

Yang Ming Marine Transport Corporation

**Financial Statements for the
Six Months Ended June 30, 2009 and 2008 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Yang Ming Marine Transport Corporation

We have audited the accompanying balance sheets of Yang Ming Marine Transport Corporation as of June 30, 2009 and 2008 and the related statements of income, changes in stockholders' equity and cash flows for the six months then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except for the matter described in the next paragraph, we conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

We were unable to obtain audited financial statements supporting the Corporation's investments in some equity-method investees with carrying value of NT\$6,433,951 thousand and NT\$7,918,921 thousand as of June 30, 2009 and 2008, respectively, and credit balance of equity-method investees with carrying value of NT\$223,299 thousand as of June 30, 2008. We were unable to satisfy ourselves on the carrying value of the investments in the investees or the equity in their net (loss) income by other auditing procedures. The Corporation's equity of NT\$(217,988) thousand and NT\$188,066 thousand in the net (loss) income of these investees was included in the net (loss) income for the six months ended June 30, 2009 and 2008, respectively, as stated in Note 8. Related other information on the Corporation's investments shown in Note 28 to the financial statements was not audited either.

In our opinion, except for the effects of such adjustment, if any, as might have been made had we applied audit procedures on the financial statements of investees referred to in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Yang Ming Marine Transport Corporation as of June 30, 2009 and 2008, and the results of its operations and its cash flows for the six months then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

As stated in Note 1 to the financial statements, on June 8, 2008, the stockholders' meeting had resolved to spin off the business, assets and liabilities of the tramp business department of Yang Ming Marine Transport Corporation into a wholly owned subsidiary, Kuang Ming Shipping Corp., in exchange for 176,330 thousand common shares of Kuang Ming Shipping Corp. on October 1, 2008. The income statements mentioned in the first paragraph included the operating results of the spun off department up to the date of the spin-off but disclosed pro forma information as if the spin off was effective on January 1, 2008.

As stated in Note 3, as of July 1, 2008, the Corporation adopted the amendments to the ROC Statement of Financial Accounting Standards (SFAS) No. 34 "Financial Instruments: Recognition and Measurement" that require the reclassification of certain financial instruments when they meet specified conditions.

We have also reviewed the consolidated financial statements of Yang Ming Marine Transport Corporation and subsidiaries as of and for the six months ended June 30, 2009 and 2008 and have issued a qualified review report dated August 10, 2009.

August 10, 2009

Notice to Readers

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

For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

YANG MING MARINE TRANSPORT CORPORATION

BALANCE SHEETS

JUNE 30, 2009 AND 2008

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

ASSETS	2009		2008		LIABILITIES AND STOCKHOLDERS' EQUITY	2009		2008	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Notes 2 and 4)	\$ 993,405	1	\$ 3,680,210	4	Short-term loans (Note 13)	\$ 2,964,100	3	\$ 800,000	1
Financial assets at fair value through profit or loss - current (Notes 2, 5 and 23)	162,202	-	1,098,188	1	Short-term bills payable (Note 14)	700,000	1	-	-
Available-for-sale financial assets - current (Notes 2, 6 and 23)	3,259,016	4	313,882	-	Financial liabilities at fair value through profit or loss - current (Notes 2 and 5)	-	-	16,636	-
Accounts receivable, net of allowance for doubtful accounts of \$11,764 thousand and \$40,663 thousand at June 30, 2009 and 2008 (Note 2)	564,651	1	776,198	1	Payable to related parties (Note 24)	857,010	1	3,617,234	4
Accounts receivable - related parties (Notes 2 and 24)	1,022,066	1	3,397,407	4	Income tax payable (Notes 2 and 20)	-	-	320,436	-
Other receivables - related parties (Notes 8 and 24)	431,569	-	2,934,029	3	Accrued expenses (Note 16)	4,112,506	4	6,695,992	7
Shipping fuel, net (Notes 2 and 3)	3,237,345	4	4,606,619	5	Dividends and bonus to employees payable (Note 19)	402,758	1	2,450,032	3
Prepaid expenses (Note 24)	358,679	-	199,576	-	Payable for equipment	-	-	327,100	-
Advances to shipping agents (Note 24)	1,596,364	2	467,076	1	Advances from customers	930,153	1	1,577,513	2
Other current assets (Note 2)	146,449	-	157,939	-	Current portion of long-term interest-bearing debts (Notes 2, 15 and 25)	3,789,456	4	1,369,937	1
Total current assets	11,771,746	13	17,631,124	19	Payable to shipping agents	1,155,555	1	1,437,777	2
					Other current liabilities (Notes 2, 5 and 20)	61,144	-	63,640	-
					Total current liabilities	14,972,682	16	18,676,297	20
LONG-TERM INVESTMENTS (Notes 2, 6, 7, 8 and 27)					LONG-TERM DEBTS, NET OF CURRENT PORTION				
Hedging derivative financial assets - noncurrent	8,551	-	20,657	-	Long-term interest-bearing debts (Notes 15 and 25)	18,109,228	19	3,950,000	4
Available-for-sale financial assets - noncurrent	4,195,964	4	3,820,945	4	Bonds (Notes 2, 15 and 25)	16,510,000	18	18,112,000	20
Financial assets carried at cost - noncurrent	774,210	1	857,262	1	Obligations under capital leases - long-term portion (Notes 2, 9 and 15)	123,065	-	91,324	-
Investments accounted for by the equity method	21,585,861	23	18,149,427	19	Total long-term debts	34,742,293	37	22,153,324	24
Total long-term investments	26,564,586	28	22,848,291	24	RESERVE FOR LAND VALUE INCREMENT TAX (Note 17)	479,639	1	479,639	1
PROPERTIES (Notes 2, 9, 24 and 25)					OTHER LIABILITIES				
Cost					Accrued pension cost (Notes 2 and 18)	1,011,137	1	935,237	1
Land	330,069	1	330,069	-	Deferred income tax liabilities - noncurrent (Notes 2 and 20)	469,186	1	2,034,930	2
Buildings	728,683	1	728,683	1	Others (Note 2)	131,046	-	148,952	-
Containers and chassis	23,572,561	25	23,334,536	25	Total other liabilities	1,611,369	2	3,119,119	3
Ships	3,027,103	3	6,949,081	8	Total liabilities	51,805,983	56	44,428,379	48
Leased containers and chassis	2,178,416	2	2,114,678	2	STOCKHOLDERS' EQUITY				
Leasehold improvements	146,272	-	146,272	-	Capital stock - \$10 par value				
Miscellaneous equipment	2,518,156	3	2,510,077	3	Authorized - 3,000,000 thousand shares				
Total cost	32,501,260	35	36,113,396	39	Issued - 2,562,466 thousand shares and 2,329,561 thousand shares at June 30, 2009 and 2008	25,624,665	27	23,295,611	25
Less: Accumulated depreciation	17,728,243	19	19,615,345	21	Stock dividend for distribution - 232,905 thousand shares at June 30, 2008	-	-	2,329,054	2
	14,773,017	16	16,498,051	18	Total capital stock	25,624,665	27	25,624,665	27
Construction in progress	208,854	-	22,445	-	Capital surplus				
Net properties	14,981,871	16	16,520,496	18	Additional paid-in capital in excess of par value	7,499,701	8	7,499,701	8
OTHER ASSETS					Treasury stock transactions	1,480,009	2	1,480,009	2
Assets leased to others, net (Notes 2, 10 and 25)	4,026,915	5	4,054,806	5	From long-term equity-method investment	8,872	-	8,872	-
Nonoperating assets, net (Notes 2, 11 and 25)	218,058	-	218,058	-	Total capital surplus	8,988,582	10	8,988,582	10
Advances on long-term rent agreements (Note 12)	922,074	1	963,181	1	Retained earnings				
Deferred charges, net (Note 2)	98,027	-	146,679	-	Legal reserve	3,869,543	4	3,814,813	4
Long-term other receivables - related parties (Notes 8 and 24)	32,923,901	35	30,704,723	33	Special reserve	2,067,513	2	2,067,513	2
Restricted assets - noncurrent (Notes 15 and 25)	1,600,000	2	-	-	Unappropriated earnings (accumulated deficit)	(1,300,977)	(1)	6,819,940	8
Miscellaneous	202,152	-	154,835	-	Total retained earnings	4,636,079	5	12,702,266	14
Total other assets	39,991,127	43	36,242,282	39	Other items of stockholders' equity				
					Cumulative translation adjustments	453,481	-	(200,694)	(1)
					Net loss not recognized as pension cost	(36,590)	-	(38,967)	-
					Unrealized loss on financial instruments	1,837,130	2	1,737,962	2
					Total other items of stockholders' equity	2,254,021	2	1,498,301	1
					Total stockholders' equity	41,503,347	44	48,813,814	52
TOTAL	\$93,309,330	100	\$93,242,193	100	TOTAL	\$93,309,330	100	\$93,242,193	100

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

(With Deloitte & Touche audit report dated August 10, 2009)

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 2009 AND 2008

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

	2009		2008	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 24)	\$ 34,983,763	100	\$ 58,075,566	100
OPERATING COSTS (Notes 2, 3, 21 and 24)	<u>42,464,424</u>	<u>122</u>	<u>57,085,597</u>	<u>98</u>
GROSS (LOSS) INCOME	<u>(7,480,661)</u>	<u>(22)</u>	<u>989,969</u>	<u>2</u>
OPERATING EXPENSES (Notes 21 and 24)				
Selling	665,460	2	809,927	2
General and administrative	<u>151,791</u>	<u>-</u>	<u>171,021</u>	<u>-</u>
Total operating expenses	<u>817,251</u>	<u>2</u>	<u>980,948</u>	<u>2</u>
OPERATING (LOSS) INCOME	<u>(8,297,912)</u>	<u>(24)</u>	<u>9,021</u>	<u>-</u>
NONOPERATING INCOME AND GAINS				
Interest income (Note 24)	358,083	1	409,339	1
Valuation gain on financial liabilities, net (Notes 2 and 5)	126,076	1	95,084	-
Gain on disposal of properties	98,432	-	500,434	1
Investment income recognized under equity method (Notes 2 and 8)	89,936	-	1,002,152	2
Rent income (Note 24)	56,054	-	79,010	-
Valuation gain on financial assets, net (Notes 2 and 5)	7,823	-	-	-
Foreign exchange gain, net	-	-	165,962	-
Others	<u>58,892</u>	<u>-</u>	<u>58,726</u>	<u>-</u>
Total nonoperating income and gains	<u>795,296</u>	<u>2</u>	<u>2,310,707</u>	<u>4</u>
NONOPERATING EXPENSES AND LOSSES				
Interest expense (Notes 9 and 15)	423,683	1	369,972	1
Impairment loss on financial assets (Note 2)	208,986	1	-	-
Loss on sale of investments, net	15,793	-	-	-
Valuation loss on financial assets, net (Notes 2 and 5)	-	-	190,351	-
Others (Notes 18 and 21)	<u>107,669</u>	<u>-</u>	<u>55,001</u>	<u>-</u>
Total nonoperating expenses and losses	<u>756,131</u>	<u>2</u>	<u>615,324</u>	<u>1</u>
(LOSS) INCOME BEFORE INCOME TAX	(8,258,747)	(24)	1,704,404	3
INCOME TAX (BENEFIT) EXPENSE (Notes 2 and 20)	<u>(1,322,841)</u>	<u>(4)</u>	<u>411,200</u>	<u>1</u>
NET (LOSS) INCOME	<u>\$ (6,935,906)</u>	<u>(20)</u>	<u>\$ 1,293,204</u>	<u>2</u>

(Continued)

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 2009 AND 2008

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

	2009		2008	
	Loss Before Income Tax	Net Loss	Income Before Income Tax	Net Income
BASIC (Note 22)	<u>\$ (3.22)</u>	<u>\$ (2.71)</u>	<u>\$ 0.67</u>	<u>\$ 0.50</u>
DILUTED (Note 22)	<u>\$ (3.22)</u>	<u>\$ (2.71)</u>	<u>\$ 0.66</u>	<u>\$ 0.50</u>

The pro forma information based on the assumption that Yang Ming Marine Transport Corporation had spun off the tramp business department into Kuang Ming Shipping Corp. on January 1, 2008 (Notes 1, 2 and 27) was as follows:

	2008
OPERATING REVENUES	\$ 56,685,061
OPERATING COSTS	<u>(56,138,855)</u>
GROSS INCOME	<u>\$ 546,206</u>
OPERATING LOSS	<u>\$ (429,566)</u>
NET INCOME	<u>\$ 1,293,204</u>

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

(With Deloitte & Touche audit report dated August 10, 2009)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
SIX MONTHS ENDED JUNE 30, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Dividend Per Share)

	Capital Stock (Notes 2 and 19)			Capital Surplus (Notes 2 and 19)			Retained Earnings (Notes 2 and 19)		Other Items of Stockholders' Equity (Notes 2, 3 and 19)			Total Stockholders' Equity	
	Shares (Thousands)	Amount	Stock Dividend for Distribution	Additional Paid-in Capital in Excess of Par Value	Treasury Stock Transactions	From Long-term Equity-method Investment	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost		Unrealized Gain or Loss on Financial Instruments
BALANCE, JANUARY 1, 2009	2,562,466	\$ 25,624,665	\$ -	\$ 7,499,701	\$ 1,480,009	\$ 8,872	\$ 3,814,813	\$ 2,067,513	\$ 6,074,029	\$ 447,853	\$ (36,590)	\$ 25,832	\$ 47,006,697
Appropriation of 2008 earnings (Note)													
Legal reserve	-	-	-	-	-	-	54,730	-	(54,730)	-	-	-	-
Cash dividends - \$0.15 per share	-	-	-	-	-	-	-	-	(384,370)	-	-	-	(384,370)
Net loss for the six months ended June 30, 2009	-	-	-	-	-	-	-	-	(6,935,906)	-	-	-	(6,935,906)
Changes in stockholders' equity accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	157,337	157,337
Translation adjustments on long-term investments accounted for using equity method	-	-	-	-	-	-	-	-	-	5,628	-	-	5,628
Changes in unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	1,664,825	1,664,825
Changes in unrealized loss on cash flow hedging derivative	-	-	-	-	-	-	-	-	-	-	-	(10,864)	(10,864)
BALANCE, JUNE 30, 2009	<u>2,562,466</u>	<u>\$ 25,624,665</u>	<u>\$ -</u>	<u>\$ 7,499,701</u>	<u>\$ 1,480,009</u>	<u>\$ 8,872</u>	<u>\$ 3,869,543</u>	<u>\$ 2,067,513</u>	<u>\$ (1,300,977)</u>	<u>\$ 453,481</u>	<u>\$ (36,590)</u>	<u>\$ 1,837,130</u>	<u>\$ 41,503,347</u>
BALANCE, JANUARY 1, 2008	2,328,698	\$ 23,286,982	\$ -	\$ 7,491,127	\$ 1,480,009	\$ 8,872	\$ 3,212,821	\$ 2,067,513	\$ 10,889,712	\$ 100,131	\$ (38,967)	\$ 1,935,242	\$ 50,433,442
Appropriation of 2007 earnings													
Legal reserve	-	-	-	-	-	-	601,992	-	(601,992)	-	-	-	-
Bonus to employees	-	-	-	-	-	-	-	-	(102,876)	-	-	-	(102,876)
Cash dividends - \$1.00 per share	-	-	-	-	-	-	-	-	(2,329,054)	-	-	-	(2,329,054)
Stock dividends - \$1.00 per share	-	-	2,329,054	-	-	-	-	-	(2,329,054)	-	-	-	-
Net income for the six months ended June 30, 2008	-	-	-	-	-	-	-	-	1,293,204	-	-	-	1,293,204
Changes in stockholders' equity accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	(15,886)	(15,886)
Translation adjustments on long-term investments accounted for using equity method	-	-	-	-	-	-	-	-	-	(300,825)	-	-	(300,825)
Changes in unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	(192,161)	(192,161)
Changes in unrealized loss on cash flow hedging derivative	-	-	-	-	-	-	-	-	-	-	-	10,767	10,767
Domestic convertible bonds converted into capital stocks	863	8,629	-	8,574	-	-	-	-	-	-	-	-	17,203
BALANCE, JUNE 30, 2008	<u>2,329,561</u>	<u>\$ 23,295,611</u>	<u>\$ 2,329,054</u>	<u>\$ 7,499,701</u>	<u>\$ 1,480,009</u>	<u>\$ 8,872</u>	<u>\$ 3,814,813</u>	<u>\$ 2,067,513</u>	<u>\$ 6,819,940</u>	<u>\$ (200,694)</u>	<u>\$ (38,967)</u>	<u>\$ 1,737,962</u>	<u>\$ 48,813,814</u>

Note: The bonus to employees of \$60,193 thousand for 2008 was included in the financial statements for the year ended December 31, 2008.

