letter of identification of operational headquarter which effective on April 16, 2013 until April 15, 2016. The Company was exempted from the upper limit on investment in mainland China.

G. Golden logistics Corp. invested RMB3,430 thousand directly.

H. United States dollars and Renminbi Yuan translated into New Taiwan dollars at the exchange rate of US$1=NT$31.72 and RMB1=NT$5.1111 as of December 31, 2014.

I. Sino Trans PFS Cold Chain Logistic Co., Ltd. Acquired 100% equity of Sino Trans PFS Logistics (Shanghai) Co., Ltd. And Sinotrains PFS Cold Storage (Tianjin) Co., Ltd. after organizational restructuring completed in December 2014.