U-Ming Marine Transport Corporation and Subsidiaries

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

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
U-Ming Marine Transport Corporation

We have audited the accompanying consolidated balance sheets of U-Ming Marine Transport Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2014 and 2013, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2014 and 2013, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

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

Our audits also comprehended the translation of the New Taiwan dollar amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 6. Such U.S. dollar amounts are presented solely for the convenience of readers.

Deloitte & Touche

March 18, 2015

<u>*Notice to Readers*</u>

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

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

	2014		2013	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 7)	$ 19,054,142	30	$ 13,001,660	25
Financial assets at fair value through profit or loss - current (Notes 4 and 8)	1,329,188	2	776,430	2
Available-for-sale financial assets - current (Notes 4, 9, 27 and 28)	9,412,565	15	9,901,316	19
Held-to-maturity financial assets - current (Notes 4 and 10)	-	-	1,811,039	4
Trade receivables from unrelated parties	531,602	1	457,740	1
Trade receivables from related parties (Note 27)	69,206	-	193,382	-
Other receivables	192,034	-	110,757	-
Fuel inventory (Note 4)	422,995	1	381,440	1
Other current assets (Note 27)	255,353	-	184,922	-
Total current assets	31,267,085	49	26,818,686	52
NON-CURRENT ASSETS				
Available-for-sale financial assets - non-current (Notes 4 and 9)	135	-	121	-
Financial assets measured at cost - non-current (Notes 4, 11 and 27)	892,943	2	892,943	2
Investments accounted for using equity method (Notes 4, 12 and 27)	1,173,015	2	596,029	1
Property, plant and equipment (Notes 4, 13, 28 and 29)	25,972,794	41	16,806,347	33
Deferred tax assets (Notes 4 and 22)	138,709	-	49,624	-
Prepayment for equipment (Note 13)	3,132,014	5	5,443,954	11
Refundable deposits (Notes 27 and 28)	122,557	-	116,375	-
Long-term receivable - related parties (Note 27)	793,603	1	695,182	1
Total non-current assets	32,225,770	51	24,600,575	48
TOTAL	$ 63,492,855	100	$ 51,419,261	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 14 and 28)	$ 6,180,000	10	$ 5,440,000	11
Short-term bills payable (Notes 14 and 28)	2,332,000	4	2,331,348	4
Financial liabilities at fair value through profit or loss - current (Notes 4 and 8)	24,196	-	35,622	-
Trade payables	116,155	-	89,667	-
Other payables (Note 17)	861,563	1	852,254	2
Current tax liabilities (Notes 4 and 22)	509,123	1	208,384	-
Current portion of long-term borrowings (Notes 14 and 28)	3,241,208	5	742,480	1
Obligation under capital leases - current (Notes 4 and 16)	888,959	1	109,819	-
Other current liabilities (Notes 4 and 27)	284,187	1	282,899	1
Total current liabilities	14,437,391	23	10,092,473	19
NON-CURRENT LIABILITIES				
Bonds payable (Note 15)	1,992,136	3	1,991,852	4
Bank loans (Notes 14 and 28)	16,053,632	25	12,427,608	24
Deferred tax liabilities (Notes 4 and 22)	553,640	1	513,423	1
Obligation under capital leases - noncurrent (Notes 4 and 16)	968,896	1	150,245	-
Deferred revenue - non-current (Note 4)	824,361	1	286,238	1
Accrued pension liabilities (Notes 4 and 18)	371,105	1	455,406	1
Other non-current liabilities	143	-	118	-
Total non-current liabilities	20,763,913	32	15,824,890	31
Total liabilities	35,201,304	55	25,917,363	50
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 19 and 22)				
Common share capital	8,580,167	14	8,580,167	17
Capital surplus	225,368	-	225,384	1
Retained earnings				
Legal reserve	6,769,696	10	6,613,006	13
Special reserve	1,195,583	2	3,553,170	7
Unappropriated earnings	9,986,974	16	7,388,568	14
Total retained earnings	17,952,253	28	17,554,744	34
Other equity	1,533,763	3	(858,397)	(2)
Total equity	28,291,551	45	25,501,898	50
TOTAL	$ 63,492,855	100	$ 51,419,261	100

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars, Note 6)

	2014		2013	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 7)	$ 602,027	30	$ 436,224	25
Financial assets at fair value through profit or loss - current (Notes 4 and 8)	41,996	2	26,050	2
Available-for-sale financial assets - current (Notes 4, 9, 27 and 28)	297,395	15	332,203	19
Held-to-maturity financial assets - current (Notes 4 and 10)	-	-	60,763	4
Trade receivables from unrelated parties	16,796	1	15,358	1
Trade receivables from related parties (Note 27)	2,187	-	6,488	-
Other receivables	6,067	-	3,717	-
Fuel inventory (Note 4)	13,365	1	12,798	1
Other current assets (Note 27)	8,069	-	6,205	-
Total current assets	987,902	49	899,806	52
NON-CURRENT ASSETS				
Available-for-sale financial assets - non-current (Notes 4 and 9)	4	-	4	-
Financial assets measured at cost - non-current (Notes 4, 11 and 27)	28,213	2	29,960	2
Investments accounted for using equity method (Notes 4, 12 and 27)	37,062	2	19,998	1
Property, plant and equipment (Notes 4, 13, 28 and 29)	820,625	41	563,877	33
Deferred tax assets (Notes 4 and 22)	4,383	-	1,665	-
Prepayment for equipment (Note 13)	98,958	5	182,652	11
Refundable deposits (Notes 27 and 28)	3,872	-	3,905	-
Long-term receivable - related parties (Note 27)	25,074	1	23,324	1
Total non-current assets	1,018,191	51	825,385	48
TOTAL	$ 2,006,093	100	$ 1,725,191	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 14 and 28)	$ 195,261	10	$ 182,520	11
Short-term bills payable (Notes 14 and 28)	73,681	4	78,220	4
Financial liabilities at fair value through profit or loss - current (Notes 4 and 8)	764	-	1,195	-
Trade payables	3,670	-	3,008	-
Other payables (Note 17)	27,222	1	28,594	2
Current tax liabilities (Notes 4 and 22)	16,086	1	6,992	-
Current portion of long-term borrowings (Notes 14 and 28)	102,408	5	24,911	1
Obligation under capital leases - current (Notes 4 and 16)	28,087	1	3,685	-
Other current liabilities (Notes 4 and 27)	8,979	1	9,492	1
Total current liabilities	456,158	23	338,617	19
NON-CURRENT LIABILITIES				
Bonds payable (Note 15)	62,943	3	66,829	4
Bank loans (Notes 14 and 28)	507,224	25	416,964	24
Deferred tax liabilities (Notes 4 and 22)	17,493	1	17,226	1
Obligation under capital leases - noncurrent (Notes 4 and 16)	30,613	1	5,041	-
Deferred revenue - non-current (Note 4)	26,045	1	9,604	1
Accrued pension liabilities (Notes 4 and 18)	11,725	1	15,280	1
Other non-current liabilities	5	-	4	-
Total non-current liabilities	656,048	32	530,948	31
Total liabilities	1,112,206	55	869,565	50
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 19 and 22)				
Common share capital	271,095	14	287,877	17
Capital surplus	7,121	-	7,562	1
Retained earnings				
Legal reserve	213,892	10	221,876	13
Special reserve	37,775	2	119,214	7
Unappropriated earnings	315,544	16	247,897	14
Total retained earnings	567,211	28	588,987	34
Other equity	48,460	3	(28,800)	(2)
Total equity	893,887	45	855,626	50
TOTAL	$ 2,006,093	100	$ 1,725,191	100

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

	2014		2013	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 27 and 29)				
Freight revenue	$ 8,965,430	98	$ 7,144,575	96
Other operating revenue (Note 20)	175,521	2	263,373	4
Total operating revenue	9,140,951	100	7,407,948	100
OPERATING COSTS				
Freight cost (Notes 18, 21 and 27)	7,335,071	80	6,364,360	86
GROSS PROFIT	1,805,880	20	1,043,588	14
OPERATING EXPENSES (Notes 18, 21 and 27)	333,124	4	291,193	4
PROFIT FROM OPERATIONS	1,472,756	16	752,395	10
NON-OPERATING INCOME AND EXPENSES				
Net loss on foreign currency exchange (Note 4)	(951,790)	(11)	(282,704)	(4)
Valuation gain on financial instruments, net (Note 4)	625,889	7	373,662	5
Gain on disposal of properties, plant and equipment (Note 4)	514,813	6	379,487	5
Gain on sale of investment, net (Notes 4, 11 and 27)	419,414	4	249,147	3
Financial costs	(376,477)	(4)	(299,810)	(4)
Dividend income (Note 4)	338,248	4	176,216	3
Interest income (Note 4)	334,255	4	278,053	4
Impairment loss (Notes 4 and 13)	(94,925)	(1)	(11,831)	-
Share of the profit or loss of associates and joint ventures (Notes 4 and 12)	31,990	-	11,978	-
Other income	71,226	1	13,325	-
Other gains and losses	(13,128)	-	(8,123)	-
Total non-operating income and expenses	899,515	10	879,400	12
PROFIT BEFORE INCOME TAX	2,372,271	26	1,631,795	22
INCOME TAX EXPENSE (Notes 4 and 22)	289,154	3	64,886	1
NET PROFIT FOR THE YEAR	2,083,117	23	1,566,909	21
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences on translating foreign operations	2,980,188	33	1,202,040	16
Unrealized (loss) gain on available-for-sale financial assets	(590,345)	(7)	516,013	7

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U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

	2014		2013	
	Amount	**%**	**Amount**	**%**
Actuarial gain (loss) arising from defined benefit plans (Notes 4 and 18)	$ 41,661	-	$ (29,477)	-
Share of the other comprehensive income (loss) of associates and joint ventures	2,317	-	(7,046)	-
Other comprehensive income for the year, net of income tax	2,433,821	26	1,681,530	23
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 4,516,938	49	$ 3,248,439	44
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Company	$ 2,083,117	23	$ 1,566,909	21
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	$ 4,516,938	49	$ 3,248,439	44
EARNINGS PER SHARE (Note 23)				
Basic	$ 2.43		$ 1.83	
Diluted	$ 2.43		$ 1.82	

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars, Except Earnings Per Share, Note 6)

	2014		2013	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 27 and 29)				
Freight revenue	$ 283,268	98	$ 239,711	96
Other operating revenue (Note 20)	5,546	2	8,837	4
Total operating revenue	288,814	100	248,548	100
OPERATING COSTS				
Freight cost (Notes 18, 21 and 27)	231,756	80	213,533	86
GROSS PROFIT	57,058	20	35,015	14
OPERATING EXPENSES (Notes 18, 21 and 27)	10,525	4	9,770	4
PROFIT FROM OPERATIONS	46,533	16	25,245	10
NON-OPERATING INCOME AND EXPENSES				
Net loss on foreign currency exchange (Note 4)	(30,073)	(11)	(9,485)	(4)
Valuation gain on financial instruments, net (Note 4)	19,775	7	12,537	5
Gain on disposal of properties, plant and equipment (Note 4)	16,266	6	12,732	5
Gain on sale of investment, net (Notes 4, 11 and 27)	13,252	4	8,359	3
Financial costs	(11,895)	(4)	(10,059)	(4)
Dividend income (Note 4)	10,687	4	5,912	3
Interest income (Note 4)	10,561	4	9,329	4
Impairment loss (Notes 4 and 13)	(2,999)	(1)	(397)	-
Share of the profit or loss of associates and joint ventures (Notes 4 and 12)	1,011	-	402	-
Other income	2,250	1	447	-
Other gains and losses	(415)	-	(273)	-
Total non-operating income and expenses	28,420	10	29,504	12
PROFIT BEFORE INCOME TAX	74,953	26	54,749	22
INCOME TAX EXPENSE (Notes 4 and 22)	9,136	3	2,177	1
NET PROFIT FOR THE YEAR	65,817	23	52,572	21
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences on translating foreign operations	94,161	33	40,330	16
Unrealized (loss) gain on available-for-sale financial assets	(18,653)	(7)	17,313	7

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U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars, Except Earnings Per Share, Note 6)

	2014		2013	
	Amount	**%**	**Amount**	**%**
Actuarial gain (loss) arising from defined benefit plans (Notes 4 and 18)	$ 1,317	-	$ (989)	-
Share of the other comprehensive income (loss) of associates and joint ventures	73	-	(236)	-
Other comprehensive income for the year, net of income tax	76,898	26	56,418	23
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 142,715	49	$ 108,990	44
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Company	$ 65,817	23	$ 52,572	21
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	$ 142,715	49	$ 108,990	44
EARNINGS PER SHARE (Note 23)				
Basic	$ 0.08		$ 0.06	
Diluted	$ 0.08		$ 0.06	

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Common Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Revaluation Increment	Total	Total Equity
BALANCE AT JANUARY 1, 2013	$ 8,580,167	$ 225,388	$ 6,432,581	$ 1,912,424	$ 9,817,349	$ (4,150,999)	$ 1,526,416	$ 55,179	$ (2,569,404)	$ 24,398,505
Appropriation of 2012 earnings										
Legal reserve	-	-	180,425	-	(180,425)	-	-	-	-	-
Special reserve	-	-	-	1,640,746	(1,640,746)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(2,145,042)	-	-	-	-	(2,145,042)
Net profit for the year ended December 31, 2013	-	-	-	-	1,566,909	-	-	-	-	1,566,909
Other comprehensive income for the year ended December 31, 2013, net of income tax	-	-	-	-	(29,477)	1,201,227	509,107	673	1,711,007	1,681,530
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	1,537,432	1,201,227	509,107	673	1,711,007	3,248,439
Dividends claimed after over five years by stockholders	-	(4)	-	-	-	-	-	-	-	(4)
BALANCE AT DECEMBER 31, 2013	8,580,167	225,384	6,613,006	3,553,170	7,388,568	(2,949,772)	2,035,523	55,852	(858,397)	25,501,898
Appropriation of 2013 earnings										
Legal reserve	-	-	156,690	-	(156,690)	-	-	-	-	-
Special reserve	-	-	-	(2,357,587)	2,357,587	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,716,033)	-	-	-	-	(1,716,033)
Change from investments in associates and joint ventures accounted for by using equity method	-	-	-	-	(11,236)	-	-	-	-	(11,236)
Net profit for the year ended December 31, 2014	-	-	-	-	2,083,117	-	-	-	-	2,083,117
Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-	-	41,661	2,981,330	(589,170)	-	2,392,160	2,433,821
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	2,124,778	2,981,330	(589,170)	-	2,392,160	4,516,938
Dividends claimed after over five years by stockholders	-	(16)	-	-	-	-	-	-	-	(16)
BALANCE AT DECEMBER 31, 2014	$ 8,580,167	$ 225,368	$ 6,769,696	$ 1,195,583	$ 9,986,974	$ 31,558	$ 1,446,353	$ 55,852	$ 1,533,763	$ 28,291,551

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars, Note 6)

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Common Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Revaluation Increment	Total	Total Equity
BALANCE AT JANUARY 1, 2013	$ 295,460	$ 7,761	$ 221,508	$ 65,855	$ 338,063	$ (142,941)	$ 52,563	$ 1,900	$ (88,478)	$ 840,169
Appropriation of 2012 earnings										
Legal reserve	-	-	6,054	-	(6,054)	-	-	-	-	-
Special reserve	-	-	-	55,049	(55,049)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(71,969)	-	-	-	-	(71,969)
Net profit for the year ended December 31, 2013	-	-	-	-	52,572	-	-	-	-	52,572
Other comprehensive income for the year ended December 31, 2013, net of income tax	-	-	-	-	(989)	40,303	17,081	23	57,407	56,418
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	51,583	40,303	17,081	23	57,407	108,990
Dividends claimed after over five years by stockholders	-	-	-	-	-	-	-	-	-	-
Change in translation adjustments	(7,583)	(199)	(5,686)	(1,690)	(8,677)	3,669	(1,349)	(49)	2,271	(21,564)
BALANCE AT DECEMBER 31, 2013	287,877	7,562	221,876	119,214	247,897	(98,969)	68,295	1,874	(28,800)	855,626
Appropriation of 2013 earnings										
Legal reserve	-	-	4,951	-	(4,951)	-	-	-	-	-
Special reserve	-	-	-	(74,489)	74,489	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(54,219)	-	-	-	-	(54,219)
Change from investments in associates and joint ventures accounted for by using equity method	-	-	-	-	(355)	-	-	-	-	(355)
Net profit for the year ended December 31, 2014	-	-	-	-	65,817	-	-	-	-	65,817
Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-	-	1,316	94,197	(18,615)	-	75,582	76,898
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	67,133	94,197	(18,615)	-	75,582	142,715
Dividends claimed after over five years by stockholders	-	(1)	-	-	-	-	-	-	-	(1)
Change in translation adjustments	(16,782)	(440)	(12,935)	(6,950)	(14,450)	5,769	(3,982)	(109)	1,678	(49,879)
BALANCE AT DECEMBER 31, 2014	$ 271,095	$ 7,121	$ 213,892	$ 37,775	$ 315,544	$ 997	$ 45,698	$ 1,765	$ 48,460	$ 893,887