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

(With Deloitte & Touche audit report dated August 10, 2009)

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CASH FLOWS SIX MONTHS ENDED JUNE 30, 2009 AND 2008 (In Thousands of New Taiwan Dollars)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$(6,935,906)	\$ 1,293,204
Depreciation	1,346,701	1,342,016
Amortization	16,815	27,062
(Reversal of) provision for doubtful accounts	(4,209)	8,292
Loss (gain) on disposal of financial instruments	15,793	(233)
Gain on disposal of properties, net	(98,432)	(500,434)
Provision for pension cost	26,664	8,758
Investment income recognized under equity method	(89,936)	(1,002,152)
Impairment loss on financial assets carried at cost	34,197	-
Impairment loss on available-for-sale financial assets	174,789	-
Cash dividends received on equity-method investee companies	1,533,850	157,980
Valuation loss (gain) on financial assets	(7,823)	190,351
Valuation gain on financial liabilities	(126,076)	(95,084)
Deferred income tax	(1,431,438)	(58,456)
Others	(575)	(506)
Net changes in operating assets and liabilities		
Financial assets held for trading	(9,989)	(793)
Accounts receivable	158,340	110,188
Accounts receivable - related parties	1,170,852	(514,823)
Other receivables - related parties	(971,201)	(587,389)
Shipping fuel	(1,336,962)	(830,686)
Prepaid expenses	(9,580)	50,289
Advances to shipping agents	(1,186,961)	(79,672)
Other current assets	2,081	31,840
Payables to related parties	(1,906,360)	1,604,139
Financial liabilities held for trading	(19,058)	121,436
Income tax payable	-	(463,000)
Accrued expenses	713,858	580,511
Payables to shipping agents	(669,102)	(120,735)
Advances from customers	(237,111)	(34,742)
Other current liabilities	(70,629)	(79,260)
Advances on long-term rent agreements	<u>20,553</u>	<u>20,552</u>
Net cash provided by (used in) operating activities	<u>(9,896,855)</u>	<u>1,178,653</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(4,011,543)	(4,373,550)
Proceeds from disposal of available-for-sale financial assets	1,483,856	4,061,821
Acquisition of financial assets carried at cost	(5,000)	(150,000)
Acquisition of properties	(206,810)	(1,764,972)
Acquisition of assets leased to others	-	(95)
Proceeds from disposal of properties	102,702	506,171
Increase in long-term other receivables - related parties	(4,820,908)	(4,947,250)
Increase in deferred charges	(42,990)	(63,255)

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YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CASH FLOWS SIX MONTHS ENDED JUNE 30, 2009 AND 2008 (In Thousands of New Taiwan Dollars)

	2009	2008
Increase in other assets	\$ 39,388	\$ 35,275
Increase in restricted assets	<u>(1,600,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(9,061,305)</u>	<u>(6,695,855)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	2,464,100	800,000
Increase in short-term bills payable	700,000	-
Proceeds from long-term bank loans	12,966,000	4,000,000
Repayment of long-term bank loans	(200,000)	-
Repayments of principal of bonds	(594,000)	(594,000)
Acquisition of obligations under capital leases	-	68,288
Payments of obligations under capital leases	(65,520)	(57,759)
Decrease in other liabilities	<u>(11,330)</u>	<u>(1,141)</u>
Net cash provided by financing activities	<u>15,259,250</u>	<u>4,215,388</u>
NET DECREASE IN CASH	(3,698,910)	(1,301,814)
CASH , BEGINNING OF PERIOD	<u>4,692,315</u>	<u>4,982,024</u>
CASH , END OF PERIOD	<u>\$ 993,405</u>	<u>\$ 3,680,210</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	<u>\$ 236,460</u>	<u>\$ 169,255</u>
Income tax paid	<u>\$ 62,474</u>	<u>\$ 962,334</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Reclassification of properties into assets leased to others	<u>\$ -</u>	<u>\$ 21,219</u>
Reclassification of construction in process into advances on long-term rent agreements	<u>\$ -</u>	<u>\$ 691,543</u>
Reclassification of investment into deduction to long-term other receivables - related parties	<u>\$ -</u>	<u>\$ 46,135</u>
Current portion of interest-bearing long-term debts	<u>\$ 3,789,456</u>	<u>\$ 1,369,937</u>
Domestic unsecured convertible bonds converted into capital stock and capital surplus	<u>\$ -</u>	<u>\$ 17,203</u>
Declaration of cash dividends	<u>\$ 384,370</u>	<u>\$ 2,329,054</u>
Declaration of bonus to employees	<u>\$ -</u>	<u>\$ 102,876</u>
CASH PAID FOR ACQUISITION OF PROPERTIES		
Increase in properties	\$ 814,962	\$ 975,737
Decrease in payable for equipment	40,119	789,235
Decrease in other receivables-related parties	<u>(648,271)</u>	<u>-</u>
	<u>\$ 206,810</u>	<u>\$ 1,764,972</u>

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

(With Deloitte & Touche audit report dated August 10, 2009)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION

NOTES TO FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2009 AND 2008

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

1. ORGANIZATION AND OPERATIONS

Yang Ming Marine Transport Corporation (the "Corporation"), established in December 1972, was majority owned by the Ministry of Transportation and Communications (MOTC) of the Republic of China (ROC) until February 15, 1996 when MOTC reduced its holdings in the Corporation simultaneous to the Corporation's listing of its shares of stock on the ROC Taiwan Stock Exchange. The MOTC owned 35.51% of the Corporation's outstanding capital stock as of June 30, 2009 and 2008.

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

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

As of June 30, 2009 and 2008, the Corporation had 1,418 and 1,360 employees, respectively.

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

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, Business Accounting Law, Guidelines Governing Business Accounting, and accounting principles generally accepted in the Republic of China ("ROC"). Under these laws, guidelines and principles, certain estimates and assumptions have been used for the allowance for doubtful accounts, evaluation of financial assets and liabilities, provision for losses on shipping fuel, depreciation of properties, impairment of assets, income tax, pension cost, loss on pending litigations, payables to shipping agents, bonus to employees, directors and supervisors, etc. Actual results may differ from these estimates.

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

Significant accounting policies are summarized as follows:

Current/Noncurrent Assets and Liabilities

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

Financial Assets and Liabilities at Fair Value through Profit or Loss

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

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

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

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

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

Available-for-sale Financial Assets

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

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

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

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

Revenue Recognition, Accounts Receivable and Allowance for Doubtful Accounts

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

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

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

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

Shipping Fuel

Before January 1, 2009, shipping fuel was stated at the lower of cost or market value. Any write-down was made on a total-shipping-fuel basis. Market value meant replacement cost. As stated in note 3, effective January 1, 2009, 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.

Financial Assets Carried at Cost

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

Investments Accounted for Using Equity Method

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

Prior to January 1, 2006, the difference between acquisition cost and the Corporation's proportionate share in the investee's equity was amortized by the straight-line method over 5 years. Effective January 1, 2006, pursuant to the revised Statement of Financial Accounting Standard ("SFAS") No. 5, "Long-term Investments Accounted for by Equity Method", the acquisition cost is allocated to the assets acquired and liabilities assumed based on their fair values at the date of acquisition, and the excess of the acquisition cost over the fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not being amortized. The excess of the fair value of the net identifiable assets acquired over the acquisition cost is used to reduce the fair value of each of the noncurrent assets acquired (except for financial assets other than investments accounted for by the equity method, noncurrent assets held for sale, deferred income tax assets, prepaid pension or other postretirement benefit) in proportion to the respective fair values of the noncurrent assets, with any excess recognized as an extraordinary gain. Effective January 1, 2006, the accounting treatment for the unamortized investment premium arising on acquisitions before January 1, 2006 is the same as that for goodwill and the premium is no longer being amortized. For any investment discount arising on acquisitions before January 1, 2006, the unamortized amount continues to be amortized over the remaining year.

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

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

Spin-off

The Corporation had spun off the assets, liabilities and operations of its tramp business department into a subsidiary in exchange for all of the subsidiary's newly issued shares. The cost of the shares received is equal to the net book value of the spun-off assets minus the spun-off liabilities without recognizing any exchange gain. If the recoverable amount of the spun-off assets is estimated to be less than its carrying amount, the carrying amount of the spun-off assets will be reduced to its recoverable amount. The Corporation will recognize the recoverable amount as the cost of the shares received.

Properties and Assets Leased to Others

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

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

Depreciation is provided on a straight-line method over estimated useful lives as follows (plus one year to represent the estimated salvage value): buildings, 52 to 55 years; containers and chassis, 6 to 8 years; ships, 13 to 20 years; leased containers and chassis, 5 to 9 years; leasehold improvements, 5 to 10 years; and miscellaneous equipment, 3 to 18 years. Properties still in use beyond their original estimated useful lives are further depreciated over their newly estimated useful lives.

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

Nonoperating Assets

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

Impairment of Assets

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

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

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

Deferred Charges

Deferred charges refer to ship-overhaul costs and bond issuance expenses. These are capitalized and amortized using the straight-line method over periods ranging from 2.5 years to 12 years.

Convertible Bonds

The entire proceeds from convertible bonds issued on or before December 31, 2005 were accounted for as a liability. The difference between the agreed redemption price and the face value of the bonds is accrued using the effective interest method over the year from the issue date of the bonds to the date the put option becomes exercisable. Bond issuance expenses are recognized as deferred charges and amortized over the term of the convertible bonds.

The conversion of bonds into common shares is accounted for using the book value method, whereby the difference between the book value of the bonds (net of any unamortized premiums or discounts, accrued interest, and unamortized transaction costs) and the par value of the common shares issued is recorded as capital surplus.

Pension Cost

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

Unrealized Gain (Loss) on Sale and Leaseback

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

Income Tax

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

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

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

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

Foreign Currencies

Non-derivative foreign-currency transactions are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur.

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

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

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

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

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

Hedging Derivative Financial Instruments

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

Hedge Accounting

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

a. Fair value hedge

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

b. Cash flow hedge

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

Reclassifications

Certain accounts in the financial statements as of and for the six months ended June 30, 2008 have been reclassified to be conform to the presentation of financial statements as of and for the six months ended June 30, 2009.

3. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES

Accounting for Bonuses to Employees, Directors and Supervisors

In March 2007, the Accounting Research and Development Foundation issued Interpretation 2007-052 that requires companies to recognize as compensation expenses bonuses paid to employees, directors and supervisors beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings. The adoption of this interpretation resulted in a decrease of \$33,473 thousand in net income and a decrease in after income tax basic earnings per share of \$0.01 for the six months ended June 30, 2008.

Accounting for Financial Instruments

On July 1, 2008, the Corporation adopted the newly amended SFAS No. 34, "Financial Instruments: Recognition and Measurement". The amendments to SFAS 34 mainly deal with the reclassification of financial assets at fair value through profit or loss if certain conditions are met. The adoption of SFAS No. 34 resulted in increase of \$196,454 thousand in net loss and increase in after income tax basic loss per share of \$0.08 for the six months ended June 30, 2009. Please see Note 23 for relevant information.

Accounting for Inventories

On January 1, 2009, the Corporation adopted the newly revised SFAS No. 10, "Accounting for Inventories". The main revisions are (1) inventories are stated at the lower of cost or net realizable value, and inventories are written down to net realizable value item-by-item except when the grouping of similar or related items is appropriate; and (2) write-downs of inventories and any reversal of write-downs are recorded as operating cost for the period. The adoption resulted in a increase of \$19,476 thousand in net loss and a increase of \$0.01 in after income tax basic loss per share for the six months ended June 30, 2009.

4. CASH

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
Cash		
Petty cash and cash on hand	\$ 4,991	\$ 2,103
Checking accounts and demand deposits	633,736	1,909,832
Time deposits: Interest - 0.23% to 2.33% and 2.215% to 4.27% at June 30, 2009 and 2008	<u>354,678</u>	<u>1,768,275</u>
	<u>\$ 993,405</u>	<u>\$ 3,680,210</u>

As of June 30, 2009 and 2008, time deposits with maturity of over one year amounted to \$0 thousand and \$747 thousand, respectively.

The overseas deposits as of June 30, 2009 and 2008 are summarized in the accompanying Schedules A and B.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

a. Financial instruments at FVTPL

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
<u>Financial assets held for trading</u>		
Mutual funds	\$ 91,080	\$ 646,659
Oil swap option	59,352	-
Principal guaranteed note	10,017	-
Quoted stocks	1,753	416,065
Exchange traded funds	-	17,812
Oil swap	<u>-</u>	<u>17,652</u>
	<u>\$ 162,202</u>	<u>\$ 1,098,188</u>
 <u>Financial liabilities held for trading</u>		
Oil swap option	\$ -	\$ 16,478
Oil swap	<u>-</u>	<u>158</u>
	<u>\$ -</u>	<u>\$ 16,636</u>

Foreign exchange forward contracts and options are held mainly to hedge the exchange rate risks arising from net assets or liabilities denominated in foreign currency or to earn gains from exchange rates. The hedging strategy was developed with the objective to reduce the risk of market price or cash flow fluctuations. The derivative transactions entered into by the Corporation is based on forecasted cash flows, and the risk of the transaction can be controlled by the Corporation. There are no outstanding foreign exchange contracts and options of the Corporation as of June 30, 2009 and 2008.

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

Outstanding oil swap option contracts as of June 30, 2009 were as:

	Due Date	Notional Amount	Fair Value
<u>June 30, 2009</u>			
Oil swap option	2009.12.31	US\$23,490 thousand	\$ 59,352

As of June 30, 2009, the oil swap option settled amounted to \$23,132 thousand and were recognized as other current liabilities.

Outstanding oil swap and oil swap option contracts as of June 30, 2008 were as:

	Settlement Date	Units (Barrels)	Contract Price	Fair Value
<u>June 30, 2008</u>				
Oil swap	2009.05.18-2009.07.20	60,000	US\$7,907 thousand	\$ 17,494
	Due Date		Notional Amount	Fair Value
Oil swap option	2008.09.30-2009.04.30		US\$214,504 thousand	\$ (16,478)

Net losses arising from financial assets held for trading were \$10,210 thousand (including realized settlement loss of \$18,235 thousand, interest income \$202 thousand and valuation gain of \$7,823 thousand) for the six months ended June 30, 2009; net losses were \$205,048 thousand (including realized settlement loss of \$14,697 thousand and valuation loss of \$190,351 thousand) for the six months ended June 30, 2008.

Net gains arising from financial liabilities held for trading were \$126,076 thousand (valuation gain) and \$106,744 thousand (including realized settlement gain of \$11,660 thousand and valuation gain of \$95,084 thousand) for the six months ended June 30, 2009 and 2008, respectively.

6. AVAILABLE-FOR-SALE FINANCIAL ASSET

	June 30	
	2009	2008
Domestic quoted stocks	\$ 4,551,710	\$ 3,820,945
Mutual funds	2,837,630	313,882
Corporate bonds	65,640	-
Less: Current portion	<u>(3,259,016)</u>	<u>(313,882)</u>
	<u>\$ 4,195,964</u>	<u>\$ 3,820,945</u>

7. FINANCIAL ASSETS CARRIED AT COST

	June 30			
	2009		2008	
	Carrying Amount	% of Owner- ship	Carrying Amount	% of Owner- ship
Domestic unquoted common stocks				
New Century Infocomm Co., Ltd.	\$ 427,789	1.68	\$ -	-
Taipei Port Container Terminal Co., Ltd.	316,640	10.00	316,640	10.00
United Stevedoring Corporation	5,000	10.00	-	-
Domestic unquoted preferred stocks				
New Century Infocomm Co., Ltd.	-	-	481,644	1.68
Overseas unquoted common stocks				
Antwerp International Terminal	<u>24,781</u>	16.33	<u>58,978</u>	16.33
	<u>\$ 774,210</u>		<u>\$ 857,262</u>	

The Corporation had invested in preferred stock of New Century Infocomm Co., Ltd. According to the Articles of Incorporation and the resolution of the board of directors of New Century Infocomm Co., Ltd. on February 27, 2009, the Corporation's preferred stock had been transferred to common stock on March 10, 2009.

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

8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30			
	2009		2008	
	Carrying Amount	% of Owner- ship	Carrying Amount	% of Owner- ship
All Oceans Transportation, Inc.	\$ 5,790,837	100.00	\$ 4,983,421	100.00
Kuang Ming Shipping Corp.	5,285,233	100.00	992,315	100.00
Yang Ming Line (B.V.I.) Holding Co., Ltd.	4,098,899	100.00	5,450,946	100.00
Yang Ming Line (Singapore) Pte. Ltd.	1,605,949	100.00	1,462,813	100.00
Ching Ming Investment Co., Ltd.	1,463,707	100.00	1,616,838	100.00
Kao Ming Container Terminal Corp.	765,319	100.00	801,417	100.00
Chunghwa Investment Co., Ltd.	749,092	40.00	831,169	40.00
Yes Logistics Corp.	507,690	46.04	513,149	46.04
Honming Terminal & Stevedoring Co., Ltd.	335,674	79.17	357,573	79.17
Ming Giant (Shanghai) International Logistics Co., Ltd.	233,769	100.00	214,728	100.00
Yunn Wang Investment Co., Ltd.	214,001	49.75	250,985	49.75
Yang Ming (Liberia) Corp.	211,299	100.00	(223,299)	100.00
Transyang Shipping Pte. Ltd.	191,405	49.00	174,239	49.00
Jing Ming Transportation Co., Ltd.	112,396	50.98	115,446	50.98
Yang Ming Line Holding Co.	<u>20,591</u>	100.00	<u>384,388</u>	100.00
	21,585,861		17,926,128	
Add: Investment deducted from long-term receivables - related parties	<u>-</u>		<u>223,299</u>	
	<u>\$ 21,585,861</u>		<u>\$ 18,149,427</u>	

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

	<u>Six Months Ended June 30</u>	
	2009	2008
Kuang Ming Shipping Corp.	\$ 827,546	\$ 169,236
All Oceans Transportation, Inc.	251,498	314,506
Transyang Shipping Pte. Ltd.	125,913	113,085
Ching Ming Investment Co., Ltd.	41,487	(95,126)
Yang Ming (Liberia) Corp.	40,353	(57,769)
Chunghwa Investment Co., Ltd.	5,419	(26,401)
Jing Ming Transportation Co., Ltd.	2,736	7,974
Yunn Wang Investment Co., Ltd.	(272)	(9,480)
Ming Giant (Shanghai) International Logistics Co., Ltd.	(1,378)	(8,401)
Honming Terminal & Stevedoring Co., Ltd.	(9,881)	14,286
Yes Logistics Corp.	(13,077)	(13,227)
Yang Ming Line (Singapore) Pte. Ltd.	(13,943)	(19,964)
Kao Ming Container Terminal Corp.	(21,270)	499
Yang Ming Line Holding Co.	(295,148)	29,055
Yang Ming Line (B.V.I.) Holding Co., Ltd.	<u>(850,047)</u>	<u>583,879</u>
	<u>\$ 89,936</u>	<u>\$ 1,002,152</u>

The carrying values of the equity-method investments (except those of All Oceans Transportation, Inc., Kuang Ming Shipping Corp., Yang Ming Line (B.V.I.) Holding Co., Ltd. and Yang Ming (Liberia) Corp. for the six months ended June 30, 2009, and All Oceans Transportation, Inc. and Yang Ming Line (B.V.I.) Holding Co., Ltd. for the six months ended June 30, 2008) were based on unaudited financial statements for the six months ended June 30, 2009 and 2008. The equities in net assets of equity-method investees Yang Ming Line (B.V.I.) Holding Co., Ltd. and Kuang Ming Shipping Corp. were partly determined on the basis of the investee's unaudited financial reports, and therefore the auditors issued a qualified opinion. There were unaudited financial statements supporting the Corporation's investments in certain equity-method investees with carrying amount of \$6,433,951 thousand and \$7,918,921 thousand as of June 30, 2009 and 2008, respectively, and with credit balance of \$223,299 thousand as of June 30, 2008. The Corporation's equity of \$(217,988) thousand and \$188,066 thousand in the net (loss) income of these investees was included in the net (loss) income for the six months ended June 30, 2009 and 2008, respectively.

Yang Ming (Liberia) Corp. still has an accumulated loss for the six months ended June 30, 2008, because of loss from start up operations in 2006. The Corporation committed to support ship building plan of Yang Ming (Liberia) Corp. The credit balance of \$223,299 thousand on this investment was reclassified as deduction from long-term receivables - related parties as of June 30, 2008.

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

For financing the investment project on Euromax terminal in Rotterdam, the board of directors of the Corporation resolved to increase the capital investment by €12,620,000 in Yang Ming Line (Singapore) Pte. Ltd. on January 11, 2008. Due to August 10, 2009, the investment fund is still not remitted by Corporations.