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,372,271	$ 1,631,795
Adjustments for:		
Depreciation expenses	1,838,069	1,409,383
Unrealized loss on foreign currency exchange	931,543	272,696
Gain on disposal of property, plant and equipment, net	(514,813)	(379,487)
Dividend income	(509,371)	(300,477)
Finance costs	376,477	299,810
Interest income	(334,255)	(278,053)
Gain on disposal of investment, net	(130,586)	(186,311)
Impairment loss recognized on transportation equipment	94,925	-
Share of the profit of associates and joint ventures	(31,990)	(11,978)
Other non-cash items	(24,528)	(24,029)
Reversal of provision for doubtful accounts	(1,637)	(7,719)
Impairment loss recognized on available-for-sale financial assets	-	11,831
Changes in operating assets and liabilities		
Financial assets held for trading	(552,758)	(430,123)
Trade receivables	51,951	(94,960)
Other receivables	(2,595)	(4,045)
Fuel inventory	(41,555)	(36,869)
Other current assets	(82,302)	(58,056)
Financial liabilities held for trading	(11,426)	(188,815)
Trade payables	26,488	(8,472)
Other payables	8,489	121,364
Other current liabilities	(144,619)	147,744
Accrued pension liabilities	(42,640)	(14,803)
Cash generated from operations	3,275,138	1,870,426
Interest received	255,609	373,414
Dividends received	509,371	300,477
Interest paid	(363,503)	(281,315)
Income tax paid	(37,319)	(94,032)
Net cash generated from operating activities	3,639,296	2,168,970
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in prepayment for equipment	(6,459,399)	(6,579,701)
Proceeds on maturity of held-to-maturity financial assets	1,814,670	9,317
Proceeds on sale of available-for-sale financial assets	1,472,113	2,199,914
Purchase of available-for-sale financial assets	(1,212,239)	(2,389,052)
Proceeds from disposal of property, plant and equipment	791,587	717,034
Acquisition of associates	(553,400)	-
Purchase of property, plant and equipment	(390,869)	(288,469)
Increase in financing provided - related parties	(53,036)	(28,800)
Dividend received from associates	6,667	100,052
(Increase) decrease in refundable deposits	(5,721)	94,792

(Continued)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

	2014	2013
Proceeds on sale of financial assets measured at cost	$ -	$ 105,437
Net cash inflow on disposal of associates	-	10,886
Net cash used in investing activities	(4,589,627)	(6,048,590)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	9,104,383	6,206,247
Repayments of long-term borrowings	(3,338,091)	(4,428,917)
Dividends paid to owners of the Company	(1,716,049)	(2,145,046)
Increase (decrease) in obligation under capital lease	1,515,742	(101,191)
Proceeds from short-term borrowings	460,000	1,190,000
Proceeds from short-term bills payable	652	374,875
Net cash generated from financing activities	6,026,637	1,095,968
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	976,176	411,844
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,052,482	(2,371,808)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	13,001,660	15,373,468
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 19,054,142	$ 13,001,660

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars, Note 6)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 74,953	$ 54,749
Adjustments for:		
Depreciation expenses	58,075	47,287
Unrealized loss on foreign currency exchange	29,432	9,149
Gain on disposal of property, plant and equipment, net	(16,266)	(12,732)
Dividend income	(16,094)	(10,081)
Finance costs	11,895	10,059
Interest income	(10,561)	(9,329)
Gain on disposal of investment, net	(4,126)	(6,251)
Impairment loss recognized on transportation equipment	2,999	-
Share of the profit of associates and joint ventures	(1,011)	(402)
Other non-cash items	(775)	(806)
Reversal of provision for doubtful accounts	(52)	(259)
Impairment loss recognized on available-for-sale financial assets	-	397
Changes in operating assets and liabilities		
Financial assets held for trading	(17,465)	(14,431)
Trade receivables	1,641	(3,186)
Other receivables	(82)	(136)
Fuel inventory	(1,313)	(1,237)
Other current assets	(2,600)	(1,948)
Financial liabilities held for trading	(361)	(6,335)
Trade payables	837	(284)
Other payables	268	4,072
Other current liabilities	(4,569)	4,957
Accrued pension liabilities	(1,347)	(497)
Cash generated from operations	103,478	62,756
Interest received	8,076	12,529
Dividends received	16,094	10,081
Interest paid	(11,485)	(9,439)
Income tax paid	(1,179)	(3,155)
Net cash generated from operating activities	114,984	72,772
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in prepayment for equipment	(204,088)	(220,758)
Proceeds on maturity of held-to-maturity financial assets	57,336	313
Proceeds on sale of available-for-sale financial assets	46,512	73,810
Purchase of available-for-sale financial assets	(38,301)	(80,156)
Proceeds from disposal of property, plant and equipment	25,011	24,058
Acquisition of associates	(17,485)	-
Purchase of property, plant and equipment	(12,349)	(9,679)
Increase in financing provided - related parties	(1,676)	(966)
Dividend received from associates	211	3,357
(Increase) decrease in refundable deposits	(181)	3,180

(Continued)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars, Note 6)

	2014	2013
Proceeds on sale of financial assets measured at cost	$ -	$ 3,538
Net cash inflow on disposal of associates	-	365
Net cash used in investing activities	(145,010)	(202,938)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	287,658	208,228
Repayments of long-term borrowings	(105,469)	(148,596)
Dividends paid to owners of the Company	(54,220)	(71,969)
Increase (decrease) in obligation under capital lease	47,891	(3,395)
Proceeds from short-term borrowings	14,534	39,926
Proceeds from short-term bills payable	21	12,578
Net cash generated from financing activities	190,415	36,772
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	5,414	229
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	165,803	(93,165)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	436,224	529,389
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 602,027	$ 436,224

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars and U.S. Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

U-Ming Marine Transport Corporation (the "Company") was incorporated in the Republic of China ("ROC") in August 1968. The Company and its subsidiaries not only own and manage ships that transport dry bulk cargoes, principally cement, oil, coal, iron ore and grain, but also do the investment business. The Company's shares have been listed on the Taiwan Stock Exchange since December 8, 1990.

As of December 31, 2014, the Company and subsidiaries owned and operated a fleet of 27 bulk carriers, 5 cement carriers and 1 oil tanker with a total tonnage of about 3.98 million DWT.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors and authorized for issue on March 18, 2015.

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

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

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

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 "Embedded Derivatives"	Effective for annual periods ended on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters"	July 1, 2010
Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters"	July 1, 2011
Amendment to IFRS 1 "Government Loans"	January 1, 2013

(Continued)

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

(Concluded)

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

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

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

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

2) IFRS 13 "Fair Value Measurement"

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

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

3) Amendment to IAS 1 “Presentation of Items of Other Comprehensive Income”

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

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

4) Revision to IAS 19 “Employee Benefits”

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

In addition, revised IAS 19 changes the definition of short-term employee benefits. The revised definition is “employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service”. The Group’s unused annual leave, which can be carried forward within 12 months after the end of the annual period in which the employee renders service and which is currently classified as short-term employee benefits, will be classified as other long-term employee benefits under revised IAS 19. Related defined benefit obligation of such other long-term benefit is calculated using the Projected Unit Credit Method. However, this change does not affect unused annual leave to be presented as a current liability in the consolidated balance sheet.

In summary, the anticipated impact of the application of the 2013 IFRSs version and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers is summarized as below:

Impact on assets, liabilities and equity

	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount	Note
December 31, 2014				
Effect on assets				
Deferred tax assets	$ 138,709	$ 1,087	$ 139,796	4)
Effect on liabilities				
Accrued pension liabilities	$ 371,105	$ 6,291	$ 377,396	4)
Effect on equity				
Unappropriated earnings	$ 9,986,974	$ (5,204)	$ 9,981,770	4)

(Continued)

	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount	Note
January 1, 2014				
Effect on assets				
Deferred tax assets	$ 49,624	$ 2,139	$ 51,763	4)
Effect on liabilities				
Accrued pension liabilities	$ 455,406	$ 12,581	$ 467,987	4)
Effect on equity				
Unappropriated earnings	$ 7,388,568	$ (10,442)	$ 7,378,126	4)

(Concluded)

Impact on total comprehensive income for the year ended December 31, 2014

	Carrying Amount	Adjustment	Adjusted Carrying Amount	Note
Freight costs	$ (7,335,071)	$ 6,291	$ (7,328,780)	4)
Operating expense	(333,124)	(104)	(333,228)	4)
Income tax expense	(289,154)	(1,052)	(290,206)	4)
Total effect on net profit for the period	$ (7,957,349)	$ 5,135	$ (7,952,214)	

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2017
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

(Concluded)

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

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

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

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

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

1) IFRS 9 "Financial Instruments"

   Recognition and measurement of financial assets

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

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

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

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

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

The impairment of financial assets

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

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

2) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 8 "Operating Segments" were amended in this annual improvement.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics". The amendment also clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segments' assets are regularly provided to the chief operating decision-maker.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Group is a related party of the Group. Consequently, the Group is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

3) Annual Improvements to IFRSs: 2012-2014 Cycle

IAS 34 was amended to clarify that other disclosure information required by IAS 34 should be included in interim financial statements. If the Group includes the information in other statements (such as management commentary or risk report) issued at the same time, it is not required to repeat the disclosure in the interim financial statements. However, it is required to include a cross-reference from the interim financial statements to that issued statements that is available to users on the same terms and at the same time as the interim financial statements.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

1) Principles for preparing consolidated financial statements

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

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

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

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

2) Subsidiaries included in the consolidated financial statements

			% of Ownership		
		Nature of	**December 31**		
Investor	**Subsidiary**	**Business**	**2014**	**2013**	**Remark**
The Company	U-Ming Marine Transport (Singapore) Private Limited (U-Ming Singapore)	Transport	100	100	-
	U-Ming Marine Transport (Hong Kong) Ltd. (U-Ming Hong Kong)	Transport	100	100	-
	Yue-Li Investment Corporation (Yue-Li)	Investment	68	68	-
	Yue-Tung Investment Corporation (Yue-Tung)	Investment	74	74	-
U-Ming Singapore	Falcon Investment Private Limited (Falcon)	Investment	100	100	-
	Eagle Investment Private Limited (Eagle)	Transport	100	100	-
	Yue-Li Investment Corporation (Yue-Li)	Investment	32	32	-
	Yue-Tung Investment Corporation (Yue-Tung)	Investment	26	26	-
U-Ming Hong Kong	Overseas Shipping Pte. Ltd. (OSPL)	Transport	100	100	-
	Alliance Maritime Pte. Ltd.	Transport	-	-	-
	U-Ming Marine (Xiamen) Service Co., Ltd. (U-Ming Xiamen)	Transport	100	100	-

3) Subsidiaries excluded from consolidated financial statements: None.

e. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

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

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

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

f. Fuel inventory

Fuel inventory is the stock of fuel, which is stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The replacement cost is used to determine the net realizable value, as fuel inventory is for operation instead of sales. Inventories are recorded at weighted-average cost.

g. Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

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

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

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

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

h. Property, plant and equipment

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

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

Freehold land is not depreciated.

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

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

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

i. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

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

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at fair value through profit or loss

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

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset.

ii. Held-to-maturity investments

Corporate bonds which are above specific credit ratings and the Group has positive intent and ability to hold to maturity, are classified as held-to-maturity investments.

Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

iii. Available-for-sale financial assets

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

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

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

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

iv. Loans and receivables

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

Cash equivalents include time deposits and government bonds, with original maturities within 12 months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables, other receivables and long-term receivables, are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. The amount of the impairment loss recognized is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

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

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

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

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

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

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

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

Except for financial liabilities at fair value through profit or loss, all the financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading, and are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 26.

b) Derecognition of financial liabilities

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

3) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

k. Provisions

Provisions, including those arising from the contractual obligation specified in the service concession arrangement to maintain or restore the infrastructure before it is handed over to the grantor, are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract, the present obligations arising under onerous contracts are recognized and measured as provisions.

l. Revenue recognition

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

1) Rendering of services

Freight revenue is recognized by reference to the stage of completion of the contract, which is the proportion of the actual voyage made to the whole voyage agreed in the contract.

2) Dividend and interest income

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

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

m. Leasing

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

<u>The Group as lessee</u>

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

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

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rents arising under operating leases are recognized as an expense in the period in which they are incurred.

n. Borrowing costs

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

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

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

o. Retirement benefit costs

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

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

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

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

p. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

3) Current and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a. Revenue recognition

Freight revenue is recognized by reference to the stage of completion of the contract, which is the proportion of the actual voyage made to the whole voyage agreed in the contract. The Group's accounting policies for revenue recognition are consistently applied from prior period to the current period.

Revenue and deferred revenue are recognized in the current period and prior period according to the Group's policies.

b. Held-to-maturity financial assets

Management has reviewed the Group's held-to-maturity financial assets in light of its capital maintenance and liquidity requirements and has confirmed the Group's positive intention and ability to hold those assets to maturity.

c. Income taxes

As of December 31, 2014 and 2013, due to the unpredictability of future profit streams, no deferred tax asset has been recognized on tax losses of NT$115,738 thousand (US$3,657 thousand) and NT$116,303 thousand (US$3,902 thousand), respectively. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

d. Fair value of financial instruments

As described in Note 26, the Group's management uses its judgment in selecting an appropriate valuation technique for financial instruments that do not have quoted market price in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions were based on quoted market rates adjusted for specific features of the instruments. Debt instruments were valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of listed equity instruments traded in emerging market and unlisted equity instruments was based on the analysis in relation to the financial position and the operation results of investees, recent transaction prices, prices of same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, valuation multiples of comparable entities, including assumptions based on unobservable market prices or rates. As of December 31, 2014 and 2013, the carrying amount of these equity instruments were both NT$892,943 thousand (US$28,213 thousand).

e. Recognition and measurement of defined benefit plans

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

f. Residual values of property, plant and equipment

The Group uses fair value of scrap as residual values of transportation equipment, and assesses the fair value of scrap at each balance sheet date.

Changes in market conditions will affect the fair value and may have a material impact on the amount of depreciation expenses and transportation equipment.

g. Impairment of property, plant and equipment

The impairment of transportation was based on the recoverable amount of those assets, which is the higher of fair value less costs to sell or value-in-use of those assets. Any changes in the market price or future cash flows will affect the recoverable amount of those assets and may lead to recognition of additional or reversal of impairment losses.

6. TRANSLATION INTO U.S. DOLLARS

The consolidated financial statements are originally stated in New Taiwan dollars. The translations of New Taiwan dollars into U.S. dollars are included solely for the convenience of the reader, using the exchange rate of NT$31.650 to US$1.00 and NT$29.805 to US$1.00 published by the Bank of Taiwan as of December 31, 2014 and 2013, respectively. The convenience translations should not be construed as representations that the New Taiwan dollar amounts have been, could have been or could in the future be, converted into U.S. dollars at these rates or any other exchange rate.

7. CASH AND CASH EQUIVALENTS

	December 31	
	2014	**2013**
New Taiwan dollars		
Time deposits	$ 18,592,437	$ 12,665,289
Checking accounts and demand deposits	394,138	335,124
Repurchase agreements collateralized by bonds	66,032	-
Cash on hand	1,535	1,247
	$ 19,054,142	$ 13,001,660
U.S. dollars (Note 6)		
Time deposits	$ 587,440	$ 424,938
Checking accounts and demand deposits	12,453	11,244
Repurchase agreements collateralized by bonds	2,086	-
Cash on hand	48	42
	$ 602,027	$ 436,224

The market rate intervals of time deposits at the end of the reporting period were as follows:

	December 31	
	2014	**2013**
Time deposits	0.6%-4.3%	0.4%-5%

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2014	2013
New Taiwan dollars		
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Cross-currency swap contracts (a)	$ 732,169	$ 50,612
Interest rate swap contracts (b)	47,580	105,275
	779,749	155,887
Non-derivative financial assets		
Beneficiary certificates - open-end funds	312,488	271,517
Domestic quoted shares	236,951	349,026
	549,439	620,543
Financial assets at FVTPL - current	$ 1,329,188	$ 776,430
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Cross-currency swap contracts (a)	$ 13,746	$ 35,622
Interest rate swap contracts (b)	10,450	-
Financial liabilities at FVTPL - current	$ 24,196	$ 35,622
U.S. dollars (Note 6)		
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Cross-currency swap contracts (a)	$ 23,133	$ 1,698
Interest rate swap contracts (b)	1,503	3,532
	24,636	5,230
Non-derivative financial assets		
Beneficiary certificates - open-end funds	9,873	9,110
Domestic quoted shares	7,487	11,710
	17,360	20,820
Financial assets at FVTPL - current	$ 41,996	$ 26,050
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Cross-currency swap contracts (a)	$ 434	$ 1,195
Interest rate swap contracts (b)	330	-
Financial liabilities at FVTPL - current	$ 764	$ 1,195

a. At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting were as follows:

Contract Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received	
December 31, 2014				
USD21,000/NTD636,300	2015.04.07	(0.92%)	3-month LIBOR:	0.2316%
USD20,000/NTD606,000	2015.04.07	(0.92%)	3-month LIBOR:	0.2316%
USD9,000/NTD272,700	2015.04.07	(0.92%)	3-month LIBOR:	0.2316%
USD18,000/NTD545,400	2015.04.07	(0.89%)	3-month LIBOR:	0.2316%
USD30,000/NTD909,000	2015.04.24	(0.90%)	3-month LIBOR:	0.2328%
USD20,000/NTD603,000	2015.05.05	(0.84%)	3-month LIBOR:	0.23185%
USD18,000/NTD542,700	2015.05.27	(0.80%)	3-month LIBOR:	0.2356%
USD17,000/NTD510,850	2015.06.05	(0.72%)	3-month LIBOR:	0.23535%
USD11,000/NTD330,550	2015.06.05	(0.72%)	3-month LIBOR:	0.23535%
USD16,000/NTD480,160	2015.06.19	(0.73%)	3-month LIBOR:	0.24535%
USD16,000/NTD480,160	2015.06.19	(0.73%)	3-month LIBOR:	0.24535%
USD33,000/NTD990,000	2015.06.26	(0.56%)	3-month LIBOR:	0.2546%
USD10,000/NTD300,000	2015.08.10	(0.47%)	3-month LIBOR:	0.2316%
USD10,000/NTD300,000	2015.08.10	(0.47%)	3-month LIBOR:	0.2316%
USD30,000/NTD900,000	2015.08.25	(0.60%)	3-month LIBOR:	0.23435%
USD30,000/NTD900,000	2015.08.26	(0.58%)	3-month LIBOR:	0.23435%
USD21,000/NTD630,000	2015.08.28	(0.60%)	3-month LIBOR:	0.2356%
USD30,000/NTD897,600	2015.09.08	(0.60%)	3-month LIBOR:	0.2356%
USD40,000/NTD1,220,000	2015.10.01	(0.57%)	3-month LIBOR:	0.2351%
USD20,000/NTD609,800	2015.11.06	(0.68%)	3-month LIBOR:	0.23185%
USD10,000/NTD304,900	2015.11.06	(0.68%)	3-month LIBOR:	0.23185%
USD20,000/NTD625,600	2015.12.15	(0.46%)	3-month LIBOR:	0.24285%
USD10,000/NTD312,800	2015.12.15	(0.46%)	3-month LIBOR:	0.24285%
USD4,000/RMB24,800	2015.03.31	0.79%	1-year RMB deposit rate	
USD20,000/RMB123,920	2015.04.09	0.89%	1-year RMB deposit rate	
USD15,000/RMB93,420	2015.04.15	0.88%	1-year RMB deposit rate	
AUD42,025/USD34,881	2022.03.20	3-month LIBOR plus 1%	3-month AUD BBR-BBSW plus 1%	
USD3,000/RMB18,540	2015.03.27	0.87%	1-year RMB deposit rate	
USD4,000/RMB24,840	2015.04.10	0.89%	1-year RMB deposit rate	
December 31, 2013				
USD10,000/NTD296,600	2014.03.17	(2.18%)	3-month LIBOR:	0.2429%
USD10,000/NTD296,000	2014.03.17	(2.39%)	3-month LIBOR:	0.2439%
USD10,000/NTD296,000	2014.03.17	(2.39%)	3-month LIBOR:	0.2439%
USD10,000/NTD298,800	2014.04.07	(0.15%)	3-month LIBOR:	0.2429%
USD40,000/NTD1,195,200	2014.04.07	(0.21%)	3-month LIBOR:	0.2429%
USD18,000/NTD537,480	2014.04.08	(0.21%)	3-month LIBOR:	0.2429%
USD30,000/NTD902,400	2014.04.25	(0.48%)	3-month LIBOR:	0.2384%
USD20,000/NTD597,000	2014.04.25	(0.22%)	3-month LIBOR:	0.2384%
USD18,000/NTD539,100	2014.05.28	(0.20%)	3-month LIBOR:	0.2376%
USD20,000/NTD599,000	2014.06.06	(0.25%)	3-month LIBOR:	0.2416%
USD8,000/NTD239,600	2014.06.06	(0.25%)	3-month LIBOR:	0.2416%
USD16,000/NTD478,400	2014.06.20	(0.41%)	3-month LIBOR:	0.2451%

(Continued)

Contract Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
USD16,000/NTD478,400	2014.06.20	(0.41%)	3-month LIBOR: 0.2451%
USD33,000/NTD993,300	2014.06.27	(0.33%)	3-month LIBOR: 0.2466%
USD10,000/NTD299,300	2014.08.11	(0.295%)	3-month LIBOR: 0.2394%
USD10,000/NTD299,300	2014.08.11	(0.295%)	3-month LIBOR: 0.2394%
USD30,000/NTD900,000	2014.08.26	(0.305%)	3-month LIBOR: 0.2359%
USD30,000/NTD898,800	2014.08.27	(0.31%)	3-month LIBOR: 0.2359%
USD21,000/NTD629,580	2014.08.29	(0.31%)	3-month LIBOR: 0.2376%
USD30,000/NTD894,600	2014.09.09	(0.27%)	3-month LIBOR: 0.2409%
USD40,000/NTD1,184,000	2014.10.02	(0.30%)	3-month LIBOR: 0.2459%
USD30,000/NTD883,800	2014.11.07	(0.47%)	3-month LIBOR: 0.2387%
AUD42,025/USD34,881	2020.03.20	3-month LIBOR: plus 1%	3-month AUD BBR-BBSW plus 1%

(Concluded)

The Group entered into cross-currency swap contracts to manage exposures to exchange rate and interest rate fluctuations of U.S. dollar and Australian dollar denominated loans, and to increase the capital income through RMB denominated deposit operation. The Group did not apply hedge accounting.

b. At the end of the reporting period, outstanding interest rate swap contracts were as follows:

Contract Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
December 31, 2014			
USD15,120	2022.07.20	1.36%	3-month LIBOR: 0.23075%
USD14,560	2022.09.20	1.43%	3-month LIBOR: 0.2471%
USD25,900	2022.10.25	1.18%	3-month LIBOR: 0.2336%
USD28,114	2023.04.22	1.27%	3-month LIBOR: 0.2306%
USD16,065	2023.06.05	1.90%	3-month LIBOR: 0.2346%
USD17,010	2023.08.30	1.85%	3-month LIBOR: 0.2356%
USD34,650	2023.10.30	1.89%	3-month LIBOR: 0.2326%
USD39,568	2024.01.16	1.68%	3-month LIBOR: 0.23075%
USD16,778	2021.03.19	1.12%	3-month LIBOR: 0.2471%
December 31, 2013			
USD17,010	2022.07.20	1.36%	3-month LIBOR: 0.2647%
USD16,380	2022.09.20	1.43%	3-month LIBOR: 0.2496%
USD29,138	2022.10.25	1.18%	3-month LIBOR: 0.266%
USD31,421	2023.04.22	1.27%	3-month LIBOR: 0.2647%
USD19,359	2021.03.19	1.115%	3-month LIBOR: 0.27225%

The Group entered into interest rate swap contracts to exchange floating interest rate with fixed interest rate to manage the risk of interest rate fluctuations from the outstanding loans with floating interest rates. The Group did not apply hedge accounting.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2014	2013
New Taiwan dollars		
Current		
Domestic investments		
Listed shares	$ 5,252,925	$ 5,797,433
Foreign investments		
Open-end beneficiary certificates	3,355,096	3,334,503
Listed shares	804,544	769,380
	4,159,640	4,103,883
	$ 9,412,565	$ 9,901,316
Non-current		
Domestic investments		
Listed shares	$ 135	$ 121
U.S. dollars (Note 6)		
Current		
Domestic investments		
Listed shares	$ 165,969	$ 194,512
Foreign investments		
Open-end beneficiary certificates	106,006	111,877
Listed shares	25,420	25,814
	131,426	137,691
	$ 297,395	$ 332,203
Non-current		
Domestic investments		
Listed shares	$ 4	$ 4

Refer to Note 27 for information relating to transactions with related parties.

Refer to Note 28 for information relating to available-for-sale financial assets pledged as collateral or for security.

10. HELD-TO-MATURITY FINANCIAL ASSETS - CURRENT

	December 31	
	2014	2013
New Taiwan dollars		
Foreign investments		
Asia Cement (China) Holdings Corporation Bonds - First Issue in 2011	$ -	$ 1,811,039
U.S. dollars (Note 6)		
Foreign investments		
Asia Cement (China) Holdings Corporation Bonds - First Issue in 2011	$ -	$ 60,763

In September 2011, the Group invested in 3-year corporate bonds issued by Asia Cement (China) Holdings Corporation at par value of RMB368,000 thousand. The coupon rate and effective interest rates were both 2.95%.

11. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	December 31	
	2014	2013
New Taiwan dollars		
Domestic unlisted common shares	$ 892,943	$ 892,943
Classified according to financial asset measurement categories		
Available-for-sale financial assets	$ 892,943	$ 892,943
U.S. dollars (Note 6)		
Domestic unlisted common shares	$ 28,213	$ 29,960
Classified according to financial asset measurement categories		
Available-for-sale financial assets	$ 28,213	$ 29,960

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

The Group sold Shihhsin Storage & Transportation Co., Ltd. with a book value of NT$55,546 thousand (US$1,755 thousand) to a related party, Nan Hwa Cement Corp. (NHC), during the year ended December 31, 2013, which resulted in a gain of NT$49,891 thousand (US$1,576 thousand).

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2014	**2013**
New Taiwan dollars		
Unlisted companies		
Global Energy Maritime Co., Ltd.	$ 728,224	$ 194,056
Yue Ding Enterprise Corporation	285,634	262,812
Cape Asia Newbuildings (III) Ltd.	63,623	40,385
Winyield Investment Ltd.	58,261	64,174
Ding Ding Consultation Corporation	35,210	26,085
Opas Fund Segregated Portfolio Company	1,567	1,475
Cape Asia Newbuildings (II) Ltd.	472	7,012
Cape Asia Ltd.	24	30
Welwin Shipping Ltd.	-	-
Investment in associates	$ 1,173,015	$ 596,029
U.S. dollars (Note 6)		
Unlisted companies		
Global Energy Maritime Co., Ltd.	$ 23,009	$ 6,511
Yue Ding Enterprise Corporation	9,025	8,818
Cape Asia Newbuildings (III) Ltd.	2,010	1,355
Winyield Investment Ltd.	1,841	2,153
Ding Ding Consultation Corporation	1,112	875
Opas Fund Segregated Portfolio Company	49	50
Cape Asia Newbuildings (II) Ltd.	15	235
Cape Asia Ltd.	1	1
Welwin Shipping Ltd.	-	-
Investment in associates	$ 37,062	$ 19,998

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

	December 31	
	2014	**2013**
Global Energy Maritime Co., Ltd.	40%	26%
Yue Ding Enterprise Corporation	25%	25%
Cape Asia Newbuildings (III) Ltd.	17%	17%
Winyield Investment Ltd.	50%	50%
Ding Ding Consultation Corporation	40%	40%
Opas Fund Segregated Portfolio Company	33%	33%
Cape Asia Newbuildings (II) Ltd.	17%	17%
Cape Asia Ltd.	17%	17%
Welwin Shipping Ltd.	50%	50%

The Group's equities in Cape Asia Ltd., Cape Asia Newbuildings (II) Ltd. and Cape Asia Newbuildings (III) Ltd. were less than 20%, but the equity method was used because of the Group's significant influence on them.

Winyield Investment Ltd. and Welwin Shipping Ltd. were classified as the Group's associates because the Group neither participated in operation nor had control over them.

In July 2014, the Group participated in the issuance of new shares of Global Energy Maritime Co., Ltd. and obtained 55,340 thousand shares for NT$553,400 thousand (US$17,485 thousand). The Group's percentage of ownership in Global Energy Maritime Co., Ltd. increased to 40%. The Group has no power to govern the operation of Global Energy Maritime Co., Ltd.; therefore it is classified as associate of the Group.

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

	December 31	
	2014	**2013**
New Taiwan dollars		
Total assets	$ 6,462,809	$ 6,031,820
Total liabilities	$ 2,765,917	$ 3,766,684

	For the Year Ended December 31	
	2014	**2013**
Revenue	$ 984,773	$ 1,008,504
Profit for the year	$ 181,705	$ 486,546

	December 31	
	2014	**2013**
U.S. dollars (Note 6)		
Total assets	$ 204,196	$ 202,376
Total liabilities	$ 87,391	$ 126,378

	For the Year Ended December 31	
	2014	**2013**
Revenue	$ 31,114	$ 33,837
Profit for the year	$ 5,741	$ 16,324

The Group's share of losses of Welwin Shipping Ltd. is limited to its interest in that associate.

Except for Global Energy Maritime Co., Ltd. and Opas Fund Segregated Portfolio Company, investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been audited. Management believes there is no material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income, from the financial statements that have not been audited.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Transportation	Leased Assets	Miscellaneous	Total
New Taiwan dollars					
Cost					
Balance at January 1, 2013	$ 1,092	$ 26,090,835	$ 1,911,893	$ 40,110	$ 28,043,930
Additions	-	286,924	-	1,545	288,469
Disposals	-	(2,962,607)	-	-	(2,962,607)
Reclassified from prepayment for equipment	-	5,742,410	-	-	5,742,410
Effect of foreign currency exchange differences	-	509,333	50,365	299	559,997
Balance at December 31, 2013	$ 1,092	$ 29,666,895	$ 1,962,258	$ 41,954	$ 31,672,199
Accumulated depreciation					
Balance at January 1, 2013	$ -	$ 15,228,246	$ 561,331	$ 30,941	$ 15,820,518
Depreciation	-	1,263,838	142,110	3,435	1,409,383
Disposals	-	(2,625,060)	-	-	(2,625,060)
Effect of foreign currency exchange differences	-	245,532	15,342	137	261,011
Balance at December 31, 2013	$ -	$ 14,112,556	$ 718,783	$ 34,513	$ 14,865,852
Carrying amounts at December 31, 2013	$ 1,092	$ 15,554,339	$ 1,243,475	$ 7,441	$ 16,806,347
Cost					
Balance at January 1, 2014	$ 1,092	$ 29,666,895	$ 1,962,258	$ 41,954	$ 31,672,199
Additions	-	387,531	-	3,338	390,869
Disposals	-	(2,095,732)	-	(28)	(2,095,760)
Reclassified from prepayment for equipment	-	8,994,942	-	-	8,994,942
Derecognition by replacement	-	(416,642)	-	-	(416,642)
Effect of renegotiation of lease contract	-	-	(207,188)	-	(207,188)
Effect of foreign currency exchange differences	-	1,809,725	112,280	654	1,922,659
Balance at December 31, 2014	$ 1,092	$ 38,346,719	$ 1,867,350	$ 45,918	$ 40,261,079
Accumulated depreciation					
Balance at January 1, 2014	$ -	$ 14,112,556	$ 718,783	$ 34,513	$ 14,865,852
Depreciation	-	1,690,236	145,063	2,770	1,838,069
Disposals	-	(1,818,962)	-	(24)	(1,818,986)
Impairment losses recognized in profit or loss	-	94,925	-	-	94,925
Derecognition by replacement	-	(416,642)	-	-	(416,642)
Effect of renegotiation of lease contract	-	-	(875,929)	-	(875,929)
Effect of foreign currency exchange differences	-	588,527	12,083	386	600,996
Balance at December 31, 2014	$ -	$ 14,250,640	$ -	$ 37,645	$ 14,288,285
Carrying amounts at December 31, 2014	$ 1,092	$ 24,096,079	$ 1,867,350	$ 8,273	$ 25,972,794

(Continued)

	Land	Transportation	Leased Assets	Miscellaneous	Total
U.S. dollars (Note 6)					
Cost					
Balance at January 1, 2013	$ 38	$ 898,444	$ 65,837	$ 1,381	$ 965,700
Additions	-	9,627	-	52	9,679
Disposals	-	(99,400)	-	-	(99,400)
Reclassified from prepayment for equipment	-	192,666	-	-	192,666
Effect of foreign currency exchange differences	(1)	(5,971)	-	(25)	(5,997)
Balance at December 31, 2013	$ 37	$ 995,366	$ 65,837	$ 1,408	$ 1,062,648
Accumulated depreciation					
Balance at January 1, 2013	$ -	$ 524,389	$ 19,330	$ 1,065	$ 544,784
Depreciation	-	42,404	4,768	115	47,287
Disposals	-	(88,074)	-	-	(88,074)
Effect of foreign currency exchange differences	-	(5,223)	18	(21)	(5,226)
Balance at December 31, 2013	$ -	$ 473,496	$ 24,116	$ 1,159	$ 498,771
Carrying amounts at December 31, 2013	$ 37	$ 521,870	$ 41,721	$ 249	$ 563,877
Cost					
Balance at January 1, 2014	$ 37	$ 995,366	$ 65,837	$ 1,408	$ 1,062,648
Additions	-	12,244	-	105	12,349
Disposals	-	(66,216)	-	(1)	(66,217)
Reclassified from prepayment for equipment	-	284,200	-	-	284,200
Derecognition by replacement	-	(13,164)	-	-	(13,164)
Effect of renegotiation of lease contract	-	-	(6,546)	-	(6,546)
Effect of foreign currency exchange differences	(2)	(843)	(291)	(62)	(1,198)
Balance at December 31, 2014	$ 35	$ 1,211,587	$ 59,000	$ 1,450	$ 1,272,072
Accumulated depreciation					
Accumulated depreciation Balance at January 1, 2014	$ -	$ 473,496	$ 24,116	$ 1,159	$ 498,771
Depreciation	-	53,404	4,583	88	58,075
Disposals	-	(57,471)	-	(1)	(57,472)
Impairment losses recognized in profit or loss	-	2,999	-	-	2,999
Derecognition by replacement	-	(13,164)	-	-	(13,164)
Effect of renegotiation of lease contract	-	-	(27,675)	-	(27,675)
Effect of foreign currency exchange differences	-	(9,006)	(1,024)	(57)	(10,087)
Balance at December 31, 2014	$ -	$ 450,258	$ -	$ 1,189	$ 451,447
Carrying amount at December 31, 2014	$ 35	$ 761,329	$ 59,000	$ 261	$ 820,625

(Concluded)

For the year ended December 31, 2014, due to the decline in bulk cargo market, the estimated future cash flows expected to arise from the vessel was decreased. The Group carried out a review of the recoverable amount of the vessel and determined that the carrying amount exceeded the recoverable amount. The review led to the recognition of an impairment loss of NT$94,925 thousand (US$2,999 thousand).

No impairment assessment was performed in the year ended December 31, 2013 as there was no indication of impairment.

The transportation and leased assets were depreciated on a straight-line basis, and the miscellaneous assets were depreciated on a declining balance method over the estimated useful life of the asset:

Transportation	1-18 years
Leased assets	4 years and 7 months
Miscellaneous	1-10 years

The Group renegotiated the finance lease contract of vessel with the lessor in December 2014. Therefore, the Group derecognized book value of the leased asset and recorded the present value of finance lease payable according to the new contract as the updated carrying amount. The difference between book value and new carrying amount is recognized as deferred revenue and amortized over the lease period. Refer to Note 16 for lease terms.

Refer to Note 28 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings/general banking facilities granted to the Group.

The prepayments for equipment are for the transportation carriers under construction, which will be transferred to property, plant and equipment once the construction is completed and the carriers are ready to provide service. The carrying amounts of prepayments for equipment include capitalized interests related to borrowings, of which the information is as follows:

	For the Year Ended December 31	
	2014	2013
New Taiwan dollars		
Capitalized interest	$ 4,099	$ 1,175
U.S. dollars (Note 6)		
Capitalized interest	130	39
Capitalization rate	1.425%-2.4%	0.880%-0.909%

14. BORROWINGS

a. Short-term loans

	December 31	
	2014	2013
New Taiwan dollars		
Unsecured borrowings		
Credit borrowings	$ 6,180,000	$ 5,440,000

(Continued)

	December 31	
	2014	2013
U.S. dollars (Note 6)		
Unsecured borrowings		
Credit borrowings	$ 195,261	$ 182,520
Interest rate	1.16%-1.52%	1.12%-1.35%

(Concluded)

b. Short-term bills payable

	December 31	
	2014	2013
New Taiwan dollars		
Face value (Note 28)	$ 2,333,000	$ 2,333,000
Less: Unamortized discount	1,000	1,652
	$ 2,332,000	$ 2,331,348
U.S. dollars (Note 6)		
Face value (Note 28)	$ 73,712	$ 78,275
Less: Unamortized discount	(31)	55
	$ 73,681	$ 78,220

Outstanding short-term bills payable as follows:

New Taiwan dollars

December 31, 2014

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
Commercial paper				
Mega Bills Finance Co., Ltd.	$ 807,000	$ (359)	$ 806,641	0.82%
China Bills Financial Corporation	487,000	(216)	486,784	0.72%
International Bills Financial Corporation	449,000	(111)	448,889	0.67%-0.7%
Grand Bills Financial Corporation	390,000	(171)	389,829	0.872%
Taiwan Finance Corporation	200,000	(143)	199,857	1.03%
	$ 2,333,000	$ (1,000)	$ 2,332,000	

December 31, 2013

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
Commercial paper				
Mega Bills Finance Co., Ltd.	$ 822,000	$ (181)	$ 821,819	0.93%-1.03%
International Bills Financial Corporation	511,000	(832)	510,168	0.70%
China Bills Financial Corporation	410,000	(31)	409,969	0.71%-0.75%
Grand Bills Financial Corporation	390,000	(250)	389,750	0.81%
Taiwan Finance Corporation	200,000	(358)	199,642	1.03%
	$ 2,333,000	$ (1,652)	$ 2,331,348	

U.S. dollars (Note 6)

December 31, 2014

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
Commercial paper				
Mega Bills Finance Co., Ltd.	$ 25,498	$ (10)	$ 25,488	0.82%
China Bills Financial Corporation	15,387	(7)	15,380	0.72%
International Bills Financial Corporation	14,186	(4)	14,182	0.67%-0.70%
Grand Bills Financial Corporation	12,322	(5)	12,317	0.872%
Taiwan Finance Corporation	6,319	(5)	6,314	1.03%
	$ 73,712	$ (31)	$ 73,681	

December 31, 2013

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
Commercial paper				
Mega Bills Finance Co., Ltd.	$ 27,579	$ (6)	$ 27,573	0.93%-1.03%
International Bills Financial Corporation	17,145	(28)	17,117	0.70%
China Bills Financial Corporation	13,756	(1)	13,755	0.71%-0.75%
Grand Bills Financial Corporation	13,085	(8)	13,077	0.81%
Taiwan Finance Corporation	6,710	(12)	6,698	1.03%
	$ 78,275	$ (55)	$ 78,220	

c. Long-term loans

	December 31	
	2014	2013
New Taiwan dollars		
Secured borrowings (1) (Note 28)	$ 12,920,552	$ 7,110,374
Unsecured borrowings (2)	6,374,288	6,059,714
	19,294,840	13,170,088
Less: Current portion	3,241,208	742,480
Long-term borrowings: Non-current	$ 16,053,632	$ 12,427,608
U.S. dollars (Note 6)		
Secured borrowings (1) (Note 28)	$ 408,233	$ 238,563
Unsecured borrowings (2)	201,399	203,312
	609,632	441,875
Less: Current portion	102,408	24,911
Long-term borrowings: Non-current	$ 507,224	$ 416,964

1) Secured borrowings are mainly for the purpose of construction of vessels, and are secured by the related vessels under construction as collaterals. The borrowings will be repayable in the next 2 months to 9 years with a floating interest rate of 0.75%-1.73% and 0.8%-2.4% as of December 31, 2014 and 2013, respectively. The Group entered into interest rate swap contracts to exchange floating interest rate with fixed interest rate to manage the risk of interest rate fluctuations of the above outstanding loans. (Refer to Note 8)

2) Unsecured borrowings are for the purpose of general operation, and will be repayable in the next 6 months to 5 years with interest rate of 1.215%-1.99% and 1.185%-1.99% as of December 31, 2014 and 2013, respectively.

During 2014, the Group breached certain terms of its long-term loan arrangement, which are primarily related to the debt-equity ratio of the Group. As of December 31, 2014, the carrying amount of the bank loan was NT$1,500,000 thousand (US$47,393 thousand). On discovery of the breach, the management informed the lender and commenced renegotiation of the terms of the loan with the relevant banker and those negotiations were concluded as of December 31, 2014. Since the lender agreed to waive its right to demand immediate payment at the end of the reporting period, the loan has been classified as a non-current liability as of December 31, 2014.

15. BONDS PAYABLE

	December 31	
	2014	2013
New Taiwan dollars		
Secured domestic bonds	$ 2,000,000	$ 2,000,000
Less: Unamortized discount on bonds payable	7,864	8,148
	$ 1,992,136	$ 1,991,852

(Continued)

	December 31	
	2014	2013
U.S. dollars (Note 6)		
Secured domestic bonds	$ 63,191	$ 67,103
Less: Unamortized discount on bonds payable	248	274
	$ 62,943	$ 66,829

(Concluded)

On August 22, 2012, the Group issued the third secured domestic bonds with a total face value of NT$2,000,000 thousand (US$63,191 thousand) at par value of NT$1,000 thousand (US$32 thousand) in a 5-year maturity. The principal will be repaid in two equal payments at the end of the fourth and fifth year. Simple interest is paid annually with a rate of 1.32% based on the outstanding balance.

16. FINANCE LEASE PAYABLES

	December 31	
	2014	2013
New Taiwan dollars		
Minimum lease payments		
Not later than one year	$ 899,597	$ 113,350
Later than one year and not later than five years	1,002,132	214,107
	1,901,729	327,457
Less: Future finance charges	43,874	67,393
Present value of minimum lease payments	$ 1,857,855	$ 260,064
Present value of minimum lease payments		
Not later than one year	$ 888,959	$ 109,819
Later than one year and not later than five years	968,896	150,245
	$ 1,857,855	$ 260,064
U.S. dollars (Note 6)		
Minimum lease payments		
Not later than one year	$ 28,423	$ 3,803
Later than one year and not later than five years	31,663	7,184
	60,086	10,987
Less: Future finance charges	1,386	2,261
Present value of minimum lease payments	$ 58,700	$ 8,726
Present value of minimum lease payments		
Not later than one year	$ 28,087	$ 3,685
Later than one year and not later than five years	30,613	5,041
	$ 58,700	$ 8,726

The Group leased some of its transportation equipment under finance leases and renegotiated the contract, in December 2014. The average lease terms for the years ended December 31, 2014 and 2013 were 5 and 7 years, respectively. These leases had no terms of renewal or bargain purchase options. The Group's finance leases payable were secured by the title to the leased assets.

Interest rates underlying all obligations under finance leases were fixed at contract dates, which were 0.25% and 0.5% per annum at December 31, 2014 and 2013, respectively.

The main contents of the lease were as follows:

December 31, 2014

Lessor	Leased Assets	Terms and Conditions
Mars Maritime Limited Partnership	Cape Mars	Terms from December 2014 to April 2019; quarterly payment of US$1,131 thousand
Saturn Maritime Limited Partnership	Cape Saturn	Terms from December 2014 to April 2019; quarterly payment of US$1,131 thousand

December 31, 2013

Lessor	Leased Assets	Terms and Conditions
Mars Maritime Limited Partnership	Cape Mars	Terms from December 2008 to November 2015; quarterly payment of GBP390 thousand
Saturn Maritime Limited Partnership	Cape Saturn	Terms from December 2008 to November 2015; quarterly payment of GBP375 thousand

17. OTHER LIABILITIES

	December 31	
	2014	2013
New Taiwan dollars		
Remuneration to directors and supervisors	$ 151,635	$ 143,447
Material consumption and repair	140,554	77,085
Salaries or bonus	90,557	77,754
Employees' bonuses	85,077	78,877
Port charge	66,627	86,382
Others	327,113	388,709
	$ 861,563	$ 852,254
U.S. dollars (Note 6)		
Remuneration to directors and supervisors	$ 4,791	$ 4,813
Material consumption and repair	4,441	2,586
Salaries or bonus	2,861	2,609
Employees' bonuses	2,688	2,646
Port charge	2,105	2,898
Others	10,336	13,042
	$ 27,222	$ 28,594

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiary in Singapore and Xiamen are members of a state-managed retirement benefit plan operated by the local government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The Company of the Group adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name.

The plan assets are invested in domestic (foreign) equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with Enforcement Rules of the Labor Pension Act, the return generated by employees' pension contribution should not be below the interest rate for a 2-year time deposit with local banks.

The employee of Yue-Li and Yue-Tung are the same as the employees of the Company. Therefore, Yue-Li and Yue-Tung do not have separate pension plan.

The Group operates defined benefit plans for qualifying employees of U-Ming Singapore and U-Ming Hong Kong.

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

	December 31	
	2014	**2013**
Discount rates	1.625%	1.625%
Expected return on plan assets	2.000%	2.000%
Expected rates of salary increase	Staff 3.00%	Staff 3.00%
	Crew 1.50%	Crew 1.50%

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

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

	For the Year Ended December 31	
	2014	**2013**
New Taiwan dollars		
Current service cost	$ 7,898	$ 9,667
Interest cost	8,074	6,655
Past service cost	6,291	6,291
Expected return on plan assets	(552)	(258)
	$ 21,711	$ 22,355
An analysis by function		
Operating cost	$ 16,826	$ 17,264
Operating expenses	4,885	5,091
	$ 21,711	$ 22,355
U.S. dollars (Note 6)		
Current service cost	$ 250	$ 324
Interest cost	255	223
Past service cost	198	211
Expected return on plan assets	(17)	(8)
	$ 686	$ 750
An analysis by function		
Operating cost	$ 532	$ 579
Operating expenses	154	171
	$ 686	$ 750

Actuarial gains and losses recognized in other comprehensive income for the years ended December 31, 2014 and 2013 were gains NT$41,661 thousand (US$1,316 thousand) and losses NT$29,477 thousand (US$989 thousand), respectively. The cumulative amounts of actuarial losses recognized in other comprehensive income as of December 31, 2014 and 2013 were NT$15,715 thousand (US$497 thousand) and NT$57,376 thousand (US$1,950 thousand), respectively.

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

	December 31	
	2014	**2013**
New Taiwan dollars		
Present value of funded defined benefit obligation	$ 400,821	$ 493,895
Fair value of plan assets	(23,425)	(25,908)
Deficit	377,396	467,987
Past service cost not yet recognized	(6,291)	(12,581)
Net liability arising from defined benefit obligation	$ 371,105	$ 455,406

(Continued)

	December 31	
	2014	2013
U.S. dollars (Note 6)		
Present value of funded defined benefit obligation	$ 12,664	$ 16,571
Fair value of plan assets	(740)	(869)
Deficit	11,924	15,702
Past service cost not yet recognized	(199)	(422)
Net liability arising from defined benefit obligation	$ 11,725	$ 15,280

(Concluded)

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

	For the Year Ended December 31	
	2014	2013
New Taiwan dollars		
Opening defined benefit obligation	$ 493,895	$ 480,525
Current service cost	7,898	9,667
Interest cost	8,074	6,655
Actuarial (gains) losses	(41,798)	20,389
Benefits paid	(75,663)	(27,489)
Exchange differences on foreign plans	8,415	4,148
Closing defined benefit obligation	$ 400,821	$ 493,895
U.S. dollars (Note 6)		
Opening defined benefit obligation	$ 16,571	$ 16,547
Current service cost	250	324
Interest cost	255	223
Actuarial (gains) losses	(1,321)	684
Benefits paid	(2,391)	(922)
Exchange differences on foreign plans	266	(139)
Effect of foreign currency exchange differences	(966)	(146)
Closing defined benefit obligation	$ 12,664	$ 16,571

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

	For the Year Ended December 31	
	2014	2013
New Taiwan dollars		
Opening fair value of plan assets	$ 25,908	$ 12,095
Expected return on plan assets	552	257
Actuarial losses	(137)	(65)
Contributions from the employer	3,534	23,149
Benefits paid	(6,432)	(9,528)
Closing fair value of plan assets	$ 23,425	$ 25,908

(Continued)

	For the Year Ended December 31	
	2014	2013
U.S. dollars (Note 6)		
Opening fair value of plan assets	$ 869	$ 416
Expected return on plan assets	17	8
Actuarial losses	(4)	(2)
Contributions from the employer	112	777
Benefits paid	(203)	(320)
Effect of foreign currency exchange differences	(51)	(10)
Closing fair value of plan assets	$ 740	$ 869

(Concluded)

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

	December 31	
	2014	2013
Cash	19.12	22.86
Debt instruments	28.36	31.58
Equity instruments	49.69	44.77
Others	2.83	0.79
	100.00	100.00

The Group chose to disclose the history of experience adjustments as the amounts determined for each accounting period prospectively from the date of transition to IFRSs:

	December 31	
	2014	2013
New Taiwan dollars		
Present value of defined benefit obligation	$ 400,821	$ 493,895
Fair value of plan assets	$ 23,425	$ 25,908
Deficit	$ 377,396	$ 467,987
Experience adjustments on plan liabilities	$ (22,721)	$ (32,818)
Experience adjustments on plan assets	$ (137)	$ (65)
U.S. dollars (Note 6)		
Present value of defined benefit obligation	$ 12,664	$ 16,571
Fair value of plan assets	$ 740	$ 869
Deficit	$ 11,924	$ 15,702
Experience adjustments on plan liabilities	$ (718)	$ (1,101)
Experience adjustments on plan assets	$ (4)	$ (2)

The Group expected to make a contribution of NT$3,584 thousand (US$113 thousand) and NT$3,399 thousand (US$114 thousand), respectively to the defined benefit plans during the annual period beginning after 2014 and 2013.

19. EQUITY

a. Common share capital

	December 31	
	2014	2013
New Taiwan dollars		
Numbers of shares authorized (in thousands)	880,000	880,000
Shares authorized	$ 8,800,000	$ 8,800,000
Number of shares issued and fully paid (in thousands)	858,017	858,017
Shares issued	$ 8,580,167	$ 8,580,167
U.S. dollars (Note 6)		
Shares authorized	$ 278,041	$ 295,252
Shares issued	$ 271,095	$ 287,877

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

b. Capital surplus

	December 31	
	2014	2013
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)		
New Taiwan dollars		
Arising from treasury share transactions	$ 110,232	$ 110,232
Arising from conversion of bonds	93,474	93,474
Arising from donations	16,234	16,250
Arising from excess of merger	5,428	5,428
	$ 225,368	$ 225,384
U.S. dollars (Note 6)		
Arising from treasury share transactions	$ 3,483	$ 3,699
Arising from conversion of bonds	2,953	3,136
Arising from donations	513	545
Arising from excess of merger	172	182
	$ 7,121	$ 7,562

Note: The capital surplus arising from shares issued in excess of par (including share premium from issuance of common shares, conversion of bonds, treasury share transactions, and excess of merger) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company’s capital surplus and once a year).

The excess of merger recognized from the Company's acquisition of China Fortune Marine Transport Corporation in 1993 was due to the excess of proceeds over the par value of the new shares issued to acquire China Fortune Marine Transport Corporation.

c. Retained earnings and dividend policy

The Company's Articles of Incorporation provide that the annual net income, after deductions for deficit, 10% legal reserve, special reserve required by FSC and any portion necessary for operations, together with prior years' unappropriated earnings, should be distributed as follows:

Regular dividends	60%
Special dividends	38%
Remuneration to directors and supervisors	1%
Employees' bonuses	1%

Dividends distributed to stockholders shall be paid pursuant to the allocation percentage stipulated in the articles of incorporation of the Company and consideration shall be given to the business perspective of the Company, the life cycle of various products or service provided, capital requirement in the future, the effect of possible changes of tax laws and the objective of maintaining a stable dividend policy. Cash dividend shall not be lower than 10% of total dividend and stockholder bonus for the year.