The boards of directors resolved to invest \$1,060,904 thousand to establish a subsidiary, Kuang Ming (Liberia) Corp. to conform to the spin-off project on August 28, 2008. The fund is mainly for Kuang Ming (Liberia) Corp. to acquire the business, assets and liabilities of the tramp business department from All Oceans Transportation, Inc. The tramp department was spun off into a subsidiary, Kuang Ming Shipping Corp. on October 1, 2008. Please see Notes 1 and 27.

As required by the revised ROC SFAS No. 7 - "Consolidated Financial Statements", control is presumed to exist when the parent company owns, directly or indirectly through subsidiaries, more than half of the voting rights of an entity unless it can be clearly shown that such ownership does not constitute as a control interest. Thus, the consolidated financial statements as of and for the six months ended June 30, 2009 and 2008 include the accounts of the Corporation and its direct and indirect subsidiaries. The Corporation doesn't have control over Transyang Shipping Pte. Ltd., Chunghwa Investment Co., Ltd. and Yunn Wang Investment Co., Ltd., therefore the accounts of these companies were not included in the consolidated financial statements. All significant intercompany accounts and transactions have been eliminated in the consolidation.

9. PROPERTIES

	Six Months Ended June 30, 2009								
	Land	Buildings	Containers and Chassis	Ships	Leased Containers and Chassis	Leasehold Improvements	Miscellaneous Equipment	Construction in Process	Total
Cost									
Beginning balance	\$ 330,069	\$ 728,683	\$ 23,566,163	\$ 2,378,832	\$ 2,178,416	\$ 146,272	\$ 2,527,228	\$ 88,666	\$ 31,944,329
Addition	-	-	15,957	648,271	-	-	30,546	120,188	814,962
Disposal	-	-	(9,559)	-	-	-	(39,618)	-	(49,177)
Ending balance	<u>\$ 330,069</u>	<u>728,683</u>	<u>23,572,561</u>	<u>3,027,103</u>	<u>2,178,416</u>	<u>146,272</u>	<u>2,518,156</u>	<u>208,854</u>	<u>32,710,114</u>
Accumulated depreciation									
Beginning balance		126,549	12,502,218	247,915	2,017,397	126,029	1,416,245		16,436,353
Addition		6,847	1,143,015	72,850	17,094	1,799	95,192		1,336,797
Disposal		-	(5,264)	-	-	-	(39,643)		(44,907)
Ending balance		<u>133,396</u>	<u>13,639,969</u>	<u>320,765</u>	<u>2,034,491</u>	<u>127,828</u>	<u>1,471,794</u>		<u>17,728,243</u>
		<u>\$ 595,287</u>	<u>\$ 9,932,592</u>	<u>\$ 2,706,338</u>	<u>\$ 143,925</u>	<u>\$ 18,444</u>	<u>\$ 1,046,362</u>		<u>\$ 14,981,871</u>

	Six Months Ended June 30, 2008								
	Land	Buildings	Containers and Chassis	Ships	Leased Containers and Chassis	Leasehold Improvements	Miscellaneous Equipment	Construction in Process	Total
Cost									
Beginning balance	\$ 330,069	\$ 745,383	\$ 22,523,772	\$ 6,949,081	\$ 2,041,688	\$ 146,272	\$ 2,474,611	\$ 687,401	\$ 35,898,277
Addition	-	4,519	825,335	-	72,990	-	45,173	27,720	975,737
Disposal	-	-	14,571	-	-	-	10,840	-	25,411
Reclassification	-	(21,219)	-	-	-	-	1,133	(692,676)	(712,762)
Ending balance	<u>\$ 330,069</u>	<u>728,683</u>	<u>23,334,536</u>	<u>6,949,081</u>	<u>2,114,678</u>	<u>146,272</u>	<u>2,510,077</u>	<u>22,445</u>	<u>36,135,841</u>
Accumulated depreciation									
Beginning balance		112,465	10,253,609	4,690,221	1,882,438	122,392	1,243,009		18,304,134
Addition		6,912	1,101,743	62,095	62,297	1,809	96,029		1,330,885
Disposal		-	8,896	-	-	-	10,778		19,674
Reclassification		212	-	-	-	-	(212)		-
Ending balance		<u>119,589</u>	<u>11,346,456</u>	<u>4,752,316</u>	<u>1,944,735</u>	<u>124,201</u>	<u>1,328,048</u>		<u>19,615,345</u>
		<u>\$ 609,094</u>	<u>\$ 11,988,080</u>	<u>\$ 2,196,765</u>	<u>\$ 169,943</u>	<u>\$ 22,071</u>	<u>\$ 1,182,029</u>		<u>\$ 16,520,496</u>

The Corporation leases containers and chassis under capital lease agreements. The related information for future rentals is shown in Note 26. The terms of the leases were from nine years to ten years for containers and eight years for chassis. The annual rent payable on leased containers under the agreements is US\$1,072 thousand. The Corporation has the option to buy, at the end of the lease terms, all leased containers at a bargain purchase price of US\$1 per unit. The annual rent payable on leased chassis is based on contract terms, and, at the end of the lease terms, the ownership of all the leased chassis will be transferred to the Corporation at no additional cost. The details of these leases as of June 30, 2009 and 2008 were as follows:

	June 30			
	2009		2008	
	U.S. Dollars (Thousands)	New Taiwan Dollars (Thousands)	U.S. Dollars (Thousands)	New Taiwan Dollars (Thousands)
Total capital lease obligations (undiscounted)	\$ 5,048	\$ 165,675	\$ 11,853	\$ 359,731
Less: Unamortized interest expense	<u>(363)</u>	<u>(11,926)</u>	<u>(842)</u>	<u>(25,565)</u>
	<u>\$ 4,685</u>	<u>\$ 153,749</u>	<u>\$ 11,011</u>	<u>\$ 334,166</u>

10. ASSETS LEASED TO OTHERS, NET

	June 30	
	2009	2008
Cost		
Land	\$ 2,928,721	\$ 2,928,721
Buildings	<u>1,244,328</u>	<u>1,244,328</u>
	4,173,049	4,173,049
Accumulated depreciation - buildings	<u>146,134</u>	<u>118,243</u>
	<u>\$ 4,026,915</u>	<u>\$ 4,054,806</u>

Future rental payments receivable are summarized as follows:

Fiscal Year	Amount
2009 (July 1, 2009 to December 31, 2009)	\$ 31,788
2010	41,524
2011	24,819
2012	9,965
2013	3,540

11. NONOPERATING ASSETS, NET

	June 30	
	2009	2008
Cost		
Land	\$ 217,715	\$ 217,715
Buildings	<u>3,737</u>	<u>4,188</u>
	221,452	221,903
Accumulated depreciation - buildings	<u>3,394</u>	<u>3,845</u>
	<u>\$ 218,058</u>	<u>\$ 218,058</u>

12. ADVANCES ON LONG-TERM RENT AGREEMENT

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

13. SHORT-TERM LOANS

	<u>June 30</u>	
	2009	2008
Unsecured bank loans - interest of 0.6%-1.0814% and 2.28% in 2009 and 2008	\$ 2,964,100	\$ 800,000

14. SHORT-TERM BILLS PAYABLE

	<u>June 30, 2009</u>	
	Interest Rate	Amount
Commercial paper	0.538%-0.61%	\$ 700,000

15. INTEREST-BEARING LONG-TERM DEBTS

	Current	Long-term	Total
<u>June 30, 2009</u>			
Long-term unsecured bank loans	\$ -	\$ 900,000	\$ 900,000
Long-term secured bank loans	2,156,772	15,759,228	17,916,000
Domestic unsecured bonds	1,602,000	16,510,000	18,112,000
Commercial paper	-	1,450,000	1,450,000
Obligation under capital leases	<u>30,684</u>	<u>123,065</u>	<u>153,749</u>
	<u>\$ 3,789,456</u>	<u>\$ 34,742,293</u>	<u>\$ 38,531,749</u>
<u>June 30, 2008</u>			
Long-term secured bank loans	\$ 50,000	\$ 3,950,000	\$ 4,000,000
Domestic unsecured bonds	1,034,000	18,112,000	19,146,000
Domestic unsecured convertible bonds	42,400	-	42,400
Interest premium - domestic unsecured convertible bonds	695	-	695
Obligation under capital leases	<u>242,842</u>	<u>91,324</u>	<u>334,166</u>
	<u>\$ 1,369,937</u>	<u>\$ 22,153,324</u>	<u>\$ 23,523,261</u>

Long-term Unsecured Bank Loans

The unsecured bank loan is repayable in New Taiwan dollars in one-lump sum payment at maturity in June 2012. Interest rate was 1.00% on June 30, 2009.

Long-term Secured Bank Loans

Secured bank loans are repayable in installments at varying amounts in New Taiwan dollars with the latest maturity in June 2016. Interest rates were 0.8605% to 2.1% and 2.7516% to 2.8573% on June 30, 2009 and 2008, respectively. The Corporation mortgaged ships, assets leased to others, and the ships of a subsidiary, All Oceans Transportation, Inc., as collaterals for the secured loans.

Domestic Unsecured Bonds

On various dates, the Corporation issued domestic unsecured bonds; the dates and the aggregate face values were as follows: \$1,800,000 thousand on June 1, 2000 (the "June 2000 Bonds"); \$2,400,000 thousand on November 20, 2000 (the "November 2000 Bonds"); \$1,100,000 thousand on July 16, 2001 (the "July 2001 Bonds"), \$1,600,000 thousand on June 18, 2004 (the "June 2004 Bonds"), \$5,000,000 thousand from October 8 to October 20 in 2004 (the "October 2004 Bonds"); \$2,500,000 thousand from December 8 to December 14 in 2004 (the "December 2004 Bonds"), and \$6,000,000 thousand on October 23, 2006 (the "October 2006 Bonds").

Other bond features and terms are as follows:

June 2000 bonds	Repayments: 33% - June 1, 2008, 33% - June 1, 2009, and 34% June 1, 2010; 6.09% annual interest. The Corporation had paid \$1,188,000 thousand as of June 30, 2009.
November 2000 bonds	Repayments: 20% - November 20, 2010, 40% - November 20, 2011, and 40% - November 20, 2012; 6.02% annual interest.
July 2001 bonds	Repayments: 20% - July 16 2006, 40% - July 16 2007, and 40% - July 16 2008; 4.49% annual interest. The Corporation had repaid residual amount as of July 15, 2008.
June 2004 bonds	Type A - aggregate face value of \$600,000 thousand and maturity on June 18, 2011; 2.46% annual interest. Type B - aggregate face value of \$500,000 thousand and maturity on June 18, 2011 at USD 6-month LIBOR rate (the target rate) when the target rate is smaller than 1.15%; at 4.4% when the target rate is between 1.15% and 3.5%; at 6% less the target rate when the target rate is greater than 3.5%. The interest rate should not be smaller than 0% and will be reset quarterly. Type C - aggregate face value of \$500,000 thousand and maturity on June 18, 2011 at 4.5% interest multiplied by a ratio (interest-bearing days per month divided by interest-bearing days per year) when USD 6-month LIBOR rate (the target rate) is between a certain interest range; at 0% when the target rate is out of the interest range.
October 2004 bonds:	Type A, B, D, E, G, H, I - aggregate face value of \$500,000 thousand and maturity from October 8 to October 20 in 2011; 3.30% annual interest. Type C - aggregate face value of \$800,000 thousand and maturity on October 12, 2011; 3.30% annual interest.

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

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

October 2006 bonds: Type A - aggregate face value: \$3,000,000 thousand; repayments: 33% - October 23, 2009, 33% - October 23, 2010, and 34% - October 23, 2011; 2.09% annual interest.

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

Domestic Unsecured Convertible Bonds

On August 7, 2003, the Corporation issued five-year domestic unsecured bonds (the "2003 Convertible Bonds") with an aggregate face value of \$8,000,000 thousand and 0% interest. The bonds are classified as "Type A" (with aggregate face value of \$3,000,000 thousand) and "Type B" (with aggregate face value of \$5,000,000 thousand). Bond settlement is as follows:

- a. Lump-sum payment to the holders upon maturity (in 2008) at 101.256% of the face value;
- b. Conversion by the holders, from November 2003 to 10 days before the due date, into the Corporation's common shares at the prevailing conversion price.
- c. Reselling to the Corporation by the holders before maturity. The reselling of Type A bonds starts from August 7, 2005 at face value while that of Type B bonds starts from August 7, 2006 at 100.451% of the face value; or
- d. Redemption by the Corporation, under certain conditions, at face value before bond maturity.

As of August 7, 2008, the 2003 Convertible Bonds with aggregate face value of \$7,895,200 thousand had been converted into 313,780 thousand common shares of the Corporation, and the aggregate face value of \$62,400 thousand had been sold to the Corporation by the holders. The Corporation had repaid residual amount \$42,400 thousand on the maturity date.

Commercial Paper

On March 31, 2009, the Corporation signed a financing contract for \$3,400,000 thousand due in 2012 with International Bills Finance Corporation to issue long-term commercial papers with ships of a subsidiary, All Oceans Transportation, Inc. as collaterals. International Bills Finance Corporation is the lead underwriter. Because the above ships are in the process of changing registration, the Corporation changed the collaterals to mortgaged certificate of time deposit temporarily. The Corporation had issued commercial papers of \$1,600,000 thousand and repaid \$150,000 thousand as of June 30, 2009. The bills payable will be fully repaid by March 31, 2012. The Corporation can issue the commercial papers in a revolving scheme during the period of the financing contract, and issuance period of each commercial paper can not be over 90 days. The Corporation should repay all debts under the contract at maturity date. Because the contract period is over one year, and the Corporation intended to keep refinancing for long term, the bills payable are included in long-term debts. The interest rate is the Fixing Rate of 90-day referred to in Reuters (Page 6165) plus spread. The interest rate was 1.080% on June 30, 2009.

Obligation Under Capital Leases

Obligations under capital leases are summarized in Note 9.

16. ACCRUED EXPENSES

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
Fuel	\$ 2,200,314	\$ 3,828,213
Space hire	579,910	1,687,357
Container lease	431,115	381,118
Interest	354,686	374,654
Salary	183,039	210,577
Others	<u>363,442</u>	<u>214,073</u>
	<u>\$ 4,112,506</u>	<u>\$ 6,695,992</u>

17. RESERVE FOR LAND VALUE INCREMENT TAX

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

18. PENSION PLAN

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

- a. The pension plan under the Labor Standards Law for onshore employees is a defined benefit plan. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The pension fund, to which the Corporation contributes amounts equal to 3% and 13% of salaries every month in 2009 and 2008, respectively, is administered by the pension fund monitoring committee and deposited in the committee's name in the Bank of Taiwan.

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

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

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

Under SFAS No. 18, "Accounting for Pensions," defined benefit pension cost (including the Corporation, All Oceans Transportation, Inc., Yang Ming (Liberia) Corp. and Yangming (UK) Ltd.) should be recognized using the actuarial method. Pension expense is recognized based on agreed upon ratio of their consolidated defined benefit pension cost. According to the actuarial result, the Corporation recognized pension costs of \$59,957 thousand and \$60,018 thousand and contribute \$14,561 thousand and \$39,769 thousand to pension funds for the six months ended June 30, 2009 and 2008, respectively.

- b. Pension plan is a defined contribution scheme under the Labor Pension Act for onshore employees and shipping crew. Starting on July 1, 2005, the Corporation makes monthly contributions to the employees' individual pension accounts in the Bureau of Labor Insurance at 6% of employees' salaries every month. The pension cost under the defined contribution plan was \$17,504 thousand and \$14,836 thousand for the six months ended June 30, 2009 and 2008, respectively.

19. STOCKHOLDERS' EQUITY

- a. Global depositary receipts

On November 14, 1996, the Corporation issued 10 million units of global depositary receipts (GDRs), representing 100 million shares, at an issue price of US\$11.64 dollars per unit. The holders of the GDRs may not exchange them for the Corporation's stocks. However, starting February 14, 1997, the holders of the GDR may request the depositary bank to sell the shares represented by the GDRs. As of June 30, 2009, there were 4,929,244 units outstanding, representing 49,295,517 shares, 1.92% of total issued shares.

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

- b. Capital surplus

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

- c. Appropriation of earnings and dividend policy

The Corporation's Articles of Incorporation provides that the following should be appropriated from the annual net income, less any losses of prior years:

- 1) 10% as legal reserve;
- 2) 10% as special reserve, as needed; and
- 3) Dividends and at least 1% as bonus to employees and up to 2% as remuneration to directors and supervisors.

The Articles of Incorporation provide that the Corporation shall declare at least 50% of the distributable earnings as dividends. Further, at least 20% of the amount declared as dividends should be in the form of cash to enable the Corporation to finance its capital expenditure and working capital requirements.

The Corporation did not estimate bonus to employees and remuneration to directors and supervisors because of the losses for the six months ended June 30, 2009. The bonus to employees for the six months ended June 30, 2008 was \$44,630 thousand. The bonus to employees represented 1% of distributable retained earnings. Material differences between such estimated amounts and the amounts proposed by the Board of Directors in the following year are adjusted for in the current year. If the actual amounts subsequently resolved by the shareholders differ from the proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the shareholders' meeting.

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

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

Under the Integrated Income Tax System, which took effect on July 1, 1998, noncorporate ROC resident stockholders are entitled to tax credit on income tax paid by the Corporation on earnings generated from July 1, 1998. An imputation credit account (ICA) is maintained by the Corporation to monitor the balance of such income tax and the tax credits allocated to each stockholder. The maximum credit available for allocation to each stockholder cannot exceed the ICA balance on the date of dividend distribution.

The stockholders resolved to appropriate the 2008 and 2007 earnings on June 19, 2009 and June 18, 2008, respectively, as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (Dollars)</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Legal reserve	\$ 54,730	\$ 601,992		
Bonus to employees - cash	-	102,876		
Cash dividends	384,370	2,329,054	\$0.15	\$1.00
Stock dividends	-	2,329,054	-	1.00

The bonus to employees of \$60,193 thousand for 2008 was approved in the stockholders' meeting on June 19, 2009. The approved amount of the bonus to employees was different from the accrual amount of \$59,261 thousand reflected in the financial statements for the year ended December 31, 2008. The difference of \$932 thousand, which resulted from a change in estimate basis had been adjusted in profit and loss for the six months ended June 30, 2009.

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

The stockholders' meeting held on June 18, 2008 also resolved to distribute stock dividends out of undistributed earnings in the amount of NT\$2,329,054 thousand, and the capital stock increase amounted to NT\$25,624,665 thousand. The above capital increase was approved by the Financial Supervisory Commission of Executive Yuan on July 8, 2008. The Corporation's board of directors resolved September 6, 2008 as the record date ex-dividends and ex-rights. Registration of the modification had been completed on September 21, 2008.

20. INCOME TAX

- a. A reconciliation of income tax expense based on income (loss) before income tax at the 25% statutory rate and income tax expense was as follows:

	<u>Six Months Ended June 30</u>	
	2009	2008
Income tax expense (benefit) at 25% statutory rate	\$ (2,064,687)	\$ 426,101
Tax effect on adjusting items:		
Permanent differences	(222,366)	(238,352)
Temporary differences	372,916	9,663
Loss carryforwards	1,914,137	-
Additional 10% income tax on undistributed earnings	<u>-</u>	<u>65,731</u>
Income tax payable - current	-	263,143
Overseas income tax	76,909	123,529
Deferred income tax expenses		
Temporary differences	(269,283)	(9,663)
Loss carryforwards	(1,531,310)	-
Effect of tax law changes on deferred income tax	(401,667)	-
Adjustment in valuation allowance	765,655	-
Adjustment of prior years' taxes	36,855	34,125
Others	<u>-</u>	<u>66</u>
Income tax expense (benefit) - current	<u>\$ (1,322,841)</u>	<u>\$ 411,200</u>

In January 2009, the Legislative Yuan passed the amendment of Article 39 of the Income Tax Law, which extends the operating losses carryforward period from five years to ten years. In May 2009, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Law, which reduces a profit-seeking enterprise's income tax rate from 25% to 20%, effective 2010. The Corporation recalculated its deferred tax assets and liabilities in accordance with these amended Articles and recorded the resulting difference as deferred income tax benefit or expense.

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

	<u>June 30</u>	
	2009	2008
Current (included in other current liabilities)		
Deferred income tax assets		
Deferred contribution	\$ -	\$ 4,897
Unrealized shipping fuel valuation losses	4,869	-
Others	<u>2,021</u>	<u>2,841</u>
	<u>6,890</u>	<u>7,738</u>
Deferred income tax liabilities		
Unrealized foreign exchange gain	<u>(12,145)</u>	<u>(29,778)</u>
	<u>\$ (5,255)</u>	<u>\$ (22,040)</u>

(Continued)

	<u>June 30</u>	
	2009	2008
Noncurrent		
Deferred income tax assets		
Loss carryforwards	\$ 1,531,310	\$ -
Deferred pension cost	122,288	135,661
Investment loss recognized on overseas equity-method investments	30,092	66,822
Unrealized impairment loss on financial assets	28,823	-
Others	<u>64,012</u>	<u>-</u>
	1,776,525	202,483
Less: Valuation allowance	<u>(765,655)</u>	<u>-</u>
	<u>1,010,870</u>	<u>202,483</u>
Deferred income tax liabilities		
Investment income recognized on overseas equity-method investments	(1,420,902)	(2,028,240)
Differences in estimated service lives of containers	(57,444)	(204,009)
Unrealized gain on financial instruments	<u>(1,710)</u>	<u>(5,164)</u>
	<u>(1,480,056)</u>	<u>(2,237,413)</u>
	<u>\$ (469,186)</u>	<u>\$ (2,034,930)</u>
		(Concluded)

Loss carryforwards as of June 30, 2009 comprised of:

Unused Amount	Expiry Year
\$7,656,548	2019

The tax returns through 2005 had been assessed by the tax authorities.

- c. Information about integrated income tax was as follows:

	<u>June 30</u>	
	2009	2008
Balance of the imputation credit account (ICA)	\$ 1,015,927	\$ 1,380,473
Undistributed earnings generated before June 30, 1998	2,064,438	2,064,438

The estimated creditable ratio for distribution of 2008 earnings is 19.72%. The actual creditable ratio for distribution of 2007 earnings was 13.98%.

For distribution of earnings generated after January 1, 1998, the ratio for the imputation credits allocated to shareholders of the Corporation is based on the balance of the ICA as of the date of dividend distribution. The expected creditable ratio for the 2008 earnings may be adjusted, depending on the ICA balance on the date of dividend distribution.

21. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	Six Months Ended June 30, 2009			
	Operating Costs	Operating Expenses	Nonoperating Expenses and Losses	Total
Personnel expenses				
Salary	\$ 286,555	\$ 416,364	\$ -	\$ 702,919
Insurance	15,534	32,865	-	48,399
Pension	29,402	48,059	-	77,461
Others	23,227	42,667	-	65,894
Depreciation	1,294,689	38,181	13,831	1,346,701
Amortization	<u>6,379</u>	<u>9,151</u>	<u>1,285</u>	<u>16,815</u>
	<u>\$ 1,655,786</u>	<u>\$ 587,287</u>	<u>\$ 15,116</u>	<u>\$ 2,258,189</u>

	Six Months Ended June 30, 2008			
	Operating Costs	Operating Expenses	Nonoperating Expenses and Losses	Total
Personnel expenses				
Salary	\$ 266,851	\$ 502,223	\$ -	\$ 769,074
Insurance	13,527	30,542	-	44,069
Pension	26,372	48,482	-	74,854
Others	29,492	54,010	-	83,502
Depreciation	1,287,036	39,959	15,021	1,342,016
Amortization	<u>20,001</u>	<u>5,618</u>	<u>1,443</u>	<u>27,062</u>
	<u>\$ 1,643,279</u>	<u>\$ 680,834</u>	<u>\$ 16,464</u>	<u>\$ 2,340,577</u>

22. EARNINGS PER SHARE ("EPS")

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

	Amount (Numerator)		Capital Stock (Denominator) (in Thousand Shares)	Net Loss Per Share (Dollars)	
	Loss Before Income Tax	Net Loss		Loss Before Income Tax	Net Loss
<u>Six months ended June 30, 2009</u>					
Basic loss per share	\$ (8,258,747)	\$ (6,935,906)	\$2,562,466	\$ (3.22)	\$ (2.71)
Impact of dilutive potential common shares					
Bonus to employees	-	-	-		
Diluted loss per share	<u>\$ (8,258,747)</u>	<u>\$ (6,935,906)</u>	<u>\$2,562,466</u>	<u>\$ (3.22)</u>	<u>\$ (2.71)</u>

	<u>Amount (Numerator)</u>		<u>Capital Stock (Denominator) (in Thousand Shares)</u>	<u>Net Income Per Share (Dollars)</u>	
	<u>Income Before Income Tax</u>	<u>Net Income</u>		<u>Income Before Income Tax</u>	<u>Net Income</u>
<u>Six months ended June 30, 2008</u>					
Basic earnings per share	\$ 1,704,404	\$ 1,293,204	2,561,865	\$ 0.67	\$ 0.50
Impact of dilutive potential common shares					
Bonus to employees	-	-	2,727		
Domestic unsecured convertible bonds	<u>69</u>	<u>52</u>	<u>3,020</u>		
Diluted earnings per share	<u>\$ 1,704,473</u>	<u>\$ 1,293,256</u>	<u>2,567,612</u>	<u>\$ 0.66</u>	<u>\$ 0.50</u>

The weighted average number of shares outstanding for EPS calculation has been retroactively adjusted for the issuance of employee stock bonuses distributed out of earnings for the year ended December 31, 2008 and stock dividends. This adjustment caused the basic and diluted after income tax EPS for the six months ended June 30, 2008 to decrease from NT\$0.56 to NT\$0.50 and from NT\$0.55 to NT\$0.50, respectively.

The Corporation should presume that the entire amount of the bonus to employees will be settled in shares and the resulting potential shares should be included in the weighted average number of shares outstanding used in the calculation of diluted EPS, if the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. Such dilutive effect of the potential shares should be included in the calculation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees in their meeting in the following year.

23. DISCLOSURE FOR FINANCIAL INSTRUMENTS

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

	<u>June 30</u>			
	<u>2009</u>		<u>2008</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Assets				
Financial assets at fair value through profit or loss - current	\$ 162,202	\$ 162,202	\$ 1,098,188	\$ 1,098,188
Available-for-sale financial assets - current	3,259,016	3,259,016	313,882	313,882
Investments accounted for by the equity method	21,585,861	-	18,149,427	-
Financial asset carried at cost - noncurrent	774,210	-	857,262	-
Available-for-sale financial assets - noncurrent	4,195,964	4,195,964	3,820,945	3,820,945
Long-term other receivables - related parties	32,923,901	32,923,901	30,704,723	30,704,723
Hedging derivative financial assets - noncurrent	8,551	8,551	20,657	20,657

(Continued)

	June 30			
	2009		2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities				
Financial liabilities at fair value				
through profit or loss - current	\$ -	\$ -	\$ 16,636	\$ 16,636
Long-term interest - bearing debts	20,266,000	20,266,000	4,000,000	4,000,000
Bonds	18,112,000	18,466,381	19,189,095	19,535,218
Obligation under capital lease	153,749	153,749	334,166	334,166
				(Concluded)

Place of transaction:

Place of Transaction	June 30			
	2009		2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Financial asset</u>				
Overseas (including foreign institutions in Taiwan)	\$ 67,903	\$ 67,903	\$ 38,309	\$ 38,309
<u>Financial liability</u>				
Overseas (including foreign institutions in Taiwan)	-	-	16,636	16,636

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

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

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

- 3) Financial assets carried at cost and investments accounted for by the equity method are investments in unlisted stocks which had no market value and will require an amount in excess of reasonable cost to determine fair value, thus, no reliable fair value was determined.
- 4) Fair value of long-term receivables - related parties, long-term bills payable, long-term bank loans and obligations under capital leases are measured at the present values of expected cash flows which are discounted at the interest rate for bank loans with similar maturities.

5) The fair value of bonds is market value.

- c. Fair values of financial assets and financial liabilities, based on quoted prices or valuation techniques, were as follows:

	Quoted Price		Estimated Price	
	June 30		June 30	
	2009	2008	2009	2008
<u>Assets</u>				
Financial assets at fair value through profit or loss - current	\$ 102,850	\$ 1,080,536	\$ 59,352	\$ 17,652
Available-for-sale financial assets - current	3,259,016	313,882	-	-
Available-for-sale financial assets - noncurrent	4,195,964	3,820,945	-	-
Hedging derivative financial assets - noncurrent	-	-	8,551	20,657
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss - current	-	-	-	16,636
Bonds	18,466,381	19,535,218	-	-

- d. Valuation gains arising from changes in fair value of financial instruments determined using valuation technique were \$133,991 thousand and \$112,667 thousand for the six months ended June 30, 2009 and 2008, respectively.

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

	June 30			
	2009		2008	
	Financial Asset	Financial Liabilities	Financial Asset	Financial Liabilities
<u>Risk of interest rate change</u>				
Fair value risk	\$ 1,940,678	\$ 19,579,849	\$ 1,129,275	\$ 19,323,261
Cash flow risk	574,031	22,616,000	2,441,498	5,000,000

- f. Information about financial risks

1) Market risk

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

For the six months ended June 30, 2009 and 2008, the interest rate swap contracts held by the Corporation were for nontrading purposes, i.e., to hedge overall fluctuations on interest rates. The Corporation use interest rate swap contracts with gains or losses that offset the gains or losses on floating interest-bearing liabilities. Through these contracts, the Corporation hedges most of the risks in the market. In addition, the Corporation evaluates the hedging effectiveness of the contracts periodically.

The contract will be settled at net or nominal amounts. Thus the change of fair value of this contract due to change of market interest rate should not cause additional risk for the Corporation.

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

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

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

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

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

2) Credit risk

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

3) Liquidity risk

The Corporation entered into interest rate swaps to hedge cash flow risks for the six months ended June 30, 2009 and 2008. The interest rate swap contracts are settled at net amounts; thus, the expected cash demand is not significant.

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

4) Cash flow risk on interest rate

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

g. Cash flow hedge

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

Hedged Items	Financial Instruments Designated	Designated Hedging Instruments				Expected Period of Cash Flows	Expected Period for Realization of Gains or Losses
		June 30					
		2009		2008			
		Notional Amount	Fair Value	Notional Amount	Fair Value		
Bonds with floating interest rate	Interest rate swap	\$ (500,000)	\$ 2,096	\$ (500,000)	\$ 6,019	June 18, 2004 - June 18, 2011	June 18, 2004 - June 18, 2011
Bonds with floating interest rate	Interest rate swap	(500,000)	6,455	(500,000)	14,638	June 18, 2004 - June 18, 2011	June 18, 2004 - June 18, 2011

h. Reclassifications

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

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

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

The carrying amounts and fair values of the reclassified financial assets (excluding those that had been derecognized) as of June 30, 2009 were as follows:

	Carrying Amount	Fair Value
Available-for-sale financial assets-current	\$ 535,309	\$ 535,309

The gains or losses recorded for the reclassified financial assets (excluding those that had been derecognized) for the six months ended June 30, 2009 and the pro forma gains or losses assuming no reclassifications had been made were as follows:

	Gains (Losses) Recorded	Pro Forma Gains (Losses)
Available-for-sale financial assets	\$ (62,770)	\$ 133,684

24. RELATED-PARTY TRANSACTIONS

The significant transactions with related parties for the six months ended June 30, 2009 and 2008 and the related balances, in addition to those mentioned in Notes 15 and 26 and Schedules E and F, are summarized in the accompanying Schedules C and D.

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

The transactions with related parties were conducted under contract terms.

25. ASSETS PLEDGED OR MORTGAGED

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

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
Properties, net	\$ 2,060,527	\$ 2,182,120
Restricted assets - noncurrent (time deposit)	1,600,000	-
Assets leased to others, net	1,431,055	1,440,088
Nonoperating assets, net	<u>89,230</u>	<u>89,230</u>
	<u>\$ 5,180,812</u>	<u>\$ 3,711,438</u>

26. COMMITMENTS AND CONTINGENT LIABILITY

In addition to those mentioned in Note 24 and Schedule F, commitments and contingent liability as of June 30, 2009 were as follows:

- a. Obligations to provide crews to two bulk carrier of Taiwan Power Company under contracts expiring on various dates by September 2012. The daily compensation under the contracts is \$144 thousand for all the crew.
- b. Leases of office premises, ships and container yard under operating lease agreements that will expire on various dates until May 2030. The total rental for the six months ended June 30, 2009 was \$4,379,836 thousand, and future minimum rentals are as follows:

Fiscal Year	Amount
2009 (July 1, 2009 to December 31, 2009)	\$ 3,799,993
2010	4,736,984
2011	3,064,641
2012	2,687,296
2013	2,542,032

Rentals after 2014 amount to \$9,670,582 thousand. The present value of those rentals, computed at an annual interest rate of 0.77%, is \$9,139,794 thousand.

- c. Leases of containers and chassis under capital lease agreements expiring on various dates until February 2018. Rental for the six months ended June 30, 2009 was about \$66,376 thousand (deducted from leases payable). Future minimum rentals are as follows:

Fiscal Year	Amount
2009 (July 1, 2009 to December 31, 2009)	\$ 17,598
2010	36,576
2011	21,571
2012	14,887
2013	14,846

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

Company Name	Nature of Relationship	Guarantee Amount (Thousands)
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Subsidiary	US\$ 5,000
All Oceans Transportation, Inc.	Subsidiary	US\$ 20,000
Yang Ming (Liberia) Corp.	Subsidiary	US\$ 436,760
Kuang Ming (Liberia) Corp.	Subsidiary	US\$ 366,912
Kao Ming Container Terminal Corp.	Subsidiary	NT\$ 4,000,000
United Terminal Leasing LLC	Indirect equity-method investee	US\$ 15,238
West Basin Container Terminal LLC	Indirect equity-method investee	US\$ 16,264
Olympic Container Terminal LLC	Subsidiary	US\$ 4,700

27. SPIN OFF

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

- a. The spun-off assets were as follows:

Assets	
Interest receivable	\$ 35,438
Prepaid expenses	75,365
Investments accounted for by the equity-method - Kuang Ming (Liberia) Corp.	1,060,904
Miscellaneous equipment	300
Long-term receivables	<u>2,828,709</u>
Net assets	<u>\$ 4,000,716</u>

- b. The revenue, gross profit, operating income, net income and earning per share of the spun-off department during January 1 to June 30, 2008 were as follows:

	Six Months Ended June 30, 2008
Operating revenue	\$ 1,390,505
Operating costs	<u>(946,742)</u>
Gross profit	443,763
Operating expense	<u>(5,176)</u>
Operating income	438,587
Nonoperating income and gains	210,155
Nonoperating expenses and losses	<u>(61)</u>
Income before income tax	648,681
Income tax expense	<u>(162,170)</u>
Net income	<u>\$ 486,511</u>
Basic earnings per share (EPS)	<u>\$ 0.19</u>

28. ADDITIONAL DISCLOSURES

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

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

k. Information on investment in Mainland China

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

SCHEDULE A**YANG MING MARINE TRANSPORT CORPORATION****OVERSEAS DEPOSITS
JUNE 30, 2009**

Country	Currency	Foreign-currency Amount (Thousands)	New Taiwan Dollar Exchange Rate	New Taiwan Dollar Amount (Thousands)
Japan	USD	\$ 5	32.8200	\$ 170
	JPY	129,887	0.3434	44,607
Hong Kong	USD	1,007	32.8200	33,034
	HKD	2,239	4.2348	9,483
United States	USD	3,651	32.8200	119,824
Belgium	EUR	13	46.3008	618
Indonesia	USD	110	32.8200	3,605
Malaysia	USD	78	32.8200	2,557
	MYR	2,573	9.3385	24,025
Britain	USD	119	32.8200	3,892
	GBP	34	54.7372	1,857
Germany	USD	7	32.8200	216
	EUR	439	46.3008	20,348
Philippines	USD	37	32.8200	1,214
	PHP	9,899	0.6820	6,751
Singapore	USD	56	32.8200	1,850
	SGD	112	22.6861	2,538
India	INR	17,011	0.6846	11,646
Thailand	THB	21,343	0.9650	20,597
Korea	USD	9	32.8200	296
	KRW	628,709	0.0256	16,092

SCHEDULE B**YANG MING MARINE TRANSPORT CORPORATION****OVERSEAS DEPOSITS
JUNE 30, 2008**

Country	Currency	Foreign- currency Amount (Thousands)	New Taiwan Dollar Exchange Rate	New Taiwan Dollar Amount (Thousands)
Japan	USD	\$ 9	30.3500	\$ 275
	JPY	409,398	0.2886	118,144
Hong Kong	USD	1,962	30.3500	59,535
	HKD	3,917	3.8919	15,245
United States	USD	11,077	30.3500	336,195
Belgium	EUR	5	47.9803	230
Indonesia	USD	534	30.3500	16,210
Malaysia	USD	36	30.3500	1,082
	MYR	1,014	9.2956	9,424
Britain	USD	77	30.3500	2,322
	GBP	66	60.5513	4,013
Germany	USD	6	30.3500	179
	EUR	1,120	47.9803	53,748
Philippines	USD	57	30.3500	1,739
	PHP	38,117	0.6776	25,828
Singapore	USD	79	30.3500	2,404
	SGD	5,431	22.3359	121,315
India	INR	9,777	0.7063	6,905
Thailand	THB	95,547	0.9057	86,537
Korea	USD	3	30.3500	101
	KRW	726,232	0.0290	21,068