For the years ended December 31, 2014 and 2013, the bonus to employees were NT$21,888 thousand (US$692 thousand) and NT$17,511 thousand (US$588 thousand) and remuneration to directors and supervisors were NT$21,888 thousand (US$692 thousand) and NT$17,511 thousand (US$588 thousand), respectively, were both accrued at 1% of net income (net of the bonus to employees and remuneration). The amounts were estimated based on past experiences. 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 stockholders differ from the proposed amounts, the differences are recorded in the year of stockholders' resolution as a change in accounting estimate. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day preceding the stockholders' meeting.

The Company appropriates or reverses a special reserve in accordance with Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs". Distributions can be made out of any subsequent reversal of the debit to other equity items.

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

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

The appropriations of earnings for 2013 and 2012 had been approved in the shareholders' meetings on June 9, 2014 and June 24, 2013, respectively. The appropriations and dividends per share, bonus to employees and the remuneration to directors and supervisors were as follows:

	Appropriation of Earnings				Dividend Per Share (NT$)	
	2013		2012			
	New Taiwan Dollars	U.S. Dollars (Note 6)	New Taiwan Dollars	U.S. Dollars (Note 6)	2013	2012
Legal reserve	$ 156,690	$ 4,951	$ 180,425	$ 6,054		
Special reserve	(2,357,587)	(74,489)	1,640,746	55,049		
Cash dividends	1,716,033	54,219	2,145,042	71,969	$2.0	$2.5
	$ (484,864)	$ (15,319)	$ 3,966,213	$ 133,072		

	For the Year 2013		For the Year 2012	
	Cash Dividends	Stock Dividends	Cash Dividends	Stock Dividends
New Taiwan dollars				
Bonus to employees	$ 17,511	$ -	$ 21,888	$ -
Remuneration of directors and supervisors	17,511	-	21,888	-
U.S. dollars (Note 6)				
Bonus to employees	553	-	734	-
Remuneration of directors and supervisors	553	-	734	-

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

There was no difference between the amounts of the bonus to employees and the remuneration to directors and supervisors approved in the shareholders' meetings in 2014 and 2013 and the amounts recognized in the financial statements for the years ended December 31, 2013 and 2012.

The appropriations of earnings for 2014 had been proposed by the Company's board of directors on March 18, 2015. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share
	NT$	US$ (Note 6)	NT$
Legal reserve	$ 208,312	$ 6,582	
Special reserve	(858,397)	(27,122)	
Cash dividends	1,887,637	59,641	$2.2

The appropriations of earnings, the bonus to employees, and the remuneration to directors and supervisors for 2014 are subject to the resolution of the shareholders' meeting to be held on June 10, 2015.

Information on the bonus to employees, directors and supervisors proposed by the Company's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

d. Others equity items

1) Exchange differences on translating foreign operations

Exchange differences on translating net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (New Taiwan dollars) are recognized directly in exchange differences on translating foreign operations under other comprehensive income. Exchange differences accumulated in this account are reclassified to profit or loss on the disposal of the foreign operation.

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

Unrealized gain (loss) on available-for-sale financial assets are recorded as accumulated revaluation gain (loss) on available-for-sale financial assets at fair value in other comprehensive income and reclassified to profit or loss upon disposal or impairment of the related assets.

20. OTHER OPERATING REVENUE

Since the businesses of the Company and subsidiaries differ, the operating income in their individual financial statements also differs. Thus, the net operating income of Yue-Li, Yue-Tung and Falcon presented as other operating revenue in the consolidated comprehensive income statements was as follows:

	For the Year Ended December 31	
	2014	**2013**
New Taiwan dollars		
Sale of investments	$ 1,772,813	$ 1,447,512
Less: Cost of investments sold	1,768,415	1,308,400
Gain on sale of investments, net	4,398	139,112
Dividend income	171,123	124,261
	$ 175,521	$ 263,373
U.S. dollars (Note 6)		
Sale of investments	$ 56,013	$ 48,566
Less: Cost of investments sold	55,874	43,898
Gain on sale of investments, net	139	4,668
Dividend income	5,407	4,169
	$ 5,546	$ 8,837

21. ADDITIONAL INFORMATION ON EXPENSES

The following items were included in net income for the years ended December 31, 2014 and 2013:

a. Depreciation

	For the Year Ended December 31	
	2014	2013
New Taiwan dollars		
Property, plant and equipment	$ 1,838,069	$ 1,409,383
An analysis by function		
Operating costs	$ 1,835,299	$ 1,405,948
Operating expenses	2,770	3,435
	$ 1,838,069	$ 1,409,383
U.S. dollars (Note 6)		
Property, plant and equipment	$ 58,075	$ 47,287
An analysis by function		
Operating costs	$ 57,987	$ 47,172
Operating expenses	88	115
	$ 58,075	$ 47,287

b. Employee benefits expense

	For the Year Ended December 31	
	2014	2013
New Taiwan dollars		
Salary expense		
Termination benefits	$ -	$ 26,326
Others	1,008,856	873,283
	1,008,856	899,609
Insurance expense	24,628	25,018
Post-employment benefits (Note 18)		
Defined contribution plans	15,802	16,676
Defined benefit plans	21,711	22,355
	37,513	39,031
Other employee benefits	98,499	84,009
Total employee benefits expense	$ 1,169,496	$ 1,047,667
An analysis by function		
Operating costs	$ 980,669	$ 887,824
Operating expenses	188,827	159,843
	$ 1,169,496	$ 1,047,667

(Continued)

	For the Year Ended December 31	
	2014	2013
U.S. dollars (Note 6)		
Salary expense		
Termination benefits	$ -	$ 883
Others	31,876	29,300
	31,876	30,183
Insurance expense	778	839
Post-employment benefits (Note 18)		
Defined contribution plans	499	560
Defined benefit plans	686	750
	1,185	1,310
Other employee benefits	3,112	2,819
Total employee benefits expense	$ 36,951	$ 35,151
An analysis by function		
Operating costs	$ 30,985	$ 29,788
Operating expenses	5,966	5,363
	$ 36,951	$ 35,151

(Concluded)

As of December 31, 2014 and 2013, the Group had 858 and 788 employees, respectively.

22. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2014	2013
New Taiwan dollars		
Current tax		
In respect of the current year	$ 31,089	$ 35,236
Income tax expense of unappropriated earnings	205,379	246
In respect of prior periods	-	1
	236,468	35,483
Deferred tax		
In respect of the current year	52,686	29,403
Income tax expense recognized in profit or loss	$ 289,154	$ 64,886

(Continued)

	For the Year Ended December 31	
	2014	2013
U.S. dollars (Note 6)		
Current tax		
In respect of the current year	$ 982	$ 1,183
Income tax expense of unappropriated earnings	6,489	8
In respect of prior periods	-	-
	7,471	1,191
Deferred tax		
In respect of the current year	1,665	986
Income tax expense recognized in profit or loss	$ 9,136	$ 2,177

(Concluded)

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

	For the Year Ended December 31	
	2014	2013
New Taiwan dollars		
Profit before tax	$ 2,372,271	$ 1,631,795
Income tax expense calculated at the statutory rate	$ 457,428	$ 352,315
Tax-exempt income	(426,822)	(324,111)
Additional income tax on unappropriated earnings	205,379	246
Non-deductible expenses in determining taxable income	3,672	2,565
Unrecognized loss carryforwards	(564)	(815)
Additional income tax under the Alternative Minimum Tax Act	31	6,025
Adjustments for prior years' tax	-	1
Others (temporary differences)	50,030	28,660
Income tax expense recognized in profit or loss	$ 289,154	$ 64,886
U.S. dollars (Note 6)		
Profit before tax	$ 74,953	$ 54,749
Income tax expense calculated at the statutory rate	$ 14,453	$ 11,821
Tax-exempt income	(13,486)	(10,874)
Additional income tax on unappropriated earnings	6,489	8
Non-deductible expenses in determining taxable income	116	86
Unrecognized loss carryforwards	(18)	(27)
Additional income tax under the Alternative Minimum Tax Act	1	202
Adjustments for prior years' tax	-	-
Others (temporary differences)	1,581	961
Income tax expense recognized in profit or loss	$ 9,136	$ 2,177

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

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

b. Current tax assets and liabilities

	December 31	
	2014	**2013**
New Taiwan dollars		
Current tax liabilities		
Income tax payable	$ 509,123	$ 208,384
U.S. dollars (Note 6)		
Current tax liabilities		
Income tax payable	$ 16,086	$ 6,992

The tax authorities did not agree to the Company's application of a tax treaty on the cash dividends from overseas investment. The Company applied for a review and correction by the tax authorities and provided supplementary documents. To be conservative, the Company recorded the possible impact of the 2011 to 2014 income taxes by reclassifying the amount from deferred tax liability of investments accounted for using equity method to current tax liabilities.

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2014

Deferred Tax Assets	**Opening Balance**	**Recognized in Profit or Loss**	**Recognized in Current Tax**	**Closing Balance**
New Taiwan dollars				
Temporary differences				
Unrealized exchange losses	$ -	$ 100,650	$ -	$ 100,650
Defined benefit plans	43,592	(6,339)	-	37,253
Property, plant and equipment	5,822	(5,165)	-	657
Deferred revenue	210	(61)	-	149
	$ 49,624	$ 89,085	$ -	$ 138,709

Deferred Tax Liabilities	**Opening Balance**	**Recognized in Profit or Loss**	**Recognized in Current Tax**	**Closing Balance**
New Taiwan dollars				
Temporary differences				
Investments accounted for using equity method	$ 494,242	$ 37,000	$ (101,554)	$ 429,688
Financial Instruments at fair value through profit or loss	4,671	119,281	-	123,952
Unrealized exchange gains	14,510	(14,510)	-	-
	$ 513,423	$ 141,771	$ (101,554)	$ 553,640

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Current Tax	Changes in Translation Adjustment	Closing Balance
U.S. dollars (Note 6)					
Temporary differences					
Unrealized exchange losses	$ -	$ 3,180	$ -	$ -	$ 3,180
Defined benefit plans	1,463	(200)	-	(86)	1,177
Property, plant and equipment	195	(163)	-	(11)	21
Deferred revenue	7	(2)	-	-	5
	$ 1,665	$ 2,815	$ -	$ (97)	$ 4,383

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Current Tax	Changes in Translation Adjustment	Closing Balance
U.S. dollars (Note 6)					
Temporary differences					
Investments accounted for using equity method	$ 16,582	$ 1,169	$ (3,209)	$ (966)	$ 13,576
Financial Instruments at fair value through profit or loss	157	3,769	-	(9)	3,917
Unrealized exchange gains	487	(458)	-	(29)	-
	$ 17,226	$ 4,480	$ (3,209)	$ (1,004)	$ 17,493

For the year ended December 31, 2013

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Current Tax	Closing Balance
New Taiwan dollars				
Temporary differences				
Defined benefit plans	$ 46,529	$ (2,937)	$ -	$ 43,592
Property, plant and equipment	11,184	(5,362)	-	5,822
Deferred revenue	271	(61)	-	210
Financial Instruments at fair value through profit or loss	35,738	(35,738)	-	-
	$ 93,722	$ (44,098)	$ -	$ 49,624

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Current Tax	Closing Balance
New Taiwan dollars				
Temporary differences				
Investments accounted for using equity method	$ 672,000	$ 24,438	$ (202,196)	$ 494,242
Unrealized exchange gains	58,314	(43,804)	-	14,510
Financial Instruments at fair value through profit or loss	-	4,671	-	4,671
	$ 730,314	$ (14,695)	$ (202,196)	$ 513,423

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Current Tax	Changes in Translation Adjustment	Closing Balance
U.S. dollars (Note 6)					
Temporary differences					
Defined benefit plans	$ 1,602	$ (98)	$ -	$ (41)	$ 1,463
Property, plant and equipment	385	(180)	-	(10)	195
Deferred revenue	9	(2)	-	-	7
Financial Instruments at fair value through profit or loss	1,231	(1,199)	-	(32)	-
	$ 3,227	$ (1,479)	$ -	$ (83)	$ 1,665

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Current Tax	Changes in Translation Adjustment	Closing Balance
U.S. dollars (Note 6)					
Temporary differences					
Investments accounted for using equity method	$ 23,140	$ 820	$ (6,784)	$ (594)	$ 16,582
Unrealized exchange gains	2,008	(1,470)	-	(51)	487
Financial Instruments at fair value through profit or loss	-	157	-	-	157
	$ 25,148	$ (493)	$ (6,784)	$ (645)	$ 17,226

d. Unused carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheet

	December 31	
	2014	**2013**
New Taiwan dollars		
Loss carryforwards		
Expire in 2019	$ 496,007	$ 499,326
Expire in 2021	184,807	184,807
	$ 680,814	$ 684,133
U.S. dollars (Note 6)		
Loss carryforwards		
Expire in 2019	$ 15,672	$ 16,753
Expire in 2021	5,839	6,201
	$ 21,511	$ 22,954

e. Integrated income tax

	December 31	
	2014	**2013**
New Taiwan dollars		
Unappropriated earnings generated on and after January 1, 1998	$ 9,986,974	$ 7,388,568
Imputation credit accounts	$ 379,749	$ 287,463
U.S. dollars (Note 6)		
Unappropriated earnings generated on and after January 1, 1998	$ 315,544	$ 247,897
Imputation credit accounts	$ 11,998	$ 9,645

The creditable ratio for distribution of earnings of 2014 and 2013 was 3.80% (expected ratio) and 4.42%, respectively.

f. Income tax assessments

The tax returns through 2012 of the Company have been assessed by the tax authorities. The tax returns through 2011 of Yue-Li Investment Corporation and Yue-Tung Investment Corporation have been assessed by the tax authorities. However, the Company disagreed with the tax authorities' assessment of its 2012 and 2011 tax return and applied for a review and correction. Therefore, the final assessment may differ from the prior one.

23. EARNINGS PER SHARE

The numerators and denominators used in calculating basic and diluted EPS were as follows:

a. Income for the year

	For the Year Ended December 31	
	2014	2013
New Taiwan dollars		
Consolidated net income of common stockholders	$ 2,083,117	$ 1,566,909
Effect of potential dilutive common stock		
Bonuses to employees	-	-
Income attributable to common stockholders plus effect of potential dilutive common stock	$ 2,083,117	$ 1,566,909
U.S. dollars (Note 6)		
Consolidated net income of common stockholders	$ 65,817	$ 52,572
Effect of potential dilutive common stock		
Bonuses to employees	-	-
Income attributable to common stockholders plus effect of potential dilutive common stock	$ 65,817	$ 52,572

b. Shares

(In Thousands)

	For the Year Ended December 31	
	2014	2013
Weighted-average outstanding shares	858,017	858,017
Effect of potential dilutive common stock		
Bonuses to employees	598	584
Weighted-average outstanding shares plus effect of potential dilutive common stock	858,615	858,601

If the Group was able to settle bonuses paid to employees by cash or shares, the Group presumed the entire amount of the bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

24. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

Operating leases relate to leases of office with lease term 1-3 year. The Group does not have a bargain purchase option to acquire the leased office at the expiration of the lease periods. The contracts are re-signed annually. There is no clause of irrevocability or contingent compensation in the contract during the lease.

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

	December 31	
	2014	**2013**
New Taiwan dollars		
Not later than 1 year	$ 23,701	$ 3,240
Later than 1 year and not later than 5 years	40,017	1,564
	$ 63,718	$ 4,804
U.S. dollars (Note 6)		
Not later than 1 year	$ 749	$ 109
Later than 1 year and not later than 5 years	1,264	52
	$ 2,013	$ 161

25. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity.) Key management personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, or the amount of new debt issued or existing debt redeemed.

The Group is not subject to any externally imposed capital requirements.