YANG MING MARINE TRANSPORT CORPORATION

**RELATED PARTY TRANSACTIONS
SIX MONTHS ENDED JUNE 30, 2009 AND 2008
(In Thousands of New Taiwan Dollars)**

Related Party	Name of Relationship (See Notes Below)	Operating Revenues												Operating Costs				Operating Expenses		Nonoperating Income and Gains									
		Charter Hire		Agents' Income		Rent of Container		Cargo Transport Revenue		Ship Management		Other Operating Income		Haulage		Others		Donation		Interest Income		Rental Income		Purchase of Properties					
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%				
<u>2009</u>																													
Kuang Ming Shipping Corp.	A	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 28,880	14	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 343	-	\$ -	-		
All Oceans Transportation, Inc.	A	-	-	-	-	-	-	-	-	-	-	-	-	1,609,724	F	11	-	-	-	-	-	-	316,007	88	-	-	648,271	I	80
Honming Terminal & Stevedoring Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,500	1	-	-	-	-	-	-	-	-	-	-	
Jing Ming Transportation Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	350,339	2	-	-	-	-	-	-	-	-	-	-	
Ching Ming Investment Corp.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46	-	-	-	
Yangming (Japan) Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93,077	1	-	-	-	-	-	-	-	-	-	-	
Young-Carrier Company Limited	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	230,952	2	-	-	-	-	-	-	-	-	-	-	
Yangming (UK) Ltd.	A	178,151	E	90	51,503	99	426,158	100	-	67,756	31	-	-	2,685,213	K	18	30,883	-	-	-	-	-	-	-	-	-	-	-	
Yang Ming Shipping Europe GmbH	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150,390	1	-	-	-	-	-	-	-	-	-	-	
Yang Ming Line (Hong Kong) Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105,340	1	-	-	-	-	-	-	-	-	-	-	
Yangming Shipping (Singapore) Pte. Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,718	-	-	-	-	-	-	-	-	-	-	-	
Yang Ming Line (M) Sdn. Bhd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,506	-	-	-	-	-	-	-	-	-	-	-	
Yang Ming (America) Co.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	615,546	4	-	-	-	-	-	-	-	-	-	-	
Yes Logistics Corp.	A	-	-	-	-	-	211,539	1	-	-	-	16,731	-	-	-	-	27,693	-	-	-	-	-	-	2,000	4	-	-	-	
Yang Ming Line (India) Pvt. Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,127	-	-	-	-	-	-	-	-	-	-	-	
Yang Ming (Liberia) Corp.	A	-	-	-	-	-	-	-	-	-	-	-	-	952,201	I	6	-	-	-	-	-	-	27,821	8	-	-	-	-	
Yang Ming (Vietnam) Corp.	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,998	-	-	-	-	-	-	-	-	-	-	-	
West Basin Container Terminal LLC	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	897,716	6	-	-	-	-	-	-	-	-	-	-	
Olympic Container Terminal LLC	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	198,859	2	-	-	-	-	-	-	-	-	-	-	
Yang Ming (Korea) Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,357	1	-	-	-	-	-	-	-	-	-	-	
Yang Ming (Belgium) N.V.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,881	-	-	-	-	-	-	-	-	-	-	-	
Yang Ming (Netherlands) B.V.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,011	-	-	-	-	-	-	-	-	-	-	-	
Taiwan Navigation Co., Ltd.	C	-	-	-	-	-	-	-	-	-	-	20,582	1	-	-	-	36,841	-	-	-	-	-	-	-	-	-	-	-	
Yang Ming Cultural Foundation	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,809	100	-	-	-	-	-	-	-	-	
Kuang Ming (Liberia) Corp.	A	-	-	-	-	-	-	-	90,522	43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sunbright Insurance Pte. Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,167	-	-	-	-	-	-	-	-	-	-	-	
Yang Ming Italy S.p.A.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,414	-	-	-	-	-	-	-	-	-	-	-	
Yang Ming Shipping (B.V.I.) Inc.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69,658	1	-	-	-	-	-	-	-	-	-	-	
Yang Ming Anatolia Shipping Agency S.A.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93,590	1	-	-	-	-	-	-	-	-	-	-	
		<u>\$ 178,151</u>	<u>90</u>	<u>\$ 51,503</u>	<u>99</u>	<u>\$ 426,158</u>	<u>100</u>	<u>\$ 211,539</u>	<u>1</u>	<u>\$ 187,158</u>	<u>88</u>	<u>\$ 37,313</u>	<u>1</u>	<u>\$ 5,247,138</u>	<u>35</u>	<u>\$ 3,238,563</u>	<u>23</u>	<u>\$ 19,809</u>	<u>100</u>	<u>\$ 343,828</u>	<u>96</u>	<u>\$ 2,389</u>	<u>4</u>	<u>\$ 648,271</u>	<u>80</u>				

(Continued)

Related Party	Name of Relationship (See Notes Below)	Operating Revenues												Operating Costs				Operating Expenses		Nonoperating Income and Gains							
		Charter Hire		Agents' Income		Rent of Container		Cargo Transport Revenue		Ship Management		Other Operating Income		Haulage		Others		Donation		Interest Income		Rental Income	Purchase of Properties				
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
<u>2008</u>																											
Kuang Ming Shipping Corp.	A	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 109,841	53	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
All Oceans Transportation, Inc.	A	-	-	-	-	-	-	-	-	-	-	-	-	2,011,612	G	20	-	-	-	-	-	-	345,062	84	-	-	-
Honming Terminal & Stevedoring Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	92,000	1	-	-	-	-	-	-	-	-	
Jing Ming Transportation Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	364,934	2	-	-	-	-	-	-	-	-	
Ching Ming Investment Corp.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91	-	-	
Yangming (Japan) Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128,759	1	-	-	-	-	-	-	-	-	
Young-Carrier Company Limited	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400,102	2	-	-	-	-	-	-	-	-	
Yangming (UK) Ltd.	A	360,244	E	24	55,787	96	422,120	96	-	72,596	35	-	-	2,075,385	J	20	153,966	1	-	-	-	-	-	-	-	-	
Yang Ming Shipping Europe GmbH	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	211,257	1	-	-	-	-	-	-	-	-	
Yang Ming Line (Hong Kong) Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	145,154	1	-	-	-	-	-	-	-	-	
Yangming Shipping (Singapore) Pte. Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42,285	-	-	-	-	-	-	-	-	-	
Yang Ming Line (M) Sdn. Bhd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,928	-	-	-	-	-	-	-	-	-	
Yang Ming (America) Co.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	799,106	5	-	-	-	-	-	-	-	-	
Yes Logistics Corp.	A	-	-	-	-	-	67,742	-	-	-	-	14,821	-	-	-	-	31,953	-	-	-	-	-	2,000	3	-	-	
Yang Ming Italy S.p.A.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,525	-	-	-	-	-	-	-	-	-	
Yang Ming Line (India) Pvt. Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,930	-	-	-	-	-	-	-	-	-	
Yang Ming (Liberia) Corp.	A	-	-	-	-	-	-	-	-	-	-	-	-	975,999	H	10	-	-	-	-	-	10,632	3	-	-	-	
Yang Ming Shipping (B.V.I.) Inc.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,491	1	-	-	-	-	-	-	-	-	
Yang Ming (Vietnam) Corp.	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,226	-	-	-	-	-	-	-	-	-	
West Basin Container Terminal LLC	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,200,167	7	-	-	-	-	-	-	-	-	
Olympic Container Terminal LLC	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225,352	1	-	-	-	-	-	-	-	-	
Yang Ming (Korea) Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89,514	1	-	-	-	-	-	-	-	-	
Yang Ming (Belgium) N.V.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,707	-	-	-	-	-	-	-	-	-	
Yang Ming (Netherlands) B.V.	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76,390	-	-	-	-	-	-	-	-	-	
Yang Ming Cultural Foundation	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65,989	100	-	-	-	-	-	-	
Taiwan Navigation Co., Ltd.	C	-	-	-	-	-	-	-	-	-	-	610	-	-	-	-	60,776	-	-	-	-	-	-	-	-	-	
		<u>\$ 360,244</u>	<u>24</u>	<u>\$ 55,787</u>	<u>96</u>	<u>\$ 422,120</u>	<u>96</u>	<u>\$ 67,742</u>	<u>-</u>	<u>\$ 182,437</u>	<u>88</u>	<u>\$ 15,431</u>	<u>-</u>	<u>\$ 5,062,996</u>	<u>50</u>	<u>\$ 4,251,522</u>	<u>24</u>	<u>\$ 65,989</u>	<u>100</u>	<u>\$ 355,694</u>	<u>87</u>	<u>\$ 2,160</u>	<u>3</u>	<u>\$ -</u>	<u>-</u>		

- Notes:
- A. Subsidiary of the Corporation.
 - B. An equity-method investee of subsidiary of the Corporation.
 - C. More than half of the directors are identical.
 - D. The Corporation donated total paid-in fund of the institute.
 - E. Lease of 4 ships for Yangming (U.K.) Ltd.
 - F. Lease of 35 ships from All Oceans Transportation Inc. under several agreements expiring on various dates until July 2010; rent is payable monthly.
 - G. Lease of 39 ships from All Oceans Transportation Inc. under several agreements expiring on various dates until September 2009; rent is payable monthly.
 - H. Lease of 9 ships from Yang Ming (Liberia) Corp. under an agreement expiring date on November 21, 2008; rent is payable monthly.
 - I. Lease of 9 ships from Yang Ming (Liberia) Corp. under an agreement expiring on June 2010; rent is payable monthly.
 - J. Lease of space from Yangming (U.K.) Ltd. under several agreements expiring on various dates until December 2008; rent is payable monthly.
 - K. Lease of space from Yangming (U.K.) Ltd. under several agreements expiring on various dates until December 2009; rent is payable monthly.
 - L. Acquisition of one ship in May of 2009 was at carrying value.
 - M. Other related parties, with which the Corporation had no transactions for the six months ended June 30, 2009, are listed in Schedule J.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION

RELATED-PARTY ACCOUNT BALANCES

JUNE 30, 2009 AND 2008

(In Thousands of New Taiwan Dollars)

Related Party	Nature of Relationship (See Notes Below)	Receivables from Related Parties						Advances to Shipping Agents	Prepaid Expense	Long-term Receivable from Related Parties	Payables to Related Parties									
		Accounts Receivables		Other Receivables		Total					Amount	%	Amount	%	Accrued Expense		Payables to Shipping Agents		Total	
		Amount	%	Amount	%	Amount	%								Amount	%	Amount	%	Amount	%
2009																				
Kuang Ming Shipping Corp.	A	\$ -	-	\$ 1,742	1	1,742	-	\$ -	-	\$ -	-	\$ -	-	\$ 4,031	1	\$ -	-	\$ 4,031	-	
All Oceans Transportation, Inc.	A	-	-	127,089	G 9	127,089	9	-	-	30,397,934	F 92	-	-	-	-	-	-	-	-	
Jing Ming Transportation Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	47,790	5	-	-	47,790	6	
Yang Ming (America) Co.	A	94,310	6	-	-	94,310	6	1,018,828	64	-	-	-	-	-	-	-	-	-	-	
Yangming (Japan) Co., Ltd.	A	38,305	3	-	-	38,305	3	-	-	-	-	-	-	-	-	77,162	9	77,162	9	
Yang Ming Line Holding Co.	A	-	-	-	-	-	-	-	-	30,874	-	-	-	-	-	-	-	-	-	
Young-Carrier Company Limited	A	526,291	36	-	-	526,291	36	-	-	-	-	-	-	-	-	397,935	46	397,935	46	
Yangming (UK) Ltd.	A	46,928	3	297,801	H 20	344,729	24	91,766	6	-	-	-	-	-	-	-	-	-	-	
Yang Ming Shipping Europe GmbH	A	45,374	3	18	-	45,392	3	-	-	-	-	-	-	-	-	43,805	5	43,805	5	
Yang Ming Line (Hong Kong) Ltd.	A	47,779	3	-	-	47,779	3	-	-	-	-	-	-	-	-	33,751	4	33,751	4	
Yangming Shipping (Singapore) Pte. Ltd.	A	1,054	-	-	-	1,054	-	1,311	-	-	-	-	-	-	-	17,151	2	17,151	2	
Yang Ming Line (M) Sdn. Bhd.	A	18,404	1	63	-	18,467	1	-	-	-	-	-	-	-	-	7,569	1	7,569	1	
Yes Logistics Corp.	A	968	-	4,856	-	5,824	-	-	-	-	-	-	1,488	-	-	-	-	1,488	-	
Yang Ming Italy S.p.A.	A	29,472	2	-	-	29,472	2	-	-	-	-	-	-	-	-	11,312	1	11,312	1	
Yang Ming (Korea) Co., Ltd.	A	46,680	3	-	-	46,680	3	-	-	-	-	-	-	-	-	71,883	8	71,883	8	
Yang Ming (Netherlands) B.V.	A	17,672	1	-	-	17,672	1	-	-	-	-	-	-	-	-	32,638	4	32,638	4	
Yang Ming Line (B.V.I.) Holding Co., Ltd.	A	-	-	-	-	-	-	-	-	203,768	I 1	-	-	-	-	-	-	-	-	
Yang Ming (Vietnam) Corp.	B	43,239	3	-	-	43,239	3	-	-	-	-	-	-	-	-	76,848	9	76,848	9	
Yang Ming Line (India) Pvt. Ltd.	A	10,648	1	-	-	10,648	1	-	-	-	-	-	-	-	-	9,516	1	9,516	1	
Yang Ming (Liberia) Corp.	A	-	-	-	-	-	-	-	-	2,291,325	J 7	-	-	-	-	-	-	-	-	
Yang Ming (Belgium) N.V.	A	37,559	3	-	-	37,559	3	-	-	-	-	-	-	-	-	1,328	-	1,328	-	
Taiwan Navigation Co., Ltd.	C	-	-	-	-	-	-	-	-	-	-	-	22,803	3	-	-	-	22,803	3	
Sunbright Insurance Pte. Ltd.	A	-	-	-	-	-	-	-	-	2,637	-	-	-	-	-	-	-	-	-	
Yang Ming Anatolia Shipping Agency S.A.	A	17,383	1	-	-	17,383	1	67,066	4	-	-	-	-	-	-	-	-	-	-	
		<u>\$ 1,022,066</u>	<u>70</u>	<u>\$ 431,569</u>	<u>30</u>	<u>\$ 1,453,635</u>	<u>100</u>	<u>\$ 1,178,971</u>	<u>74</u>	<u>\$ 2,637</u>	<u>-</u>	<u>\$ 32,923,901</u>	<u>100</u>	<u>\$ 76,112</u>	<u>9</u>	<u>\$ 780,898</u>	<u>91</u>	<u>\$ 857,010</u>	<u>100</u>	

(Continued)

Related Party	Nature of Relationship (See Notes Below)	Receivables from Related Parties						Advances to Shipping Agents	Prepaid Expense	Long-term Receivable from Related Parties	Payables to Related Parties									
		Accounts Receivables		Other Receivables		Total					Amount	%	Amount	%	Accrued Expense		Payables to Shipping Agents		Total	
		Amount	%	Amount	%	Amount	%								Amount	%	Amount	%	Amount	%
2008																				
Kuang Ming Shipping Corp.	A	\$ -	-	\$ 4,162	-	\$ 4,162	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	
All Oceans Transportation, Inc.	A	-	-	1,949,913	G 31	1,949,913	31	-	-	-	-	28,422,823	E 92	-	-	-	-	-	-	
Jing Ming Transportation Co., Ltd.	A	-	-	-	-	-	-	-	-	-	-	-	-	73,435	2	-	-	73,435	2	
Ching Ming Investment Corp.	A	-	-	2,131	-	2,131	-	-	-	-	-	-	-	-	-	-	-	-	-	
Yangming (Japan) Co., Ltd.	A	65,495	1	-	-	65,495	1	-	-	-	-	-	-	-	-	122,380	3	122,380	3	
Young-Carrier Company Limited	A	1,397,377	22	-	-	1,397,377	22	-	-	-	-	-	-	-	-	814,624	23	814,624	23	
Yangming (UK) Ltd.	A	788,244	13	-	-	788,244	13	-	-	-	-	-	-	-	-	1,666,130	H 46	1,666,130	46	
Yang Ming Shipping Europe GmbH	A	182,753	3	-	-	182,753	3	-	-	-	-	-	-	-	-	28,376	1	28,376	1	
Yang Ming Line (Hong Kong) Ltd.	A	97,409	2	-	-	97,409	2	-	-	-	-	-	-	-	-	123,972	3	123,972	3	
Yangming Shipping (Singapore) Pte. Ltd.	A	8,050	-	-	-	8,050	-	1,732	-	-	-	-	-	-	-	24,074	1	24,074	1	
Kuang Ming Shipping Corp. (Panama)	A	-	-	-	-	-	-	-	-	-	-	-	-	28,079	1	-	-	28,079	1	
Yang Ming Line (M) Sdn. Bhd.	A	21,529	-	64	-	21,593	-	-	-	-	-	-	-	-	-	1,391	-	1,391	-	
Yang Ming (America) Co.	A	257,711	4	-	-	257,711	4	-	-	-	-	-	-	-	-	323,416	9	323,416	9	
Yang Ming (Netherlands) B.V.	A	228,141	4	-	-	228,141	4	-	-	-	-	-	-	-	-	141,010	4	141,010	4	
Yes Logistics Corp.	A	17,621	-	8,928	-	26,549	-	-	-	-	-	-	-	2,794	-	-	-	2,794	-	
Yang Ming Italy S.p.A.	A	74,404	1	-	-	74,404	1	-	-	-	-	-	-	-	-	37,925	1	37,925	1	
Yang Ming Line Holding Co.	A	-	-	-	-	-	-	-	-	28,550	-	-	-	-	-	-	-	-	-	
Yang Ming Line (B.V.I.) Holding Co., Ltd.	A	-	-	-	-	-	-	-	-	1,146,270	I 4	-	-	-	-	-	-	-	-	
Yang Ming Line (India) Pvt. Ltd.	A	22,823	-	4,150	-	26,973	-	-	-	-	-	-	-	-	-	18,052	-	18,052	-	
Yang Ming (Vietnam) Corp.	B	71,806	1	-	-	71,806	1	-	-	-	-	-	-	-	-	114,731	3	114,731	3	
Yang Ming (Liberia) Corp.	A	-	-	954,738	J 15	954,738	15	-	-	1,107,080	J 4	-	-	-	-	-	-	-	-	
Yang Ming (Korea) Co., Ltd.	A	120,007	2	-	-	120,007	2	-	-	-	-	-	-	-	-	76,316	2	76,316	2	
Yang Ming (Belgium) N.V.	A	44,037	1	-	-	44,037	1	11,801	3	-	-	-	-	-	-	-	-	-	-	
Yang Ming Cultural Foundation	D	-	-	9,943	-	9,943	-	-	-	-	-	-	-	-	-	-	-	-	-	
Taiwan Navigation Co., Ltd.	C	-	-	-	-	-	-	-	-	-	-	-	-	20,529	1	-	-	20,529	1	
		<u>\$ 3,397,407</u>	<u>54</u>	<u>\$ 2,934,029</u>	<u>46</u>	<u>\$ 6,331,436</u>	<u>100</u>	<u>\$ 13,533</u>	<u>3</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 30,704,723</u>	<u>100</u>	<u>\$ 124,837</u>	<u>4</u>	<u>\$ 3,492,397</u>	<u>96</u>	<u>\$ 3,617,234</u>	<u>100</u>	

- Notes:
- A. Subsidiary of the Corporation
 - B. An equity-method investee of subsidiary of the Corporation.
 - C. More than half of the directors are identical.
 - D. The Corporation's donation is equal to the foundation's capital.
 - E. Including dividends receivable, the amount of proceeds from disposal of ships and the payment made for All Oceans Transportation Inc.
 - F. Including dividends receivable, the amount of proceeds from disposal of ships, financing provided and the payment made for All Oceans Transportation Inc. (Schedule E)
 - G. Including the payment made for All Oceans Transportation Inc.
 - H. Represents freight expense paid and held on behalf of Yangming (UK) Ltd.
 - I. Dividends receivable.
 - J. Including the amount of proceeds from disposal of ships and financing provided (Schedule E).
 - K. Receivables from disposal of ships from All Oceans Transportation Inc. and from Yang Ming (Liberia) Corp. will be offset by rentals payable and the payment made for All Oceans Transportation Inc. periodically.
 - L. Other related parties, with which the Corporation had no transactions for the six months ended June 30, 2008, are listed in Schedule J.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEES

FINANCING PROVIDED

JUNE 30, 2009

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

No.	Financier	Counter-party	Financial Statement Account	Maximum Balance for the Year (Note I)	Ending Balance (Note I)	Interest Rate	Nature of Financing (Note A)	Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Maximum Amount of Financing to Individual Counter-party	Maximum Amount of Financing that Can Be Provided by the Financier
											Item	Value		
0	Yang Ming Marine Transport Corporation	Yang Ming (Liberia) Corp.	Other receivables	\$ 1,375,100 (US\$ 41,898,000)	\$ 1,375,100 (US\$ 41,898,000)	2.83%	1	\$ 3,673,432	Repayment of loans	\$ -	-	\$ -	\$ 3,673,432 (Note C)	\$ 16,601,339 (Note B)
		Antwerp International Terminal	Other receivables	\$ 15,122 (EUR 327,000)	\$ 15,122 (EUR 327,000)	2.43%	1	533,293 (EUR11,518,000)	Improve financial structure	-	-	-	533,293 (Note C)	16,601,339 (Note B)
		All Oceans Transportation, Inc.	Other receivables	4,950,000	4,950,000	2.83%	1	8,502,860	Acquisition of ships	-	-	-	8,502,860 (Note C)	16,601,339 (Note B)
1	Yang Ming (America) Corp.	Olympic Container Terminal LLC	Other receivables	\$ 449,634 (US\$ 13,700,000)	\$ 449,634 (US\$ 13,700,000)	2.00%	2	-	Obtain working capital	-	-	-	531,684 (Note E)	590,760 (Note D)
2	Yang Ming Shipping (B.V.I.) Inc.	Karman Properties Limited	Temporary debits	\$ 102,283 (HK\$ 24,153,000)	\$ 467 (HK\$ 110,000)	-	2	-	Acquisition of office building	-	-	-	435,473 (Note G)	544,341 (Note F)
3	Kuang Ming Shipping Corp.	Yang Ming (Liberia) Corp.	Other receivables	\$ 525,120 (US\$ 16,000,000)	\$ 525,120 (US\$ 16,000,000)	2.725%	2	-	Obtain working capital	-	-	-	792,785 (Note I)	2,114,093 (Note H)

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 40% of net assets of the Corporation. For borrowers with transactions with the Corporation, maximum financing is 30% of net assets of the Corporation. For borrowers with short-term financing need, the maximum is 10% of net assets of the Corporation.

C. For borrowers with transactions with the Corporation, maximum financing is 50% of the amounts mentioned in Note B or of 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 50% of the amount mentioned in Note B.

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

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

F. Represents the lender's net asset value.

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

H. Represents 40% of the lender's net asset value.

I. Represents 15% of the lender's net asset value.

J. United States dollars, Hong Kong dollars and Euro currency translated into New Taiwan dollars at the exchange rate of US\$1=NT\$32.82, HK\$1=NT\$4.2348 and EUR1=NT\$46.3008 as of June 30, 2009.

K. Financial statements used as basis of investment amounts were unaudited, except Kuang Ming Shipping Corp.

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

ENDORSEMENT/GUARANTEE PROVIDED

JUNE 30, 2009

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

No.	Guarantor	Guaranteed Party		Maximum Amount of Guarantee to Individual Guaranteed Parties	Maximum Balance for the Year (Note M)	Ending Balance (Note M)	Value of Collaterals Property, Plant, or Equipment	Ratio of Accumulated Amount of Collateral to Net Equity Shown in the Latest Financial Statements	Maximum Amount of Guarantee that Can be Provided by the Guarantor
		Name	Nature of Relationship						
0	Yang Ming Marine Transport Corporation	Yang Ming (America) Corp.	Subsidiary	49,804,016 (Note B)	\$ 49,230 (US\$ 1,500,000)	\$ -	\$ -	-	\$ 62,255,020 (Note A)
		All Oceans Transportation, Inc.	Subsidiary	49,804,016 (Note B)	656,400 (US\$ 20,000,000)	656,400 (US\$ 20,000,000)	-	1.58%	62,255,020 (Note A)
		Yang Ming Line (B.V.I.) Holding Co., Ltd.	Subsidiary	49,804,016 (Note B)	164,100 (US\$ 5,000,000)	164,100 (US\$ 5,000,000)	-	0.40%	62,255,020 (Note A)
		Yang Ming (Liberia) Corp.	Subsidiary	49,804,016 (Note B)	14,334,463 (US\$ 436,760,000)	14,334,463 (US\$ 436,760,000)	-	34.54%	62,255,020 (Note A)
		Kuang Ming (Liberia) Corp.	Subsidiary	49,804,016 (Note B)	12,931,985 (US\$ 394,028,000)	12,931,985 (US\$ 366,912,000)	-	29.01%	62,255,020 (Note A)
		Kao Ming Container Terminal Corp.	Subsidiary	49,804,016 (Note B)	4,000,000	4,000,000	-	9.64%	62,255,020 (Note A)
		United Terminal Leasing LLC	Equity-method investee of subsidiary	49,804,016 (Note B)	516,885 (US\$ 15,749,000)	500,122 (US\$ 15,238,000)	-	1.21%	62,255,020 (Note A)
		West Basin Container Terminal LLC	Equity-method investee of subsidiary	49,804,016 (Note B)	533,784 (US\$ 16,264,000)	533,784 (US\$ 16,264,000)	-	1.29%	62,255,020 (Note A)
		Olympic Container Terminal LLC	Subsidiary	49,804,016 (Note B)	154,254 (US\$ 4,700,000)	154,254 (US\$ 4,700,000)	-	0.37%	62,255,020 (Note A)
1	Yang Mine Line Holding Co.	West Basin Container Terminal LLC	Equity-method investee of subsidiary	472,608 (Note D)	23,610 (US\$ 719,000)	20,849 (US\$ 635,000)	-	0.05%	590,760 (Note C)
2	Yes Logistics Corp.	Yes Logistics Co., Ltd.	Subsidiary	600,000 (Note F)	538,405 (US\$ 16,405,000)	-	-	-	1,200,000 (Note E)
3	Yang Ming Line (Hong Kong) Ltd.	Karlman Properties Limited	Subsidiary	67,757 (Note H)	72,119 (HK\$ 17,030,000)	67,757 (HK\$ 16,000,000)	-	0.16%	84,697 (Note G)
4	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yangming (UK) Ltd.	Subsidiary	2,717,628 (Note J)	39,137 (US\$ 1,192,000)	39,137 (US\$ 1,192,000)	-	0.09%	3,397,035 (Note I)
5	All Oceans Transportation, Inc.	Yang Ming Marine Transport Corporation	Parent	28,441,981 (Note L)	12,466,000	12,466,000	12,466,000 (Note N)	30.04%	35,552,477 (Note K)

(Continued)

Notes:

- A. Represents 150% 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 US\$18,000,000.
- D. Represents 80% of the amount mentioned in Note C.
- E. Represents 100% of the paid-in capital of Yes Logistics Corp.
- F. Represents 50% of the amount mentioned in Note E.
- G. Represents HK\$20,000,000.
- H. Represents 80% of the amount mentioned in Note G.
- I. Represents 100% of the paid-in capital of Yang Ming Line (B.V.I.) Holding Co., Ltd.
- J. Represents 80% of the amount mentioned in Note I.
- K. Represents 100% of asset of All Oceans Transportation Inc.
- L. Represents 80% of the amount mentioned in Note K.
- M. United States dollars, Great Britain’s currency and Hong Kong dollars translated into New Taiwan dollars at the exchange rate of US\$1=NT\$32.82, GBP\$1=NT\$54.7372 and HK\$1=NT\$4.2348 on June 30, 2009.
- N. Represents 14 ships used as guarantees, with carrying value of \$14,105,476 thousand as of June 30, 2009.
- O. Financial statements used as basis of investment amounts were unaudited, except Yang Ming Line (B.V.I.) Holding Co., Ltd., All Oceans Transportation Inc. and Yang Ming (Liberia) Corp.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

MARKETABLE SECURITIES HELD

JUNE 30, 2009

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

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2009			Market Value or Net Asset Value (Note A)	Note
				Shares/Units	Carrying Amount	% of Ownership		
Yang Ming Marine Transport Corporation	Common stock							
	Yang Ming Line (BVI) Holding Co., Ltd.	Subsidiary	Investments accounted for using equity method	10,351	\$ 4,098,899	100.00	\$ 4,098,899	
	Yang Ming Line (Singapore) Pte. Ltd.	Subsidiary	Investments accounted for using equity method	60,130,000	1,605,949	100.00	1,605,949	
	All Oceans Transportation, Inc.	Subsidiary	Investments accounted for using equity method	1,000	5,790,837	100.00	5,790,837	
	Kuang Ming Shipping Corp.	Subsidiary	Investments accounted for using equity method	205,514,000	5,285,233	100.00	5,285,233	
	Yang Ming Line Holding Co.	Subsidiary	Investments accounted for using equity method	13,500	20,591	100.00	20,591	
	Ching Ming Investment Corp.	Subsidiary	Investments accounted for using equity method	160,650,000	1,463,707	100.00	1,463,707	
	Honming Terminal & Stevedoring Co., Ltd.	Subsidiary	Investments accounted for using equity method	31,667,630	335,674	79.17	335,674	
	Jing Ming Transportation Co., Ltd.	Subsidiary	Investments accounted for using equity method	8,615,923	112,396	50.98	112,396	
	Yes Logistics Corp.	Subsidiary	Investments accounted for using equity method	55,251,100	507,690	46.04	507,690	
	Yang Ming (Liberia) Corp.	Subsidiary	Investments accounted for using equity method	1	211,299	100.00	211,299	
	Transyang Shipping Pte. Ltd.	Equity-method investee	Investments accounted for using equity method	1,345	191,405	49.00	191,405	
	Chunghwa Investment Co., Ltd.	Equity-method investee	Investments accounted for using equity method	80,000,000	749,092	40.00	749,092	
	Ming Giant (Shanghai) International Logistics Company Limited	Subsidiary	Investments accounted for using equity method	(Note H)	233,769	100.00	233,769	
	Kao Ming Container Terminal Corp.	Subsidiary	Investments accounted for using equity method	80,000,000	765,319	100.00	765,319	
	Yunn Wang Investment Co., Ltd.	Equity-method investee	Investments accounted for using equity method	5,211,474	214,001	49.75	214,001	
	New Century Infocomm Co., Ltd.	-	Financial asset measured at cost - noncurrent	67,368,400	427,789	1.68	-	
	Taipei Port Container Terminal Co., Ltd.	-	Financial asset measured at cost - noncurrent	32,000,000	316,640	10.00	-	
	Antwerp International Terminal N.V.	-	Financial asset measured at cost - noncurrent	1,486,030	24,781	16.33	-	
	United Stevedoring Corporation	-	Financial asset measured at cost - noncurrent	500,000	5,000	10.00	-	
	Taiwan Navigation Co., Ltd.	Governed by the MOTC	Available-for-sale financial asset - noncurrent	70,758,243	4,195,964	16.96	4,195,964	Note V
	Delta Electronics, Inc.	-	Available-for-sale financial asset - current	474,300	35,335	0.02	35,335	
	Greatek Electronics Inc.	-	Available-for-sale financial asset - current	457,920	11,746	0.09	11,746	
	Tripod Technology Corporation	-	Available-for-sale financial asset - current	766,380	42,151	0.16	42,151	
	Shin Zu Shing Co., Ltd.	-	Available-for-sale financial asset - current	180,000	28,080	0.14	28,080	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2009				Note
				Shares/Units	Carrying Amount	% of Ownership	Market Value or Net Asset Value (Note A)	
	Formosa Plastics Corporation	-	Available-for-sale financial asset - current	1,647,000	\$ 96,350	0.03	\$ 96,350	
	System Corporation	-	Available-for-sale financial asset - current	738,000	21,845	0.28	21,845	
	Aten International Co., Ltd.	-	Available-for-sale financial asset - current	115,528	4,858	0.10	4,858	
	United Microelectronics Corp.	-	Available-for-sale financial asset - current	209,000	2,299	-	2,299	
	China Steel Corporation	-	Available-for-sale financial asset - current	709,010	22,278	0.01	22,278	
	Cathay Financial Holding Co., Ltd.	-	Available-for-sale financial asset - current	1,795,500	87,171	0.02	87,171	
	Chi Mei Optoelectronics Corporation	-	Available-for-sale financial asset - current	210,000	3,633	-	3,633	
	Taiwan Fertilizer Co., Ltd.	-	Financial assets at fair value through profit or loss - current	18,000	1,753	-	1,753	
	<u>Exchange traded funded</u> Polaris/P-shares Taiwan Electronics Tech ETF	-	Financial assets at fair value through profit or loss - current	670,000	13,286	-	13,286	
	<u>Mutual fund</u> BGI Liquidity First Fund (USD)	-	Financial assets at fair value through profit or loss - current	7,355	242		242	
	BGI Liquidity First Fund (EUR)	-	Financial assets at fair value through profit or loss - current	1,665	77		77	
	BGI Liquidity First Fund (GBP)	-	Financial assets at fair value through profit or loss - current	1,583	87		87	
	Allianz Global Investors China Strategic Growth Fund	-	Financial assets at fair value through profit or loss - current	2,000,000	20,980	-	20,980	
	Jih Sun Global Robust Currency Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,000,000	39,348	-	39,348	
	Fuh Hwa Global Short-term Income Fund	-	Financial assets at fair value through profit or loss - current	2,998,710.6	30,346	-	30,346	
	Allianz Glb inv Glb Eco Trends Fund	-	Available-for-sale financial assets - current	7,663,310.2	69,813	-	69,813	
	Polaris New Taiwan Fund	-	Available-for-sale financial assets - current	800,000	17,512	-	17,512	
	Paradigm Small Capital Fund	-	Available-for-sale financial assets - current	795,383.5	16,799	-	16,799	
	JF (Taiwan) New Silk Road Emerging Markets Fund	-	Available-for-sale financial assets - current	2,000,000	11,980	-	11,980	
	Allianz Global Agricultural Trends Fund	-	Available-for-sale financial assets - current	3,800,178.4	22,497	-	22,497	
	Yuanta Equity Hedge Strategy Fund	-	Available-for-sale financial assets - current	1,000,000	9,590	-	9,590	
	BlackRock World Energy Fund	-	Available-for-sale financial assets - current	31,635	18,086	-	18,086	
	Schroders ISF Global Energy A1 Fund	-	Available-for-sale financial assets - current	72,788.64	62,622	-	62,622	
	Invesco Energy Fund	-	Available-for-sale financial assets - current	91,684.05	61,127	-	61,127	
	Investec Global Energy Fund	-	Available-for-sale financial assets - current	7,313.108	57,814	-	57,814	
	SinoPac Bond Fund	-	Available-for-sale financial assets - current	15,009,831	200,000	-	200,000	
	FSITC Bond Fund	-	Available-for-sale financial assets - current	1,762,073	300,000	-	300,000	
	Hua Nan Phoenix Bond Fund	-	Available-for-sale financial assets - current	22,493,573	350,000	-	350,000	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2009				Note
				Shares/Units	Carrying Amount	% of Ownership	Market Value or Net Asset Value (Note A)	
Ching Ming Investment Corp.	Fuh-Hwa Bond Fund	-	Available-for-sale financial assets - current	43,480,782	\$ 600,000	-	\$ 600,000	
	Mega Diamond Bond fund	-	Available-for-sale financial assets - current	30,213,509	360,000	-	360,000	
	IBT 1699 Bond Fund	-	Available-for-sale financial assets - current	15,527,709	200,000	-	200,000	
	Jih Sun Bond Fund	-	Available-for-sale financial assets - current	7,093,054	100,000	-	100,000	
	<u>Corporate Bond</u> Deutsche Bank AG	-	Available-for-sale financial assets - current	200	65,640	-	65,640	
	<u>Index fund</u> Energy select spdr	-	Available-for-sale financial assets - current	131,634	207,587	-	207,587	
	EXXONMOBIL CP	-	Available-for-sale financial assets - current	24,750	56,787	-	56,787	
	CHEVRON CORP	-	Available-for-sale financial assets - current	25,100	54,576	-	54,576	
	U.S.OIL FUND ETF	-	Available-for-sale financial assets - current	38,200	47,554	-	47,554	
	<u>Principal Guaranteed Note</u> Chunghwa Telecom TWD Principal Guarantee Notes	-	Financial assets at fair value through profit or loss - current	-	10,017	-	10,017	
	<u>Common stock</u> Honming Terminal & Stevedoring Co., Ltd.	Subsidiary	Investments accounted for using equity method	3,950,000	41,869	9.88	41,869	
	Yes Logistics Corp.	Subsidiary	Investments accounted for using equity method	49,311,077	453,102	41.09	453,102	
	SF Technology Venture Capital Investment Corp.	-	Financial asset measured at cost - noncurrent	2,800,000	8,968	7.24	-	
	United Venture Capital Corp.	-	Financial asset measured at cost - noncurrent	4,800,000	26,352	9.04	-	
	Ascentek Venture Capital Corp.	-	Financial asset measured at cost - noncurrent	980,000	9,856	2.14	-	
	China Technology Venture Capital Corporation	-	Financial asset measured at cost - noncurrent	3,000,000	30,000	8.96	-	
	Kingmax Technology Corp.	-	Financial asset measured at cost - noncurrent	1,644,231	21,835	1.38	-	
	U-Ming Marine Transport Corp.	-	Financial assets at fair value through profit or loss - current	130,000	8,320	0.02	8,320	
	Powertech Technology Inc.	-	Financial assets at fair value through profit or loss - current	230,000	15,755	0.04	15,755	
	High Tech Computer Corp.	-	Financial assets at fair value through profit or loss - current	200,500	93,032	0.03	93,032	
	Universal Cement Corporation	-	Financial assets at fair value through profit or loss - current	53,000	790	0.01	790	
	SESODA CORPORATION	-	Financial assets at fair value through profit or loss - current	30,000	924	0.02	924	
	China Steel Corporation	-	Available-for-sale financial assets - current	306,000	8,629	-	8,629	
	Dynapack International Technology Corp.	-	Available-for-sale financial assets - current	46,000	3,850	0.04	3,850	
	Cathay Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	3,752,750	182,196	0.04	182,196	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2009			Market Value or Net Asset Value (Note A)	Note
				Shares/Units	Carrying Amount	% of Ownership		
	Taiwan Navigation Co., Ltd.	Governed by the MOTC	Available-for-sale financial asset - noncurrent	505,000	\$ 29,947	0.12	\$ 29,947	
	Delta Electronics, Inc.	-	Available-for-sale financial assets - current	111,550	8,310	0.01	8,310	
	Tripod Technology Corporation	-	Available-for-sale financial assets - current	433,800	23,859	0.09	23,859	
	AU Optronics Corp.	-	Available-for-sale financial assets - current	262,892	8,413	-	8,413	
	Radiant Opto-Electronics Corp.	-	Available-for-sale financial assets - current	110,541	4,167	0.03	4,167	
	Novatek Microelectronics Corp.	-	Available-for-sale financial assets - current	5,432	2,129	-	2,129	
	Hon Hai Precision Ind Co, Ltd.	-	Available-for-sale financial assets - current	180,150	18,285	-	18,285	
	Taiwan Surface Mounting Technology Corp.	-	Available-for-sale financial assets - current	25,575	1,391	0.02	1,391	
	Wellypower Optronics Co., Ltd.	-	Available-for-sale financial assets - current	115,500	3,286	0.07	3,286	
	Formosa Petrochemical Corp.	-	Available-for-sale financial assets - current	40,000	3,128	-	3,128	
	Coretronic Corporation	-	Available-for-sale financial assets - current	150,956	4,989	0.02	4,989	
	Richtek Technology Corp.	-	Available-for-sale financial assets - current	37,300	7,702	0.03	7,702	
	Tainan Spinning Co., Ltd.	-	Available-for-sale financial assets - current	400,000	4,400	0.03	4,400	
	Aten International Co., Ltd.	-	Available-for-sale financial assets - current	361,203	15,189	0.33	15,189	
	Taiwan Fertilizer Co., Ltd.	-	Available-for-sale financial assets - current	100,000	9,740	0.01	9,740	
	<u>Mutual fund</u>							
	IBT North American Income Trust Fund	-	Available-for-sale financial assets - current	500,000	4,240	-	4,240	
	Hua Nan Global Infrastructure Fund	-	Available-for-sale financial assets - current	200,000	1,368	-	1,368	
	Allianz GIS RCM Little Dragon Fund	-	Available-for-sale financial assets - current	11,402	26,997	-	26,997	
	KBC Concord Taiwan Home Run Equity Fund	-	Available-for-sale financial assets - current	500,000	5,100	-	5,100	
	Fidelity European Growth Fund	-	Available-for-sale financial assets - current	5,136	3,888	-	3,888	
	Templeton Developing Markets Fund	-	Available-for-sale financial assets - current	2,254	1,232	-	1,232	
	Fidelity European Aggressive Fund	-	Available-for-sale financial assets - current	1,277	527	-	527	
	Fidelity Emerging Markets Fund	-	Available-for-sale financial assets - current	2,477	1,132	-	1,132	
	AIG Global Medallion Fund of Funds	-	Available-for-sale financial assets - current	1,779,107	17,489	-	17,489	
	Capital Strategin Growth Fund	-	Available-for-sale financial assets - current	1,000,000	8,400	-	8,400	
	JF (Taiwan) Japan Brilliance Fund	-	Available-for-sale financial assets - current	1,000,000	6,700	-	6,700	
	Fuh Hwa Bond Fund	-	Financial assets at fair value through profit or loss - current	6,521,569	89,992	-	89,992	
	UPAMC James Bond Fund	-	Financial assets at fair value through profit or loss - current	1,943,605	31,044	-	31,044	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2009				Note
				Shares/Units	Carrying Amount	% of Ownership	Market Value or Net Asset Value (Note A)	
	PAC Well Pool Fund	-	Financial assets at fair value through profit or loss - current	8,006,715	\$ 103,863	-	\$ 103,863	
	Cathay Bond Fund	-	Financial assets at fair value through profit or loss - current	2,945,950	35,158	-	35,158	
	PAC Africa Fund	-	Financial assets at fair value through profit or loss - current	394,770	4,994	-	4,994	
	Fuh Hwa Global Short-term Income Fu	-	Financial assets at fair value through profit or loss - current	1,000,000	10,120	-	10,120	
	SinoPac Global Resources Fund	-	Financial assets at fair value through profit or loss - current	201,613	1,903	-	1,903	
	PCA Global Green Solutions	-	Financial assets at fair value through profit or loss - current	547,645	4,945	-	4,945	
	SinoPac Bond	-	Financial assets at fair value through profit or loss - current	1,816,257	24,201	-	24,201	
Yang Ming Line (Singapore) Pte. Ltd.	<u>Common stock</u> Yang Ming Shipping (BVI) Inc.	Subsidiary	Investments accounted for using equity method	510	265,650	51.00	265,650	
	Young-Carrier Company Ltd.	Subsidiary	Investments accounted for using equity method	910,000	380,436	91.00	380,436	
	Yangming (Japan) Co., Ltd.	Subsidiary	Investments accounted for using equity method	3,000	48,474	100.00	48,474	
	Sunbright Insurance Pte. Ltd.	Subsidiary	Investments accounted for using equity method	1,000,000	53,225	100.00	53,225	
	Yangming Shipping (Singapore) Pte. Ltd.	Subsidiary	Investments accounted for using equity method	1,000,000	59,915	100.00	59,915	
	Yang Ming Line (M) Sdn. Bhd.	Subsidiary	Investments accounted for using equity method	1,000,000	17,295	100.00	17,295	
	Yang Ming Line (Hong Kong) Ltd.	Subsidiary	Investments accounted for using equity method	510,000	(99,750)	51.00	(99,750)	Note T
	Yang Ming Line (India) Pvt. Ltd.	Subsidiary	Investments accounted for using equity method	300,000	7,955	60.00	7,955	
	Yang Ming (Korea) Co., Ltd.	Subsidiary	Investments accounted for using equity method	60,000	17,333	60.00	17,333	
	Yan Ming Anatolia Shipping Agency	Subsidiary	Investments accounted for using equity method	50,000	10,010	50.00	10,010	
	Yang Ming (Vietnam) Corp.	Equity-method investee	Investments accounted for using equity method	(Note I)	13,895	49.00	13,895	
	Formosa International Development Corporation	Equity-method investee	Investments accounted for using equity method	(Note G)	226,448	30.00	226,448	
	Yangtze River Express Airlines Company Limited	-	Financial asset measured at cost - noncurrent	(Note O)	-	12.00	-	
	<u>Global depositary receipt</u> Repurchase Agreement at U.S. Dollar issued by Yuanta Asset Management Limited	-	Financial asset held-to-maturity - current		339,687	-	339,687	
Yangming (Japan) Co., Ltd.	<u>Common stock</u> Manwa & Co., Ltd.	Subsidiary	Investments accounted for using equity method	200	3,060	100.00	3,060	
Yang Ming Shipping (BVI) Inc.	<u>Common stock</u> Karman Properties Limited	Subsidiary	Investments accounted for using equity method	24,000,000	90,975	100.00	90,975	
Yang Ming Line (BVI) Holding Co., Ltd.	<u>Common stock</u> Yang Ming Line N.V.	Subsidiary	Investments accounted for using equity method	1,500,000	(1,660,701)	100.00	(1,660,701)	Note D