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

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

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

	December 31			
	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
New Taiwan dollars				
Financial assets				
Held-to-maturity investments	$ -	$ -	$ 1,811,039	$ 1,781,368
U.S. dollars (Note 6)				
Financial assets				
Held-to-maturity investments	-	-	60,763	59,767

2) Fair value measurements recognized in the consolidated balance sheets

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

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

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

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

December 31, 2014

	Level 1	Level 2	Level 3	Total
New Taiwan dollars				
Financial assets at FVTPL				
Derivative instrument	$ -	$ 779,749	$ -	$ 779,749
Non-derivative financial assets held for trading	549,439	-	-	549,439
	$ 549,439	$ 779,749	$ -	$ 1,329,188
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 5,253,060	$ -	$ -	$ 5,253,060
Securities listed in other countries				
Mutual funds	-	3,355,096	-	3,355,096
Equity securities	804,544	-	-	804,544
	$ 6,057,604	$ 3,355,096	$ -	$ 9,412,700

(Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivative instrument	$ -	$ 24,196	$ -	$ 24,196

U.S. dollars (Note 6)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instrument	$ -	$ 24,636	$ -	$ 24,636
Non-derivative financial assets held for trading	17,360	-	-	17,360
	$ 17,360	$ 24,636	$ -	$ 41,996
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 165,973	$ -	$ -	$ 165,973
Securities listed in other countries				
Mutual funds	-	106,006	-	106,006
Equity securities	25,420	-	-	25,420
	$ 191,393	$ 106,006	$ -	$ 297,399
Financial liabilities at FVTPL				
Derivative instrument	$ -	$ 764	$ -	$ 764

(Concluded)

December 31, 2013

	Level 1	Level 2	Level 3	Total
New Taiwan dollars				
Financial assets at FVTPL				
Derivative instrument	$ -	$ 155,887	$ -	$ 155,887
Non-derivative financial assets held for trading	620,543	-	-	620,543
	$ 620,543	$ 155,887	$ -	$ 776,430
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 5,797,554	$ -	$ -	$ 5,797,554
Securities listed in other countries				
Mutual funds	-	3,334,503	-	3,334,503
Equity securities	769,380	-	-	769,380
	$ 6,566,934	$ 3,334,503	$ -	$ 9,901,437
Financial liabilities at FVTPL				
Derivative instrument	$ -	$ 35,622	$ -	$ 35,622

(Continued)

	Level 1	Level 2	Level 3	Total
U.S. dollars (Note 6)				
Financial assets at FVTPL				
Derivative instrument	$ -	$ 5,230	$ -	$ 5,230
Non-derivative financial assets held for trading	20,820	-	-	20,820
	$ 20,820	$ 5,230	$ -	$ 26,050
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 194,516	$ -	$ -	$ 194,516
Securities listed in other countries				
Mutual funds	-	111,877	-	111,877
Equity securities	25,814	-	-	25,814
	$ 220,330	$ 111,877	$ -	$ 332,207
Financial liabilities at FVTPL				
Derivative instrument	$ -	$ 1,195	$ -	$ 1,195

(Concluded)

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

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

a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

b) The fair values of derivative instruments were calculated by using discounted cash flow with the applicable yield curve of derivatives' subsisting period. The cross currency swap contracts' fair value were measured using quoted forward exchange rates and estimated future cash flows with discounted present value of yield curves derived from quoted interest rates. Interest rate swap contracts' fair value were measured using estimated future cash flows with the discounted present value of yield curves derived from quoted interest rates. The estimates and assumption used by the Group are consistent with those used by market participants in pricing financial instruments.

b. Categories of financial instruments

	December 31	
	2014	2013
New Taiwan dollars		
Financial assets		
Fair value through profit or loss (FVTPL)	$ 1,329,188	$ 776,430
Available-for-sale financial assets (1)	10,305,643	10,794,380
Held-to-maturity investments	-	1,811,039
Loans and receivables (2)	20,763,144	14,575,096

(Continued)

	December 31	
	2014	2013
Financial liabilities		
Fair value through profit or loss (FVTPL)	$ 24,196	$ 35,622
Amortized cost (3)	32,634,549	24,135,273
U.S. dollars (Note 6)		
Financial assets		
Fair value through profit or loss (FVTPL)	41,996	26,050
Available-for-sale financial assets (1)	325,612	362,167
Held-to-maturity investments	-	60,763
Loans and receivables (2)	656,023	489,016
Financial liabilities		
Fair value through profit or loss (FVTPL)	764	1,195
Amortized cost (3)	1,031,109	809,772
		(Concluded)

1) The balances included the carrying amount of held-for-trading financial assets measured at cost.

2) The balances included cash and cash equivalents, trade receivables, other receivables, refundable deposits and long-term receivables at amortized cost.

3) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, trade payable, other payable, lease payable, and bonds payable.

c. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, derivative financial instruments, accounts receivable, accounts payable, bonds payable and borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see a) below) and interest rates (see b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

a) Cross-currency swap contracts to mitigate the exchange rate risk and interest rates arising from the Company's foreign currency denominated loans due to foreign operations and the subsidiaries' loans due to bank;

b) Interest rate swaps to mitigate the risk of rising interest rates.

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

a) Foreign currency risk

The Group is exposed to foreign currencies arising from engagement in foreign-currency transactions and investments. The Group used cross currency swap contracts to hedge against adverse risks pertaining to exchange rates.

The carrying values of the Group's monetary assets and liabilities denominated in nonfunctional currency (including the monetary items denominated in nonfunctional currency and had been excluded from consolidated financial statements) were set out in Note 30.

The Group use cross-currency swap contracts maturing the terms of foreign currency denominated borrowings to maximize hedge effectiveness.

Sensitivity analysis

The Group was mainly exposed to USD and RMB.

The following table details the Group's sensitivity to a 10% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity analysis included outstanding foreign currency denominated monetary items and foreign currency denominated loan due to foreign operations, and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit with New Taiwan dollars strengthen 10% against the relevant currency. For a 10% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	USD		**RMB**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2014	**2013**	**2014**	**2013**
Profit or loss	$1,457,403 (i)	$1,364,904 (i)	$(387,821)(ii)	$(87,956) (ii)

i. This was mainly attributable to the exposure to the Company's USD denominated loans due to foreign operations.

ii. This was mainly attributable to the exposure to the Group's RMB denominated time deposits and bonds investments.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and cross-currency swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

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

	December 31	
	2014	**2013**
New Taiwan dollars		
Fair value interest rate risk		
Financial assets	$ 18,686,381	$ 12,692,741
Financial liabilities	16,061,279	12,722,978
Cash flow interest rate risk		
Financial assets	381,813	322,997
Financial liabilities	15,595,552	10,470,374
U.S. dollars (Note 6)		
Fair value interest rate risk		
Financial assets	590,407	425,859
Financial liabilities	507,466	426,874
Cash flow interest rate risk		
Financial assets	12,064	10,837
Financial liabilities	492,751	351,296

The Group was exposed to cash flow interest rate risk in relation to floating-rate bank borrowings.

The Group aims to keep borrowings at fixed rates. In order to achieve this result, the Group entered into cross-currency swap contracts and interest rate swaps to hedge its exposures to changes in cash flow of the borrowings. The critical terms of these cross-currency swap contracts and interest rate swaps are similar to those of hedged borrowings. The Group's cash flow interest rate risk was mainly concentrated in the fluctuation of LIBOR arising from the Group's New Taiwan dollars and USD denominated borrowings.

The Group was also exposed to fair value interest rate risk in relation to fixed-rate bank borrowings and pay-fixed/receive-floating interest rate swaps. It is the Group's policy to keep its borrowings at fixed rate of interests so as to minimize the cash flow interest rate risk.

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2014 and 2013 would decrease/increase by NT$76,069 thousand (US$2,403 thousand) and NT$50,737 thousand (US$1,702 thousand), respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. The Group manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk was mainly concentrated on equity instruments quoted in the Taiwan Stock Exchange. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

<u>Sensitivity analysis</u>

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

If equity prices had been 10% higher/lower, pre-tax profit for the years ended December 31, 2014 and 2013 would have increased/decreased by NT$54,944 thousand (US$1,736 thousand) and NT$62,054 thousand (US$2,082 thousand), respectively, as a result of the changes in fair value of held-for-trading investments, and the pre-tax other comprehensive income for the years ended December 31, 2014 and 2013 would increase/decrease by NT$941,270 thousand (US$29,740 thousand) and NT$990,144 thousand (US$33,220 thousand), respectively, as a result of the changes in fair value of available-for-sale shares.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers.

The Group's concentration of credit risk was related to the customers whose balances of trade receivables are top five of the Group. The Group's exposure and the credit ratings of its counterparties are continuously monitored. When the counterparties are associates, the Company will consider them as similar nature of the counterparties. In the year of 2014 and 2013, the case of concentrations of the credit risk of any counterparty did not exceed 1% of the total monetary assets.

3) Liquidity risk

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

Bank loans are a significant source of the Group's liquidity. As of December 31, 2014 and 2013, the Group's unused bank credit lines were NT$7,766,600 thousand (US$245,390 thousand) and NT$10,910,370 thousand (US$366,058 thousand), respectively.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecast and actual cash flows as well as matching the maturity profiles of financial assets and liabilities.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

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

December 31, 2014

	On Demand or Within 1 Year	1-5 Years	More Than 5 Years
New Taiwan dollars			
Nonderivative financial liabilities			
No interest-bearing	$ 977,718	$ -	$ -
Finance lease payables	899,597	1,002,132	-
Floating interest rate instruments	1,966,407	9,055,419	4,963,522
Fixed interest rate instruments	9,102,643	5,354,260	-
	$ 12,946,365	$ 15,411,811	$ 4,963,522
U.S. dollars (Note 6)			
Nonderivative financial liabilities			
No interest-bearing	$ 30,892	$ -	$ -
Finance lease payables	28,423	31,663	-
Floating interest rate instruments	62,130	286,111	156,825
Fixed interest rate instruments	287,603	169,171	-
	$ 409,048	$ 486,945	$ 156,825

December 31, 2013

	On Demand or Within 1 Year	1-5 Years	More Than 5 Years
New Taiwan dollars			
Nonderivative financial liabilities			
No interest-bearing	$ 941,921	$ -	$ -
Finance lease payables	113,350	214,107	-
Floating interest rate instruments	1,083,312	7,011,196	3,160,742
Fixed interest rate instruments	7,860,805	4,901,497	-
	$ 9,999,388	$ 12,126,800	$ 3,160,742

(Continued)

	On Demand or Within 1 Year	1-5 Years	More Than 5 Years
U.S. dollars (Note 6)			
Nonderivative financial liabilities			
No interest-bearing	$ 31,602	$ -	$ -
Finance lease payables	3,803	7,184	-
Floating interest rate instruments	36,347	235,235	106,047
Fixed interest rate instruments	263,741	164,452	-
	$ 335,493	$ 406,871	$ 106,047

(Concluded)

Taking into account the Group's financial position, management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment.

The amount of floating interest rate instruments of the nonderivative financial assets and liabilities will vary due to the difference between floating interest rate and the expected interest rate on balance sheet dates.

b) Liquidity and interest risk rate tables for derivative financial liabilities

The following table detailed the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and on the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

December 31, 2014

	On Demand or Within 1 Year	1-5 Years	More Than 5 Years
New Taiwan dollars			
Net settled			
Interest rate swap	$ (6,278)	$ (125,287)	$ (251,266)
Gross settlement			
Cross-currency swap			
Inflows	$ 16,238,015	$ 833,332	$ 425,537
Outflows	(15,465,112)	(700,722)	(406,411)
	$ 772,903	$ 132,610	$ 19,126
U.S. dollars (Note 6)			
Net settled			
Interest rate swap	$ (198)	$ (3,959)	$ (7,939)
Gross settlement			
Cross-currency swap			
Inflows	$ 513,049	$ 26,330	$ 13,445
Outflows	(488,629)	(22,140)	(12,841)
	$ 24,420	$ 4,190	$ 604

December 31, 2013

	On Demand or Within 1 Year	1-5 Years	More Than 5 Years
New Taiwan dollars			
Net settled			
Interest rate swap	$ (2,414)	$ (48,317)	$ (106,713)
Gross settlement			
Cross-currency swap			
Inflows	$ 13,762,795	$ 862,273	$ 389,735
Outflows	(13,736,660)	(729,791)	(351,941)
	$ 26,135	$ 132,482	$ 37,794
U.S. dollars (Note 6)			
Net settled			
Interest rate swap	$ (81)	$ (1,621)	$ (3,580)
Gross settlement			
Cross-currency swap			
Inflows	$ 461,761	$ 28,930	$ 13,076
Outflows	(460,884)	(24,485)	(11,808)
	$ 877	$ 4,445	$ 1,268

27. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Operating revenue

Account Items	Related Parties Types	For the Year Ended December 31 2014	2013
New Taiwan dollars			
Freight revenue	Investors that have significant influence over the Group	$ 996,145	$ 1,176,711
	Related party in substance	432,646	456,718
		$ 1,428,791	$ 1,633,429
U.S. dollars (Note 6)			
Freight revenue	Investors that have significant influence over the Group	$ 31,474	$ 39,480
	Related party in substance	13,669	15,324
		$ 45,143	$ 54,804

Freight rates are based on each vessel's route, port call and loading/unloading rate, plus a markup to be negotiated on the basis of conditions and the specifications of bulk cement carriers. With the exception of the above charters, the terms of the transactions with related parties are generally the same as those for unrelated parties.

b. Purchases of goods

Account Items	Related Parties Types	For the Year Ended December 31 2014	2013
New Taiwan dollars			
Freight costs	Related party in substance	$ 16,580	$ 4,048
U.S. dollars (Note 6)			
Freight costs	Related party in substance	$ 524	$ 136

Freight costs included the expenses in the repair of vessels provided by substantive related parties to the Group.

c. Receivables from related parties (excluding loans to related parties)

Account Items	Related Parties Types	December 31 2014	2013
New Taiwan dollars			
Trade receivables from related parties	Investors that have significant influence over the Group	$ 68,763	$ 138,561
	Related party in substance	443	54,821
		$ 69,206	$ 193,382
U.S. dollars (Note 6)			
Trade receivables from related parties	Investors that have significant influence over the Group	$ 2,173	$ 4,649
	Related party in substance	14	1,839
		$ 2,187	$ 6,488

No guarantees have been given or received for receivables from related parties. No bad debt expenses were recognized on the amounts owed by related parties for the years ended December 31, 2014 and 2013.

The revolving funds for ships deposited in the Group from Asia Cement are recognized as temporary receipts. As of December 31, 2014 and 2013, the amount were both NT$15,000 thousand (US$474 thousand).

d. Prepayments

Account Items	Related Parties Types	December 31 2014	December 31 2013
New Taiwan dollars			
Prepaid expenses	Related party in substance	$ 44,678	$ -
U.S. dollars (Note 6)			
Prepaid expenses	Related party in substance	$ 1,412	$ -

e. Financial assets acquired

For the year ended December 31, 2014

Related Party Categories	Account Items	Number of Shares (in Thousand)	Underlying Assets	Acquired Price
New Taiwan dollars				
Related party in substance	Available-for-sale financial assets - current	34	Opas Fund Segregated Portfolio Tranche	$ 1,212,240
U.S. dollars (Note 6)				
Related party in substance	Available-for-sale financial assets - current	34	Opas Fund Segregated Portfolio Tranche	$ 38,301

For the year ended December 31, 2013

Related Party Categories	Account Items	Number of Shares (in Thousand)	Underlying Assets	Acquired Price
New Taiwan dollars				
Related party in substance	Available-for-sale financial assets - current	48	Opas Fund Segregated Portfolio Tranche	$ 2,190,827
U.S. dollars (Note 6)				
Related party in substance	Available-for-sale financial assets - current	48	Opas Fund Segregated Portfolio Tranche	$ 73,505

The nature of transaction between the Group and OPAS Fund Company is investment. The Group invested through OPAS Fund Company's platform in order to obtain or dispose the overseas funds of OPAS Fund Segregated Portfolio Tranche. The decisions about the overseas fund portfolio were made and managed by the investment committee composed of investors including the Group.

f. Financial assets disposed

For the year ended December 31, 2014

Related Party Categories	Account Items	Number of Shares (in Thousand)	Underlying Assets	Disposed Price	Gain (Loss) on Disposal
New Taiwan dollars					
Related party in substance	Available-for-sale financial assets - current	43	Opas Fund Segregated Portfolio Tranche	$ 1,466,288	$ 128,414
U.S. dollars (Note 6)					
Related party in substance	Available-for-sale financial assets - current	43	Opas Fund Segregated Portfolio Tranche	$ 46,328	$ 4,057

For the year ended December 31, 2013

Related Party Categories	Account Items	Number of Shares (in Thousand)	Underlying Assets	Disposed Price	Gain (Loss) on Disposal
New Taiwan dollars					
Related party in substance	Available-for-sale financial assets - current	55	Opas Fund Segregated Portfolio Tranche	$ 2,145,267	$ 102,380
	Financial assets measured at cost - non-current	5,888	Common Stock of Shihhsin Storage & Transportation Co., Ltd.	105,437	49,891
				$ 2,250,704	$ 152,271
U.S. dollars (Note 6)					
Related party in substance	Available-for-sale financial assets - current	55	Opas Fund Segregated Portfolio Tranche	$ 71,977	$ 3,435
	Financial assets measured at cost - non-current	5,888	Common Stock of Shihhsin Storage & Transportation Co., Ltd.	3,538	1,680
				$ 75,515	$ 5,115

g. Loans to related parties

For information about loans to related parties, refer to Table 1.

h. Endorsements and guarantees

For information about endorsements and guarantees, refer to Table 2.

i. Other transactions with related parties

In July 2014, the Group participated in the issuance of new shares of Global Energy Maritime Co., Ltd. and obtained 55,340 thousand shares for NT$553,400 thousand (US$17,485 thousand). The Group's percentage of ownership in Global Energy Maritime Co., Ltd. increased to 40%. The Group has no power to govern the operation of Global Energy Maritime Co., Ltd.; therefore it is classified as associate of the Group.

j. Others

The Group leased office from related party in substance and investors with significant influence on the Group; the rent expense recognized and paid was both NT$20,748 thousand (US$656 thousand) for the years ended December 31, 2014 and 2013. In addition, the amount of refundable deposits for lease were all NT$4,573 thousand (US$144 thousand) as of December 31, 2014 and 2013.

k. Compensation of key management personnel

	For the Year Ended December 31	
	2014	**2013**
New Taiwan dollars		
Short-term employee benefits	$ 54,082	$ 42,338
Post-employment benefits	3,368	3,342
	$ 57,450	$ 45,680
U.S. dollars (Note 6)		
Short-term employee benefits	$ 1,709	$ 1,421
Post-employment benefits	106	112
	$ 1,815	$ 1,533

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged or mortgaged as collaterals for certain short-term bills payable, bank loans, and cash deposit of Taiwan Power Company:

	December 31	
	2014	**2013**
New Taiwan dollars		
Property, plant and equipment (transportation)	$ 15,370,599	$ 13,691,273
Available-for-sale financial assets	2,126,657	2,385,141
Pledge deposits (classified as refundable deposits)	27,912	27,451
	$ 17,525,168	$ 16,103,865
U.S. dollars (Note 6)		
Property, plant and equipment (transportation)	$ 485,643	$ 459,362
Available-for-sale financial assets	67,193	80,025
Pledge deposits (classified as refundable deposits)	882	921
	$ 553,718	$ 540,308

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

a. Significant commitments

1) The Group chartered several bulk carriers from other companies, from which revenues were NT$290,735 thousand (US$9,186 thousand) and NT$702,797 thousand (US$23,580 thousand) in 2014 and 2013, respectively.

2) Taiwan Power Company (TPC) has chartered one Panamax bulk carrier of the Company on a per voyage basis to transport cargo in the Pacific route through March 2015.

3) The Company has entered into the agreement with Taiwan Power Company (TPC) to provide operation services for two ships of TPC - Taipower Prosperity Ⅴ and Taipower Prosperity Ⅶ through 2017.

4) U-Ming Singapore entered into the shipbuilding contracts with Oshima Shipbuilding Co., Ltd. and Shanghai Waigaoqiao Shipbuilding Co., Ltd. for them to construct 11 bulk carriers for US$212,800 thousand and US$187,200 thousand, respectively. The total contract price is US$400,000 thousand. As of December 31, 2013, U-Ming Singapore had paid US$82,080 thousand.

5) The Company had provided commitment letters to Chinatrust Commercial Bank for the credit line of subsidiaries Yue-Li and Yue-Tung for NT$100,000 thousand (US$3,160 thousand) and NT$50,000 thousand (US$1,580 thousand), respectively. According to the commitment letters, the Company had provided the sustainability plan of investment ratio and arrangement of borrowers' repayment obligation. The Company had not provided any guarantee and obligation to the commitment items.

b. Contingencies

The Group had financial guarantees given to banks in respect of banking facilities to associates and the related parties. As of December 31, 2014 and 2013, the financial guarantees amount were NT$497,694 thousand (US$15,725 thousand) and NT$554,264 thousand (US$18,596 thousand), respectively, and the borrowers from bank have utilized NT$404,670 thousand (US$12,786 thousand) and NT$455,038 thousand (US$15,267 thousand). Zero amounts were recognized as liability on the consolidated financial statements.

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

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

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
RMB	$ 761,628	0.1634 (RMB:USD)	$ 3,878,211
USD	1,815	31.65 (USD:NTD)	57,437
USD	796	6.119 (USD:RMB)	25,178
			$ 3,960,826
Non-monetary items			
HKD	102,965	0.1289 (HKD:USD)	$ 420,098
Financial liabilities			
Monetary items			
USD	463,085	31.65 (USD:NTD)	$ 14,656,650

December 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 808	6.0969 (USD:RMB)	$ 24,095
USD	4,901	29.805 (USD:NTD)	146,087
GBP	521	1.6534 (GBP:USD)	25,661
RMB	178,810	0.1640 (RMB:USD)	879,564
HKD	11,017	0.1289 (HKD:USD)	42,340
			$ 1,117,747
Non-monetary items			
HKD	111,288	0.1289 (HKD:USD)	$ 427,678
Financial liabilities			
Monetary items			
USD	463,655	29.805 (USD:NTD)	$ 13,819,227
GBP	53,592	1.6534 (GBP:USD)	2,640,990
			$ 16,460,217

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 3)

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital. (Table 4)

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 6)

9) Trading in derivative instruments. Please refer to Note 8

10) Intercompany relationships and significant intercompany transactions. (Table 7)

11) Information on investees. (Table 8)

b. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriated investment income, and limit on the amount of investment in the mainland China area. (Table 9)

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

32. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

a. Segment revenues and results

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

	Segment Revenues For the Year Ended December 31		Segment Profits For the Year Ended December 31	
	2014	2013	2014	2013
New Taiwan dollars				
Marine Transportation	$ 8,965,430	$ 7,144,575	$ 1,305,360	$ 490,107
Investment	175,521	263,373	167,396	262,288
Amount from continuing operations	$ 9,140,951	$ 7,407,948	1,472,756	752,395
Non-operating income and expenses			899,515	879,400
Income before income tax			$ 2,372,271	$ 1,631,795
U.S. dollars (Note 6)				
Marine Transportation	$ 283,268	$ 239,711	$ 41,244	$ 16,444
Investment	5,546	8,837	5,289	8,801
Amount from continuing operations	$ 288,814	$ 248,548	46,533	25,245
Non-operating income and expenses			28,420	29,504
Income before income tax			$ 74,953	$ 54,749

Reporting income is generated from transaction with external parties. There is no inter-segment transaction for the years ended December 31, 2014 and 2013, respectively.

Segment revenue represents the revenue earned by each segment. The amount is to provide the management basis to allocate resources to segments and to evaluate the performances.

b. Segment total assets and liabilities

	December 31	
	2014	2013
New Taiwan dollars		
Segment assets		
Marine transportation	$ 56,651,760	$ 44,652,248
Investment	4,775,002	5,277,920
Others	2,066,093	1,489,093
Consolidated total assets	$ 63,492,855	$ 51,419,261

(Continued)

	December 31	
	2014	2013
Segment liabilities		
Marine transportation	$ 34,989,787	$ 25,704,014
Investment	211,374	213,231
Others	143	118
Consolidated total liabilities	$ 35,201,304	$ 25,917,363
U.S. dollars (Note 6)		
Segment assets		
Marine transportation	$ 1,789,945	$ 1,498,147
Investment	150,869	177,082
Others	65,279	49,962
Consolidated total assets	$ 2,006,093	$ 1,725,191
Segment liabilities		
Marine transportation	$ 1,105,523	$ 862,407
Investment	6,678	7,154
Others	5	4
Consolidated total liabilities	$ 1,112,206	$ 869,565

(Concluded)

c. Geographical information

In the nature of marine transport business, the freighters operate across the world's oceans. Therefore, the disclosure of revenue and non-current assets information by geography is not applicable.

d. Information about major customers

Single customers contributed 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31			
	2014		2013	
	Amount	%	Amount	%
New Taiwan dollars				
BHP Billiton Freight Singapore Pte	$ 1,464,162	16	$ 627,218	8
Rio Tinto Shipping Pty Ltd.	1,229,910	13	927,218	13
Asia Cement Corporation	996,145	11	1,176,711	16
U.S. dollars (Note 6)				
BHP Billiton Freight Singapore Pte	46,261	16	21,044	8
Rio Tinto Shipping Pty Ltd.	38,860	13	31,109	13
Asia Cement Corporation	31,474	11	39,480	16

TABLE 1

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
												Item	Value		
1	U-Ming Transport (Singapore) Private Limited	U-Ming Marine Transport Corporation	Other receivable - related parties	$ 12,976,500	$ 12,976,500	$ 12,976,500	0.278% -0.306%	Short-term financing	$ -	Short-term financing	$ -	-	$ -	30% of net worth of subsidiary $13,756,059	40% of net worth of subsidiary $18,341,412
		Winyield Investment Ltd.	Long-term receivable - related parties	624,280	624,280	624,280	-	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary $13,756,059	40% of net worth of subsidiary $18,341,412
		Eagle Investment Private Limited	Other receivable - related parties	443,100	379,800	348,150	0.233%	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary $13,756,059	40% of net worth of subsidiary $18,341,412
		Cape Asia Newbuildings (III) Ltd.	Long-term receivable - related parties	166,164	166,164	166,162	-	Short-term financing	-	Purchasing equipment of ship	-	-	-	30% of net worth of subsidiary $13,756,059	40% of net worth of subsidiary $18,341,412
		Cape Asia Ltd.	Long-term receivable - related parties	3,165	3,165	3,165	-	Short-term financing	-	Operational revolving fund	-	-	-	30% of net worth of subsidiary $13,756,059	40% of net worth of subsidiary $18,341,412
2	U-Ming Transport (Hong Kong) Ltd.	U-Ming Marine Transport Corporation	Other receivable - related parties	1,582,500	1,582,500	1,582,500	0.278% -0.291%	Short-term financing	-	Short-term financing	-	-	-	30% of net worth of subsidiary $2,236,603	40% of net worth of subsidiary $2,982,138
		Overseas Shipping Pte. Ltd.	Other receivable - related parties	63,300	63,300	-	-	Short-term financing	-	Short-term financing	-	-	-	30% of net worth of subsidiary $2,236,603	40% of net worth of subsidiary $2,982,138

Note: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$31.65 as of December 31, 2014.

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of U.S. Dollars, Note 6)

No.	Lender	Borrower	Financial Statement Account	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
												Item	Value		
1	U-Ming Transport (Singapore) Private Limited	U-Ming Marine Transport Corporation	Other receivable - related parties	$ 410,000	$ 410,000	$ 410,000	0.278% -0.306%	Short-term financing	$ -	Short-term financing	$ -	-	$ -	30% of net worth of subsidiary $434,631	40% of net worth of subsidiary $579,507
		Winyield Investment Ltd.	Long-term receivable - related parties	19,724	19,724	19,724	-	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary $434,631	40% of net worth of subsidiary $579,507
		Eagle Investment Private Limited	Other receivable - related parties	14,000	14,000	14,000	0.233%	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary $434,631	40% of net worth of subsidiary $579,507
		Cape Asia Newbuildings (III) Ltd.	Long-term receivable - related parties	5,250	5,250	5,250	-	Short-term financing	-	Purchasing equipment of ship	-	-	-	30% of net worth of subsidiary $434,631	40% of net worth of subsidiary $579,507
		Cape Asia Ltd.	Long-term receivable - related parties	100	100	100	-	Short-term financing	-	Operational revolving fund	-	-	-	30% of net worth of subsidiary $434,631	40% of net worth of subsidiary $579,507
2	U-Ming Transport (Hong Kong) Ltd.	U-Ming Marine Transport Corporation	Other receivable - related parties	50,000	50,000	50,000	0.278% -0.291%	Short-term financing	-	Short-term financing	-	-	-	30% of net worth of subsidiary $70,667	40% of net worth of subsidiary $94,222
		Overseas Shipping Pte. Ltd.	Other receivable - related parties	2,000	2,000	-	-	Short-term financing	-	Short-term financing	-	-	-	30% of net worth of subsidiary $70,667	40% of net worth of subsidiary $94,222

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/ Guaranteed During the Period (Note)	Ending Balance (Note)	Actual Borrowing Amount (Note)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Amount to Net Equity in Latest Financial Statement	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given On Behalf of Companies in Mainland China
		Name	Relationship										
0	U-Ming Marine Transport Corporation	U-Ming Transport (Singapore) Private Limited	A subsidiary	50% of net worth of the Company $14,145,776	$ 6,176,814	$ 4,161,342	$ 4,161,342	$ -	14.71%	100% of net worth of the Company $28,291,551	Y	-	-
		U-Ming Transport (Hong Kong) Ltd.	A subsidiary	50% of net worth of the Company $14,145,776	1,867,350	1,857,855	1,857,855	-	6.56%	100% of net worth of the Company $28,291,551	Y	-	-
		Overseas Shipping Pte. Ltd.	An indirect subsidiary	50% of net worth of the Company $14,145,776	702,630	569,700	569,700	-	2.01%	100% of net worth of the Company $28,291,551	Y	-	-
1	U-Ming Transport (Singapore) Private Limited	Winyield Investment Ltd.	An investee accounted for using equity method by subsidiary	50% of net worth of the subsidiary $22,926,765	465,097	381,414	381,414	-	0.83%	100% of net worth of the subsidiary $45,853,530	-	-	-
2	Yue-Li Investment Corporation	Da Ju Fiber Co., Ltd.	An investee accounted for using financial assets carried at cost - noncurrent by subsidiary	50% of net worth of the subsidiary $1,156,660	116,280	116,280	23,256	-	5.03%	100% of net worth of the subsidiary $2,313,319	-	-	-

Note: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$31.65; as of December 31, 2014.

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of U.S. Dollars, Note 6)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/ Guaranteed During the Period (Note)	Ending Balance (Note)	Actual Borrowing Amount (Note)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Amount to Net Equity in Latest Financial Statement	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given On Behalf of Companies in Mainland China
		Name	Relationship										
0	U-Ming Marine Transport Corporation	U-Ming Transport (Singapore) Private Limited	A subsidiary	50% of net worth of the Company $446,944	$ 195,160	$ 131,480	$ 131,480	$ -	14.71%	100% of net worth of the Company $893,888	Y	-	-
		U-Ming Transport (Hong Kong) Ltd.	A subsidiary	50% of net worth of the Company $446,944	59,000	58,700	58,700	-	6.56%	100% of net worth of the Company $893,888	Y	-	-
		Overseas Shipping Pte. Ltd.	An indirect subsidiary	50% of net worth of the Company $446,944	22,200	18,000	18,000	-	2.01%	100% of net worth of the Company $893,888	Y	-	-
1	U-Ming Transport (Singapore) Private Limited	Winyield Investment Ltd.	An investee accounted for using equity method by subsidiary	50% of net worth of the subsidiary $724,384	14,695	12,051	12,051	-	0.83%	100% of net worth of the subsidiary $1,448,769	-	-	-
2	Yue-Li Investment Corporation	Da Ju Fiber Co., Ltd.	An investee accounted for using financial assets carried at cost - noncurrent by subsidiary	50% of net worth of the subsidiary $36,545	3,674	3,674	735	-	5.03%	100% of net worth of the subsidiary $73,091	-	-	-

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note		
				Shares/Units (Thousand)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note c)	Shares (Thousand) Provided as Pledge or Mortgage	Value of Pledged or Mortgaged Asset	Limit
U-Ming Marine Transport Corporation	Common stocks									
	Far Eastern New Century Corporation	The chairman is the same	Available-for-sale financial assets - current	30,569	$ 959,869	1	$ 959,869	10,000 (Note b)	$ 320,280	(Note a)
	Far Eastern International Bank	The chairman of the Company is its vice-chairman	Same as above	67,996	713,956	2	713,956	-	-	-
	Asia Cement Corporation	The major stockholder	Same as above	1,793	69,926	-	69,926	1,500 (Note b)	59,670	(Note a)
	Far EasTone Telecommunications Co., Ltd.	The chairman is the same	Same as above	331	24,163	-	24,163	-	-	-
	Oriental Union Chemical Corp.,	The chairman is the same	Same as above	99	2,714	-	2,714	-	-	-
	Far Eastern Department Stores Ltd.	The chairman is the same	Same as above	4	123	-	123	-	-	-
	Yue Yuan Investment Corporation	An investee accounted for using equity method by major stockholder	Financial assets carried at cost - noncurrent	91,487	344,296	18	1,453,363	-	-	-
Yue-Li Investment Corporation	Common stocks									
	Greatwall Ent	None	Financial assets at fair value through profit or loss - current	268	7,383	-	7,383	-	-	-
	Hon Hai Precision Ind. Co., Ltd.	None	Same as above	158	13,888	-	13,888	-	-	-
	Taiwan Semiconductor Manufacturing Co., Ltd.	None	Same as above	143	20,163	-	20,163	-	-	-
	Merry Electronics Co., Ltd.	None	Same as above	41	4,572	-	4,572	-	-	-
	Mediatek Inc.	None	Same as above	42	19,404	-	19,404	-	-	-
	Fubon Financial Holding Co., Ltd.	None	Same as above	242	12,269	-	12,269	-	-	-
	Ctbc Financial Holding Co., Ltd.	None	Same as above	924	18,988	-	18,988	-	-	-
	Novatek Microelectronics Corp.	None	Same as above	67	11,926	-	11,926	-	-	-
	Kinsus Interconnect Technology Corp.	None	Same as above	32	3,376	-	3,376	-	-	-
	Boardtek Electronics Cor.	None	Same as above	100	4,375	-	4,375	-	-	-
	Sercomm Corp.	None	Same as above	83	5,935	-	5,935	-	-	-
	Tong Hsing Electronic Industries, Ltd.	None	Same as above	43	4,687	-	4,687	-	-	-
	Ginko International Co., Ltd.	None	Same as above	6	2,022	-	2,022	-	-	-
	Taiwan Paiho Limited	None	Same as above	56	2,397	-	2,397	-	-	-
	Far Eastern International Bank	The chairman of the parent company is its vice-chairman	Available-for-sale financial assets - current	126,972	1,333,210	4 -	1,333,210	94,166 (Note b)	988,742	(Note a) -
	Far Eastern New Century Corporation	The chairman of the parent company is the same	Same as above	6,925	217,454	-	217,454	6,000 (Note b)	188,400	(Note a) -
	Asia Cement Corporation	The major stockholder of the parent company	Same as above	8,622	336,262	-	336,262	7,650 (Note b)	298,350	(Note a) -
	Oriental Union Chemical Corp.	The chairman of the parent company is the same	Same as above	4,862	133,456	1	133,456	2,000 (Note b)	54,900	(Note a) -
	CSBC Corporation, Taiwan	None	Same as above	5,246	87,614	1	87,614	-	-	-
	Far Eastern Department Stores Ltd.	The chairman of the parent company is the same	Same as above	1,769	49,886	-	49,886	-	-	-
	Everest Texttile Co., Ltd.	The chairman of the parent company is the same	Same as above	5	79	-	79	-	-	-
	Far Eastern Air Transport Corporation	None	Same as above	6	-	-	-	-	-	-
	Far EasTone Telecommunications Co., Ltd.	The chairman of the parent company is the same	Available-for-sale financial assets - noncurrent	2	135	-	135	-	-	-
	Da Ju Fiber Co., Ltd.	The Company is its director	Financial assets carried at cost - noncurrent	10,686	102,647	19	302,277	-	-	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note		
				Shares/Units (Thousand)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note c)	Shares (Thousand) Provided as Pledge or Mortgage	Value of Pledged or Mortgaged Asset	Limit
Yue-Tung Investment Corporation	Beneficiary certificates									
	DWS Invest Global Agribusiness Fund	None	Financial assets at fair value through profit or loss - current	3,382	$ 38,181	-	$ 38,181	-	$ -	-
	DWS TW Flagship Fund	None	Same as above	1,811	32,514	-	32,514	-	-	-
	DWS Multi Asset Income Plus Fund	None	Same as above	3,869	43,568	-	43,568	-	-	-
	DWS Global BioInnovation Fund	None	Same as above	3,816	42,393	-	42,393	-	-	-
	Common stocks									
	Greatwall Ent	None	Financial assets at fair value through profit or loss - current	211	5,813	-	5,813	-	-	-
	Hon Hai Precision Ind. Co., Ltd.	None	Same as above	124	10,900	-	10,900	-	-	-
	Taiwan Semiconductor Manufacturing Co., Ltd.	None	Same as above	114	16,074	-	16,074	-	-	-
	Merry Electronics Co., Ltd.	None	Same as above	33	3,679	-	3,679	-	-	-
	Mediatek Inc.	None	Same as above	33	15,246	-	15,246	-	-	-
	Fubon Financial Holding Co., Ltd.	None	Same as above	198	10,039	-	10,039	-	-	-
	Ctbc Financial Holding Co., Ltd.	None	Same as above	750	15,412	-	15,412	-	-	-
	Novatek Microelectronics Corp.	None	Same as above	55	9,790	-	9,790	-	-	-
	Kinsus Interconnect Technology Corp.	None	Same as above	27	2,849	-	2,849	-	-	-
	Boardtek Electronics Cor.	None	Same as above	76	3,325	-	3,325	-	-	-
	Sercomm Corp.	None	Same as above	66	4,719	-	4,719	-	-	-
	Tong Hsing Electronic Industries, Ltd.	None	Same as above	35	3,815	-	3,815	-	-	-
	Ginko International Co., Ltd.	None	Same as above	6	2,022	-	2,022	-	-	-
	Taiwan Paiho Limited	None	Same as above	44	1,883	-	1,883	-	-	-
	Far Eastern New Century Corporation	The chairman of the parent company is the same	Available-for-sale financial assets - current	798	25,055	-	25,055	-	-	-
	Far Eastern International Bank	The chairman of the parent company is its vice-chairman	Same as above	112,640	1,182,725	4	1,182,725	11,282 (Note b)	118,465	(Note a)
	Asia Cement Corporation	The major stockholder of the parent company	Same as above	2,985	116,433	-	116,433	2,700 (Note b)	105,300	(Note a)
	Far Eastern Air Transport Corporation	None	Same as above	2	-	-	-	-	-	
	Yue Yuan Investment Corporation	An investee accounted for using equity method by major stockholder of the parent company	Financial assets carried at cost - noncurrent	9,537	50,000	2	151,504	-	-	-
	Ding Shen Investment Co., Ltd.	The Company is its director	Same as above	39,600	396,000	18	411,034	-	-	-
U-Ming Transport (Singapore) Private Limited	Beneficiary certificates									
	HFT (HK) China RMB Fixed Income Fund	None	Financial assets at fair value through profit or loss - current	278	155,832	-	155,458			
	Opas Fund Segregated Portfolio Tranche A	Associates	Available-for-sale financial assets - current	20	661,328	-	661,328	-	-	-
	Opas Fund Segregated Portfolio Tranche B	Associates	Same as above	29	1,310,237	-	1,310,237	-	-	-
	Opas Fund Segregated Portfolio Tranche C	Associates	Same as above	24	979,082	-	979,082	-	-	-
	Opas Fund Segregated Portfolio Tranche E	Associates	Same as above	11	404,449	-	404,449	-	-	-
	Common stocks									
	Hutchison Port Holdings Trust	None	Available-for-sale financial assets - current	8,050	175,800	-	175,800	-	-	-
	Bank of Chongqing Co., Ltd.-H	None	Same as above	8,529	208,646	-	208,826	-	-	-
Falcon Investment Private Limited	Common stocks									
	Asia Cement (China) Holdings Corporation	The major stockholder of parent company is the same	Available-for-sale financial assets - current	21,342	394,434	-	394,451	-	-	-
	China Sanshui Cement Group Ltd.	None	Same as above	1,691	25,664	-	25,665	-	-	-