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2009				Note
				Shares/Units	Carrying Amount	% of Ownership	Market Value or Net Asset Value (Note A)	
Yang Ming Line N.V.	<u>Common stock</u> Yang Ming Line B.V.	Subsidiary	Investments accounted for using equity method	2,500	\$ (1,663,993)	100.00	\$ (1,663,993)	Note D
Yang Ming Line B.V.	<u>Common stock</u> Yangming (UK) Ltd.	Subsidiary	Investments accounted for using equity method	900,000	(1,797,149)	100.00	(1,797,149)	Note D
	Yang Ming Shipping Europe GmbH	Subsidiary	Investments accounted for using equity method	(Note B)	99,829	100.00	99,829	
	Yang Ming (Belgium) B.V.	Subsidiary	Investments accounted for using equity method	369	(1,159)	60.00	(1,159)	Note D
	Yang Ming (Netherlands) B.V.	Subsidiary	Investments accounted for using equity method	(Note J)	2,871	60.00	2,871	
	Yang Ming Italy S.p.A.	Subsidiary	Investments accounted for using equity method	125,000	18,037	50.00	18,037	
Yangming (UK) Ltd.	<u>Common stock</u> Corstor Ltd.	Equity-method investee	Investments accounted for using equity method	(Note C)	7,120	50.00	7,120	
	Yes Logistics UK Limited	Subsidiary	Investments accounted for using equity method	200	(4,275)	100.00	(4,275)	Note D
Yang Ming Shipping Europe GmbH	<u>Common stock</u> Yes Logistics Europe GmbH	Subsidiary	Investments accounted for using equity method	(Note K)	1,101	100.00	1,101	
	Zoll Pool Hafen Hamburg	-	Financial asset measured at cost - noncurrent	(Note P)	463	6.00	463	
Yang Ming Italy S.p.A.	<u>Common stock</u> Yang Ming Naples Srl	Subsidiary	Investments accounted for using equity method	(Note L)	838	60.00	838	
Yang Ming Line Holding Co.	<u>Common stock</u> West Basin Container Terminal LLC	Equity-method investee	Investments accounted for using equity method	(Note E)	532,661	40.00	532,661	
	United Terminal Leasing LLC	Equity-method investee	Investments accounted for using equity method	(Note F)	78,414	40.00	78,414	
	Yang Ming (America) Corp.	Subsidiary	Investments accounted for using equity method	5,000	(216,699)	100.00	(216,699)	Note D
	Triumph Logistics INC.	Subsidiary	Investments accounted for using equity method	200	4,978	100.00	4,978	
	Olympic Container Terminal LLC	Subsidiary	Investments accounted for using equity method	(Note M)	(443,867)	100.00	(443,867)	Note D
	Topline Transportation, Inc.	Subsidiary	Investments accounted for using equity method	100	6,337	100.00	6,337	
	Coastal Tarheel Express, Inc.	Subsidiary	Investments accounted for using equity method	100	6,441	100.00	6,441	
	Transcont Intermodal Logistics, Inc.	Subsidiary	Investments accounted for using equity method	200	6,639	100.00	6,639	
Kuang Ming Shipping Corp.	<u>Common stock</u> Kuang Ming Shipping Corp. (Panama)	Subsidiary	Investments accounted for using equity method	49,500	97,973	100.00	97,973	
	Kuang Ming (Liberia) Corp.	Subsidiary	Investments accounted for using equity method	1	1,683,239	100.00	1,683,239	
	<u>Mutual fund</u> Polaris/P-shares Taiwan Electronics Tech ETF	-	Financial assets at fair value through profit or loss - current	800,000	15,864	-	15,864	
	Fuh Hwa Bond Fund	-	Available-for-sale financial assets - current	103,932	1,434	-	1,434	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2009				Note
				Shares/Units	Carrying Amount	% of Ownership	Market Value or Net Asset Value (Note A)	
Honming Terminal & Stevedoring Co., Ltd.	<u>Common stock</u> Yes Logistics Corp.	Subsidiary	Investments accounted for using equity method	11,068,800	\$ 94,705	9.22	\$ 94,705	
Kao Ming Container Terminal Corp.	<u>Mutual fund</u> PCA Well Pool Fund	-	Available-for-sale financial assets - current	3,742,595.40	48,549	-	48,549	
	Mego Diamond Bond Fund	-	Available-for-sale financial assets - current	1,433,864.60	17,085	-	17,085	
Yes Logistics Corp.	<u>Common stock</u> Honming Terminal & Stevedoring Co., Ltd.	Subsidiary	Investments accounted for using equity method	4,382,370	46,823	10.96	46,823	
	Yes Logistics Corp.	Subsidiary	Investments accounted for using equity method	5,460,000	112,930	100.00	112,930	
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Subsidiary	Investments accounted for using equity method	703,285	(72,842)	100.00	(72,842)	Note D
	B2B Com Holdings Ltd.	-	Financial asset measured at cost - noncurrent	800,000	5,042	9.88	-	
	United Raw Material Solutions Inc.	-	Financial asset measured at cost - noncurrent	295,325	2,953	2.76	-	
	Chang Ming Logistics Company Limited	Equity-method investee	Investments accounted for using equity method	(Note Q)	342,607	49.00	342,607	
	<u>Mutual fund</u> TIIM Bond Fund	-	Financial assets at fair value through profit or loss - current	1,011,487	14,579	-	14,579	
	Prudential Financial Bond Fund	-	Financial assets at fair value through profit or loss - current	464,334	7,021	-	7,021	
	Fuh Hwa Bond Fund	-	Financial assets at fair value through profit or loss - current	653,231	9,014	-	9,014	
	THE RSIT ENHANCED BOND FUND	-	Financial assets at fair value through profit or loss - current	613,136	7,005	-	7,005	
	THE FOREVER FUND	-	Financial assets at fair value through profit or loss - current	469,934	7,004	-	7,004	
	Jih Sun Bond Fund	-	Financial assets at fair value through profit or loss - current	284,192	4,007	-	4,007	
	IBT 1699 Bond Fund	-	Financial assets at fair value through profit or loss - current	1,009,521	13,003	-	13,003	
	NAM Short Term Fixed Income Fund	-	Financial assets at fair value through profit or loss - current	92,516	48,226	-	48,226	
Yes Yangming Logistics (Singapore)	<u>Common stock</u> Yes Logistics Co., Ltd.	Subsidiary	Investments accounted for using equity method	1,000,000	(80,321)	100.00	(80,321)	Note D
	Yes Logistics (Netherlands) B.V.	Subsidiary	Investments accounted for using equity method	(Note R)	3,229	100.00	3,229	
	Burger YES B.V.	Subsidiary	Investments accounted for using equity method	9,000	5,209	50.00	5,209	
Yes Logistics Corp. (U.S.A.)	<u>Common stock</u> Golden Logistics Corp.	Subsidiary	Investments accounted for using equity method	(Note N)	86,045	100.00	86,045	
	Golden Logistics USA Corporation	Subsidiary	Investments accounted for using equity method	100	231	100.00	231	
Golden Logistics Corp.	<u>Common stock</u> Golden Logistics (Qingdao) Corp.	Subsidiary	Investments accounted for using equity method	(Note U)	12,544	60.00	12,544	
	Star Logistics Corp.	Subsidiary	Investments accounted for using equity method	(Note S)	13,270	60.00	13,270	

(Continued)

Notes:

- A. Market values were based on closing prices at June 30, 2009 or the net asset value of the fund on June 30, 2009, or, if market prices were unavailable, on the investees' net assets.
- B. The issued capital stock amounted to EUR818,000.
- C. This is equivalent to GBP500, and no shares were issued.
- D. Investees had negative net assets. Thus, the negative carrying values of the investments were presented as liability.
- E. This is equivalent to US\$3,800,000, and no shares were issued.
- F. This is equivalent to US\$1,000,000, and no shares were issued.
- G. This is equivalent to US\$7,800,000, and no shares were issued.
- H. This is equivalent to US\$7,000,000, and no shares were issued.
- I. This is equivalent to US\$94,000, and no shares were issued.
- J. This is equivalent to EUR11,000, and no shares were issued.
- K. This is equivalent to EUR25,000, and no shares were issued.
- L. This is equivalent to EUR6,000, and no shares were issued.
- M. This is equivalent to US\$1,000,000, and no shares were issued.
- N. This is equivalent to US\$5,000,000, and no shares were issued.
- O. This is equivalent to US\$18,622,000, and no shares were issued. Initial investment was recognized as impairment loss, thus the carrying value decreased to zero.
- P. This is equivalent to EUR10,000, and no shares were issued.
- Q. This is equivalent to US\$9,301,000, and no shares were issued.
- R. This is equivalent to EUR30,000, and no shares were issued.
- S. This is equivalent to RMB2,960,000, and no shares were issued.
- T. The loss of subsidiary was recognized in proportion to the Corporation's equity. Because the minority interest commits to share in the investees' losses, the cumulative equity of the Corporation in the investee's net loss in excess of the related investments is not charged against the Corporation.
- U. This is equivalent to RMB3,000,000, and no shares were issued.
- V. More than half of the directors are identical.
- W. Financial statements used as basis of investment amounts were unaudited, except those of Yang Ming Line (B.V.I) Holding Co., Ltd., All Oceans Transportation, Inc., Yang Ming (Liberia) Corp., Kuang Ming Shipping Corp., Kuang Ming (Liberia) Corp., and Yangming (UK) Ltd.

(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
SIX MONTHS ENDED JUNE 30 2009
(In Thousands of New Taiwan Dollars, Except Shares/Units)**

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain (Loss) on Disposal	Shares	Amount
Yang Ming Marine Transport Corporation	Mutual fund SinoPac Bond	Available-for-sale financial asset - current	-	-	-	\$ -	202,682	\$ 270,000	5,259	\$ 70,012	\$ 70,000	\$ 12	\$ 15,010	\$ 200,000
	Capital Income Fund	Available-for-sale financial asset - current	-	-	-	-	12,352	190,000	12,352	190,024	190,000	24	-	-
	TIIM Bond	Available-for-sale financial asset - current	-	-	-	-	22,299	321,000	22,299	321,049	321,000	49	-	-
	FSITC Bond Fund	Available-for-sale financial asset - current	-	-	-	-	2,527	430,000	765	130,053	130,000	53	1,762	300,000
	Taishin Lucky Fund	Available-for-sale financial asset - current	-	-	-	-	11,318	120,000	11,318	120,026	120,000	26	-	-
	Hua Nan Phoenix Bond Fund	Available-for-sale financial asset - current	-	-	-	-	25,708	400,000	3,215	50,003	50,000	3	22,493	350,000
	Fu-Hwa Bond Fund	Available-for-sale financial asset - current	-	-	-	-	47,830	660,000	4,349	60,007	60,000	7	43,481	600,000
	Mega Diamond Bond	Available-for-sale financial asset - current	-	-	-	-	32,732	390,000	2,519	30,002	30,000	2	30,213	360,000
	IBT Ta Chong Equity Fund	Available-for-sale financial asset - current	-	-	-	-	18,494	250,000	18,494	250,135	250,000	135	-	-
	IBT 1699 Bond Fund	Available-for-sale financial asset - current	-	-	-	-	26,028	335,000	10,500	135,013	135,000	13	15,528	200,000
	Jih Sun Bond Fund	Available-for-sale financial asset - current	-	-	-	-	12,062	170,000	4,969	70,014	70,000	14	7,093	100,000
Kao Ming Container Terminal Corp.	Mutual fund PCA Well Pool Fund	Available-for-sale financial assets - current	-	-	6,000,000	77,434	5,398,795	70,000	7,656,200	99,210	98,901	310	3,742,595	48,533
	Central Diamond Bond	Available-for-sale financial assets - current	-	-	-	-	2,183,865	26,000	750,000	8,934	8,929	5	1,433,865	17,071

Notes:

- A. Carrying value is original acquisition amount.
- B. Amounts were based on unaudited financial statements.

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

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

JUNE 30, 2009

(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	\$ 30,525,023 (Note D)	-	\$ -	-	\$ -	\$ -
	Yang Ming (Liberia) Corp.	A	2,291,325 (Note E)	-	-	-	-	-
	Yangming (UK) Ltd.	A	344,729 (Note I)	-	-	-	66,636	-
	Yang Ming Line (B.V.I.) Holding Co., Ltd.	A	203,768 (Note G)	-	-	-	-	-
	Young-Carrier Company Ltd.	A	526,291	-	-	-	452,372	-
All Oceans Transportation, Inc.	Yang Ming (Liberia) Corp.	B	1,026,970 (Note H)	-	-	-	-	-
Yang Ming Shipping (B.V.I.) Inc.	Yang Ming Line (Hong Kong) Ltd.	B	127,066	-	-	-	-	-
Kuang Ming Shipping Corp.	Yang Ming (Liberia) Corp.	B	532,409 (Note F)	-	-	-	-	-
	Kuang Ming (Liberia) Corp.	C	2,468,092 (Note H)	-	-	-	-	-
Young-Carrier Company Ltd.	Yang Ming Marine Transport Corporation	C	397,935	-	-	-	397,935	-
Yang Ming (America) Corp	Olympic Container Terminal LLC	B	449,634	-	-	-	-	-

Notes:

- A. Subsidiary of the Corporation.
- B. The same parent company.
- C. Parent company.
- D. Payment made for All Oceans Transportation Inc., dividends receivable and proceeds from sale of ships.
- E. Financing providing and proceeds from sale of ship.
- F. Long-term loan and interest.
- G. Dividends receivable.
- H. Proceeds from sale of ships.
- I. Freight and shipping line expenses receivable.
- J. Collections between related parties have been made according to "Agency Accounting Procedure" by the Corporation and local business conventions.
- K. Financial statements used as basis of investment amounts were unaudited, except All Ocean Transportation, Inc. and Kuang Ming Shipping Corp.

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

**NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
SIX MONTHS ENDED JUNE 30, 2009
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount (Note A)		Balance as of June 30, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2009	December 31, 2008	Shares	Percentage of Ownership	Carrying Amount			
Yang Ming Marine Transport Corporation	Yang Ming Line (B.V.I.) Holding Co., Ltd.	British Virgin Islands	Investment, shipping agency, forwarding agency and shipping managers	\$ 3,272,005	\$ 3,272,005	10,351	100.00	\$ 4,098,899	\$ (850,047)	\$ (850,047)	Subsidiary
	Yang Ming Line (Singapore) Pte. Ltd.	Singapore	Investment, shipping service; chartering, sale and purchase of ships; and forwarding agency	1,113,356	1,113,356	60,130,000	100.00	1,605,949	(13,943)	(13,943)	Subsidiary
	Ching Ming Investment Corp.	Taipei, Taiwan	Investment	1,500,013	1,500,013	160,650,000	100.00	1,463,707	41,487	41,487	Subsidiary
	All Oceans Transportation, Inc.	Monrovia, Republic of Liberia	Shipping agency, forwarding agency and shipping managers	3,235	3,235	1,000	100.00	5,790,837	251,498	251,498	Subsidiary
	Yes Logistics Corp.	Taipei, Taiwan	Warehouse operation and forwarding agency	551,944	551,944	55,251,100	46.04	507,690	(28,403)	(13,077)	Subsidiary
	Kuang Ming Shipping Corp.	Taipei, Taiwan	Shipping service, shipping agency and forwarding agency	4,143,884	4,143,884	205,514,000	100.00	5,285,233	827,546	827,546	Subsidiary
	Honming Terminal & Stevedoring Co., Ltd.	Kaohsiung, Taiwan	Terminal operation and stevedoring	316,780	316,780	31,667,630	79.17	335,674	(12,480)	(9,881)	Subsidiary
	Jing Ming Transportation Co., Ltd.	Kaohsiung, Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	112,396	5,367	2,736	Subsidiary
	Yang Ming Line Holding Co.	Wilmington, USA	Investment, shipping agency, forwarding agency and shipping managers	143,860	143,860	13,500	100.00	20,591	(295,148)	(295,148)	Subsidiary
	Transyang Shipping Pte. Ltd.	Singapore	Shipping services; chartering, sale and purchase of ships; forwarding agency and shipping agency	57,802	57,802	1,345	49.00	191,405	256,965	125,913	Equity-method investee
	Chunghwa Investment Co., Ltd.	Taipei, Taiwan	Investment	800,000	800,000	80,000,000	40.00	749,092	13,548	5,419	Equity-method investee
	Yang Ming (Liberia) Corp.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	3,378	3,378	1	100.00	211,299	40,353	40,353	Subsidiary
	Ming Giant (Shanghai) International Logistics Company Limited	Shanghai, China	Warehouse operation and forwarding agency	231,700	231,700	(Note P)	100.00	233,769	(1,378)	(1,378)	Subsidiary
Yuan Wang Investment Co., Ltd.	Taipei, Taiwan	Investment	179,810	179,810	5,211,474	49.75	214,001	(546)	(272)	Equity-method investee	
Kao Ming Container Terminal Corp.	Kaohsiung, Taiwan	Terminal operation and stevedoring	800,000	800,000	80,000,000	100.00	765,319	(21,270)	(21,270)	Subsidiary	
Ching Ming Investment Corp.	Honming Terminal & Stevedoring Co., Ltd.	Kaohsiung, Taiwan	Terminal operation and stevedoring	39,500	39,500	3,950,000	9.88	41,869	(12,480)	-	Subsidiary
	Yes Logistics Corp.	Taipei, Taiwan	Warehouse operation and forwarding agency	493,111	493,111	49,311,077	41.09	453,102	(28,403)	-	Subsidiary
Yang Ming Line Holding Co.	West Basin Container Terminal LLC	Los Angeles, USA	Terminal operation and stevedoring	132,050	132,050	(Note F)	40.00	532,661	78,783	-	Equity-method investee
	United Terminal Leasing LLC	Los Angeles, USA	Terminal operation and machine lease	34,750	34,750	(Note G)	40.00	78,414	34,993	-	Equity-method investee
	Yang Ming (America) Corp.	New Jersey, U.S.A.	Shipping agency, forwarding agency and shipping managers	17,305	17,305	5,000	100.00	(216,699)	(285,294)	-	Subsidiary
	Triumph Logistics INC.	U.S.A.	Container transportation	1,699	1,699	200	100.00	4,978	1,925	-	Subsidiary
	Olympic Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	31,530	31,530	(Note R)	100.00	(443,867)	(64,610)	-	Subsidiary
	Topline Transportation Inc.	U.S.A.	Container transportation	4,860	4,860	100	100.00	6,337	3,059	-	Subsidiary
	Coastal Tarheel Express Inc.	U.S.A.	Container transportation	2,430	2,430	100	100.00	6,441	1,481	-	Subsidiary
Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	2,444	2,444	200	100.00	6,639	2,118	-	Subsidiary	
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming Line N.V.	Netherlands Antilles	Investment, shipping agency, forwarding agency and shipping managers	41,235	41,235	1,500,000	100.00	(1,660,701)	(1,108,127)	-	Subsidiary
Yang Ming Line N.V.	Yang Ming Line B.V.	Amsterdam, The Netherlands	Investment, shipping agency, forwarding agency and shipping managers	41,235	41,235	2,500	100.00	(1,663,993)	(1,108,004)	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount (Note A)		Balance as of June 30, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2009	December 31, 2008	Shares	Percentage of Ownership	Carrying Amount			
Yang Ming Line B.V.	Yangming (UK) Ltd.	London, U.K.	Shipping agency, forwarding agency and shipping managers	\$ 42,408	\$ 42,408	900,000	100.00	\$ (1,797,149) (Note E)	\$ (1,073,773)	\$ -	Subsidiary
	Yang Ming Shipping Europe GmbH	Hamburg, Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	(Note B)	100.00	99,829	(17,508)	-	Subsidiary
	Yang Ming Italy S.p.A.	Genova, Italy	Shipping agency	4,319	4,319	125,000	50.00	18,037	(15,606)	-	Subsidiary
	Yang Ming (Netherlands) B.V.	Amsterdam, The Netherlands	Shipping agency	540	540	(Note I)	60.00	2,871	3,847	-	Subsidiary
	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	1,651	1,651	369	60.00	(1,159) (Note E)	(9,525)	-	Subsidiary
Yangming (UK) Ltd.	Corstor Ltd.	U.K.	Forwarding agency and shipping managers	25	25	(Note C)	50.00	7,120	2,281	-	Equity-method investee
	Yes Logistic UK Limited	U.K.	Forwarding agency	-	-	200	100.00	(4,275) (Note E)	-	-	Subsidiary
Yang Ming Italy S.p.A.	Yang Ming Naples S.r.l.	Naples, Italy	Forwarding agency	238	238	(Note K)	60.00	838	(1,356)	-	Subsidiary
Yang Ming Shipping Europe GmbH	Yes Logistics Europe GmbH	Hamburg, Germany	Forwarding agency	945	945	(Note H)	100.00	1,101	(3)	-	Subsidiary
Yangming Shipping (Singapore) Pte Ltd.	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	3,229	3,229	910,000	91.00	380,436	(14,709)	-	Subsidiary
	Yang Ming Shipping (B.V.I) Inc.	British Virgin Islands	Forwarding agency and shipping agency	16	16	510	51.00	265,650	(13,696)	-	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	48,474	(21,212)	-	Subsidiary
	Sunbright Insurance Pte. Ltd.	Singapore	Insurance	32,440	32,440	1,000,000	100.00	53,225	11,307	-	Subsidiary
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	2,138	2,138	510,000	51.00	(99,750) (Note O)	(14,078)	-	Subsidiary
	Yangming Shipping (Singapore) Pte Ltd.	Singapore	Shipping agency, forwarding agency and shipping managers	18,851	18,851	1,000,000	100.00	59,915	2,059	-	Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	17,295	2,221	-	Subsidiary
	Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency and shipping managers	2,228	2,228	300,000	60.00	7,955	(7,216)	-	Subsidiary
	Yang Ming (Vietnam) Corp.	Vietnam	Forwarding agency and shipping managers	3,197	3,197	(Note J)	49.00	13,895	4,876	-	Equity-method investee
	Yang Ming (Korea) Co., Ltd.	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	17,333	2,837	-	Subsidiary
	Formosa International Development Corporation	Vietnam	Invest industry district and real estate	254,358	254,358	(Note N)	30.00	226,448	(9,334)	-	Equity-method investee
	Yang Ming Anatolia Shipping Agency	Turkey	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	10,010	20,758	-	Subsidiary
Yangming (Japan) Co., Ltd.	Manwa & Co., Ltd.	Tokyo, Japan	Forwarding agency and shipping agency	2,666	2,666	200	100.00	3,060	5	-	Subsidiary
Yang Ming Shipping (B.V.I) Inc.	Karman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	90,975	167	-	Subsidiary
Kuang Ming Shipping Corp.	Kuang Ming Shipping Corp. (Panama)	Panama	Forwarding agency	30,887	30,887	49,500	100.00	97,973	812	-	Subsidiary
	Kuang Ming (Liberia) Corp.	Monrovia, Republic of Liberia	Forwarding agency	1,060,904	1,060,904	1	100.00	1,683,239	329,044	-	Subsidiary
Honming Terminal & Stevedoring Co., Ltd.	Yes Logistics Corp.	Taipei, Taiwan	Warehouse operation and forwarding agency	110,610	110,610	11,068,800	9.22	94,705	(28,403)	-	Subsidiary
Yes Logistics Corp.	Yes Logistics Corp.	Auckland, USA	Shipping agency, forwarding agency and shipping managers	179,750	179,750	5,460,000	100.00	112,930	5,153	-	Subsidiary
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	14,428	14,428	703,285	100.00	(72,842) (Note E)	(124)	-	Subsidiary
	Honming Terminal & Stevedoring Co., Ltd.	Kaohsiung, Taiwan	Terminal operation and stevedoring	43,824	43,824	4,382,370	10.96	46,823	(1,368)	-	Subsidiary
	Chang Ming Logistics Company Limited	Chongqing, China	Terminal operation and stevedoring	304,325	209,726	(Note D)	49.00	342,607	(1,961)	-	Equity-method investee

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount (Note A)		Balance as of June 30, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2009	December 31, 2008	Shares	Percentage of Ownership	Carrying Amount			
Yes Logistics Corp.	Golden Logistics Corp. Golden Logistics USA Corporation	Shanghai, China USA	Forwarding agency Container transportation	\$ 164,329	\$ 164,329	(Note L)	100.00	\$ 86,045	\$ (17,819)	\$ -	Subsidiary
				328	328	100	100.00	231	(1,422)	-	Subsidiary
Golden Logistics Corp.	Golden Logistics (Qingdao) Corp. Star Logistics Corp.	Qingdao, China Qingdao, China	Forwarding agency Forwarding agency	12,498	12,498	(Note Q)	60.00	12,544	(174)	-	Subsidiary
				10,850	10,850	(Note S)	60.00	13,270	(126)	-	Subsidiary
Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Co., Ltd. Yes Logistics (Netherlands) B.V. Burger Yes B.V.	Hong Kong Netherlands Netherlands	Forwarding agency Forwarding agency Forwarding agency	4,304	4,304	1,000,000	100.00	(80,321)	(5,940)	-	Subsidiary
				1,224	1,224	(Note M)	100.00	3,229	(59)	-	Subsidiary
				7,587	7,587	9,000	50.00	5,209	(812)	-	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. This is equivalent to GBP500, and no shares were issued.
- D. This is equivalent to US\$9,301,000, and no shares were issued.
- E. Investees had negative net assets. Thus, the negative carrying values of the investments were presented as liability.
- F. This is equivalent to US\$3,800,000, and no shares were issued.
- G. This is equivalent to US\$1,000,000, and no shares were issued.
- H. Paid-in capital was equivalent to EUR25,000, and no shares were issued.
- I. Paid-in capital was equivalent to EUR11,000, and no shares were issued.
- J. This is equivalent to US\$94,000, and no shares were issued.
- K. This is equivalent to EUR6,000, and no shares were issued.
- L. This is equivalent to US\$5,000,000, and no shares were issued.
- M. This is equivalent to EUR30,000, and no shares were issued.
- N. This is equivalent to US\$7,800,000, and no shares were issued.
- O. The loss of subsidiary was recognized in proportion to the Corporation's equity. Because the minority interest commits to share in the investees' losses, the cumulative equity of the Corporation in the investee's net loss in excess of the related investments is not charged against the Corporation.
- P. This is equivalent to US\$7,000,000, and no shares were issued.
- Q. This is equivalent to RMB3,000,000, and no shares were issued.
- R. This is equivalent to US\$1,000,000, and no shares were issued.
- S. This is equivalent to RMB2,960,000, and no shares were issued.
- T. Financial statements used as basis of investment amounts were unaudited, except All Oceans Transportation, Inc., Kuang Ming Shipping Corp., Yang Ming (Liberia) Corp., Yang Ming line (B.V.I.) Holding Co., Kuang Ming (Liberia) Corp., Ltd. and Yangming (UK) Ltd.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND INVESTEEES

INVESTMENTS IN MAINLAND CHINA
SIX MONTHS ENDED JUNE 30, 2009
(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 Jan. 1, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2009	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Value as of June 30, 2009 (Note E)	Accumulated Inward Remittance of Earnings as of June 30, 2009
						Outflow	Inflow					
Yang Ming Marine Transportation Corporation	Yangtze River Express Airlines Company Limited (Note A)	Shipping agency	RMB 500,000,000	Indirect investment through Singapore-based subsidiary's direct investment in Mainland China.	\$ 611,174 (US\$18,622,000)	\$ -	\$ -	\$ 611,174 (US\$18,622,000)	12%	\$ -	(Note G)	\$ -
	Ming Giant (Shanghai) International Logistics Company Limited (Note B)	Warehouse operation and forwarding agency	US\$ 7,000,000	Direct investment in Mainland China	229,740 (US\$ 7,000,000)	-	-	229,740 (US\$ 7,000,000)	100%	(1,378)	\$ 233,769	-
Yes Logistics Corp.	Golden Logistics Corp. (Note C)	Shipping agency	US\$ 5,000,000	Indirect investment through U.S.-based subsidiary's direct investment in Mainland China.	164,100 (US\$ 5,000,000)	-	-	164,100 (US\$ 5,000,000)	96.35%	(17,819)	86,045	-
	Chang Ming Logistics Company Limited (Note D)	Terminal operation and stevedoring	RMB 144,800,000	Investee's direct investment in Mainland China.	211,164 (US\$ 6,434,000)	94,095 (US\$ 2,867,000)	-	305,259 (US\$ 9,301,000)	47.21%	(1,961)	342,607	-

Company Name	Accumulated Investment in Mainland China as of June 30, 2009	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Yang Ming Marine Transportation Corporation	\$ 840,914 (US\$ 25,622,000)	\$ 1,694,234 (US\$ 51,622,000)	\$ 24,902,008
Yes Logistics Corp.	469,359 (US\$ 14,301,000)	469,359 (US\$ 14,301,000)	661,630 (Note F)

Notes:

- A. The Corporation was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on November 29, 2005 and June 5, 2007.
- B. The Corporation was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on November 22, 2006.
- C. Yes Logistics Corp. (the subsidiary of the Corporation) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on June 3, 2004, July 4, 2006 and December 26, 2006.
- D. 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.
- E. Calculated by the % ownership of direct or indirect investment.
- F. It represents 60% (\$1,102,716 thousand) of the net assets of Yes Logistics Corp. as of June 30, 2009.
- G. Impairment loss was recognized in 2007.
- H. U.S. dollars translated into New Taiwan dollars at the exchange rate of US\$1=NT\$32.82.
- I. Based on unaudited financial statements.