(Continued)

Note a: They cannot be traded in pledged period.

Note b: They are pledged as collateral for issuing commercial paper and credit line of bank loans.

Note c: Fair value are determined as follows: (a) listed stock closing price on December 31, 2014; (b) the equities in net assets of unlisted stocks are based on latest financial statements.

Note d: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$31.65 as of December 31, 2014.

(Concluded)

TABLE 3-1

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2014
(In Thousands of U.S. Dollars, Note 6)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note		
				Shares/Units (Thousand)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note c)	Shares (Thousand) Provided as Pledge or Mortgage	Value of Pledged or Mortgaged Asset	Limit
U-Ming Marine Transport Corporation	Common stocks									
	Far Eastern New Century Corporation	The chairman is the same	Available-for-sale financial assets - current	30,569	$ 30,328	1	$ 30,328	10,000 (Note b)	$ 10,119	(Note a)
							-			
	Far Eastern International Bank	The chairman of the Company is its vice-chairman	Same as above	67,996	22,558	2	22,558	-	-	-
	Asia Cement Corporation	The major stockholder	Same as above	1,793	2,209	-	2,209	1,500 (Note b)	1,885	(Note a)
	Far EasTone Telecommunications Co., Ltd.	The chairman is the same	Same as above	331	763	-	763	-	-	-
	Oriental Union Chemical Corp.,	The chairman is the same	Same as above	99	86	-	86	-	-	-
	Far Eastern Department Stores Ltd.	The chairman is the same	Same as above	4	4	-	4	-	-	-
	Yue Yuan Investment Corporation	An investee accounted for using equity method by major stockholder	Financial assets carried at cost - noncurrent	91,487	10,878	18	45,920	-	-	-
					-		-			
Yue-Li Investment Corporation	Common stocks									
	Greatwall Ent	None	Financial assets at fair value through profit or loss - current	268	233	-	233	-	-	-
	Hon Hai Precision Ind. Co., Ltd.	None	Same as above	158	439	-	439	-	-	-
	Taiwan Semiconductor Manufacturing Co., Ltd.	None	Same as above	143	637	-	637	-	-	-
	Merry Electronics Co., Ltd.	None	Same as above	41	144	-	144	-	-	-
	Mediatek Inc.	None	Same as above	42	613	-	613	-	-	-
	Fubon Financial Holding Co., Ltd.	None	Same as above	242	388	-	388	-	-	-
	Ctbc Financial Holding Co., Ltd.	None	Same as above	924	600	-	600	-	-	-
	Novatek Microelectronics Corp.	None	Same as above	67	377	-	377	-	-	-
	Kinsus Interconnect Technology Corp.	None	Same as above	32	107	-	107	-	-	-
	Boardtek Electronics Cor.	None	Same as above	100	138	-	138	-	-	-
	Sercomm Corp.	None	Same as above	83	188	-	188	-	-	-
	Tong Hsing Electronic Industries, Ltd.	None	Same as above	43	148	-	148	-	-	-
	Ginko International Co., Ltd.	None	Same as above	6	64	-	64	-	-	-
	Taiwan Paiho Limited	None	Same as above	56	76	-	76	-	-	-
	Far Eastern International Bank	The chairman of the parent company is its vice-chairman	Available-for-sale financial assets - current	126,972	42,123	4	42,123	94,166 (Note b)	31,240	(Note a)
	Far Eastern New Century Corporation	The chairman of the parent company is the same	Same as above	6,925	6,871	-	6,871	6,000 (Note b)	5,953	(Note a)
	Asia Cement Corporation	The major stockholder of the parent company	Same as above	8622	10,624	-	10,624	7,650 (Note b)	9,427	(Note a)
	Oriental Union Chemical Corp.	The chairman of the parent company is the same	Same as above	4862	4,217	1	4,217	2,000 (Note b)	1,735	(Note a)
	CSBC Corporation, Taiwan	None	Same as above	5246	2,768	1	2,768	-	-	-
	Far Eastern Department Stores Ltd.	The chairman of the parent company is the same	Same as above	1769	1,576	-	1,576	-	-	-
	Everest Texttile Co., Ltd.	The chairman of the parent company is the same	Same as above	5	2	-	2	-	-	-
	Far Eastern Air Transport Corporation	None	Same as above	6	-	-	-	-	-	-
	Far EasTone Telecommunications Co., Ltd.	The chairman of the parent company is the same	Available-for-sale financial assets - noncurrent	2	4	-	4	-	-	-
	Da Ju Fiber Co., Ltd.	The Company is its director	Financial assets carried at cost - noncurrent	10,686	3,243	19	9,551	-	-	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note		
				Shares/Units (Thousand)	**Carrying Value**	**Percentage of Ownership (%)**	**Fair Value (Note c)**	**Shares (Thousand) Provided as Pledge or Mortgage**	**Value of Pledged or Mortgaged Asset**	**Limit**
Yue-Tung Investment Corporation	Beneficiary certificates									
	DWS Invest Global Agribusiness Fund	None	Financial assets at fair value through profit or loss - current	3,382	$ 1,206	-	$ 1,206	-	$ -	-
	DWS TW Flagship Fund	None	Same as above	1,811	1,027	-	1,027	-	-	-
	DWS Multi Asset Income Plus Fund	None	Same as above	3,869	1,377	-	1,377	-	-	-
	DWS Global BioInnovation Fund	None	Same as above	3,816	1,339	-	1,339	-	-	-
	Common stocks									
	Greatwall Ent	None	Financial assets at fair value through profit or loss - current	211	184	-	184	-	-	-
	Hon Hai Precision Ind. Co., Ltd.	None	Same as above	124	344	-	344	-	-	-
	Taiwan Semiconductor Manufacturing Co., Ltd.	None	Same as above	114	508	-	508	-	-	-
	Merry Electronics Co., Ltd.	None	Same as above	33	116	-	116	-	-	-
	Mediatek Inc.	None	Same as above	33	482	-	482	-	-	-
	Fubon Financial Holding Co., Ltd.	None	Same as above	198	317	-	317	-	-	-
	Ctbc Financial Holding Co., Ltd.	None	Same as above	750	487	-	487	-	-	-
	Novatek Microelectronics Corp.	None	Same as above	55	309	-	309	-	-	-
	Kinsus Interconnect Technology Corp.	None	Same as above	27	90	-	90	-	-	-
	Boardtek Electronics Cor.	None	Same as above	76	105	-	105	-	-	-
	Sercomm Corp.	None	Same as above	66	149	-	149	-	-	-
	Tong Hsing Electronic Industries, Ltd.	None	Same as above	35	121	-	121	-	-	-
	Ginko International Co., Ltd.	None	Same as above	6	64	-	64	-	-	-
	Taiwan Paiho Limited	None	Same as above	44	59	-	59	-	-	-
	Far Eastern New Century Corporation	The chairman of the parent company is the same	Available-for-sale financial assets - current	798	792	-	792	-	-	-
	Far Eastern International Bank	The chairman of the parent company is its vice-chairman	Same as above	112,640	37,369	4	37,369	11,282 (Note b)	3,743	(Note a)
	Asia Cement Corporation	The major stockholder of the parent company	Same as above	2,985	3,679	-	3,679	2,700 (Note b)	3,327	(Note a)
	Far Eastern Air Transport Corporation	None	Same as above	2	-	-	-	-	-	-
	Yue Yuan Investment Corporation	An investee accounted for using equity method by major stockholder of the parent company	Financial assets carried at cost - noncurrent	9,537	1,580	2	4,787	-	-	-
	Ding Shen Investment Co., Ltd.	The Company is its director	Same as above	39,600	12,512	18	12,987	-	-	-
U-Ming Transport (Singapore) Private Limited	Beneficiary certificates									
	HFT (HK) China RMB Fixed Income Fund	None	Financial assets at fair value through profit or loss - current	278	4,924	-	4,912			
	Opas Fund Segregated Portfolio Tranche A	Associates	Available-for-sale financial assets - current	20	20,895	-	20,895	-	-	-
	Opas Fund Segregated Portfolio Tranche B	Associates	Same as above	29	41,398	-	41,398	-	-	-
	Opas Fund Segregated Portfolio Tranche C	Associates	Same as above	24	30,934	-	30,934	-	-	-
	Opas Fund Segregated Portfolio Tranche E	Associates	Same as above	11	12,779	-	12,779	-	-	-
	Common stocks									
	Hutchison Port Holdings Trust	None	Available-for-sale financial assets - current	8,050	5,555	-	5,555	-	-	-
	Bank of Chongqing Co., Ltd.-H	None	Same as above	8,529	6,592	-	6,598	-	-	-
Falcon Investment Private Limited	Common stocks									
	Asia Cement (China) Holdings Corporation	The major stockholder of parent company is the same	Available-for-sale financial assets - current	21,342	12,462	-	12,463	-	-	-
	China Sanshui Cement Group Ltd.	None	Same as above	1,691	811	-	811	-	-	-

(Continued)

Note a: They cannot be traded in pledged period.

Note b: They are pledged as collateral for issuing commercial paper and credit line of bank loans.

Note c: Fair value are determined as follows: (a) listed stock closing price on December 31, 2014; (b) the equities in net assets of unlisted stocks are based on latest financial statements.

(Concluded)

TABLE 4

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of U.S. Dollars, Note 6)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares (Thousand)	Amount	Shares (Thousand)	Amount	Shares (Thousand)	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares (Thousand)	Amount
U-Ming Marine Transport Corporation	Stock Global Energy Maritime Co., Ltd.	An investee accounted for using equity method	Issuance of new capital	Associates	21,060	$ 194,056	55,340	$ 553,400	-	$ -	$ -	$ -	76,400	$ 728,224
U-Ming Transport (Singapore) Private Limited	Beneficiary certificates Opas Fund Segregated Portfolio Tranche A	Available-for-sale financial assets - current	Beneficiary certificates transaction	Related party in substance	-	-	20	US$ 20,000	-	-	-	-	20	US$ 20,895 (Note a)
	Opas Fund Segregated Portfolio Tranche B	Available-for-sale financial assets - current	Beneficiary certificates transaction	Related party in substance	15	US$ 20,152	14	US$ 20,000	-	-	-	-	29	US$ 41,398 (Note b)
	Opas Fund Segregated Portfolio Tranche D	Available-for-sale financial assets - current	Beneficiary certificates transaction	Related party in substance	25	US$ 27,919	-	-	25	US$ 28,383	US$ 25,920	US$ 2,463	-	-
	Opas Fund Segregated Portfolio Tranche E	Available-for-sale financial assets - current	Beneficiary certificates transaction	Related party in substance	29	US$ 32,528	-	-	18	US$ 20,000	US$ 18,226	US$ 1,774	11	US$ 12,779 (Note c)

Note a: The amount included the unrealized gain adjustment of $895 thousand

Note b: The amount included the unrealized gain adjustment of $1,398 thousand.

Note c: The amount included the unrealized gain adjustment of $1,005 thousand.

TABLE 5

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Note/Accounts (Payable) or Receivable		Note
			Purchase/ (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
U-Ming Marine Transport Corporation	Asia Cement Corporation	The major shareholder	Sale	$ (677,632)	(54)	Upon completion of loading, within a month	ad hoc basis	ad hoc basis	$ 65,722	57	
	U-Ming Transport (Singapore) Private Limited	Subsidiary	Sale	(105,013)	(8)	-	-	-	32,239	28	
U-Ming Transport (Singapore) Private Limited	Asia Cement Corporation	The major shareholder of the parent company	Sale	(318,513)	(5)	Upon completion of loading, within 8 days	-	-	3,041	2	
	Jiangxi Yadong Cement Co., Ltd. (JYDC)	Subsidiary of the major shareholder of the parent company	Sale	(228,611)	(4)	Upon completion of loading, within 8 days	-	-	443	-	
	U-Ming Marine Transport Corporation	The parent company	Purchase	105,013	2	-	-	-	(32,239)	(8)	
	U-Ming Transport (Hong Kong) Ltd.	The parent company is the same	Purchase	362,421	7	-	-	-	(42,356)	(29)	
U-Ming Transport (Hong Kong) Ltd.	U-Ming Transport (Singapore) Private Limited	The parent company is the same	Sale	(362,421)	(24)	-	-	-	42,356	55	

Note: The foreign-currency amounts of original investment amount and carrying value were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$31.65 as of December 31, 2014; the foreign-currency amount of net income was translated into New Taiwan dollars at average exchange rate of US$1=NT$30.306 for the year ended December 31, 2014.

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of U.S. Dollars, Note 6)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Note/Accounts (Payable) or Receivable		Note
			Purchase/ (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
U-Ming Marine Transport Corporation	Asia Cement Corporation	The major shareholder	Sale	$ (21,410)	(54)	Upon completion of loading, within a month	ad hoc basis	ad hoc basis	$ 2,077	57	
	U-Ming Transport (Singapore) Private Limited	Subsidiary	Sale	(3,318)	(8)	-	-	-	1,019	28	
U-Ming Transport (Singapore) Private Limited	Asia Cement Corporation	The major shareholder of the parent company	Sale	(10,064)	(5)	Upon completion of loading, within 8 days	-	-	96	2	
	Jiangxi Yadong Cement Co., Ltd. (JYDC)	Subsidiary of the major shareholder of the parent company	Sale	(6,916)	(4)	Upon completion of loading, within 8 days	-	-	14	-	
	U-Ming Marine Transport Corporation	The parent company	Purchase	3,318	2	-	-	-	(1,019)	(8)	
	U-Ming Transport (Hong Kong) Ltd.	The parent company is the same	Purchase	11,451	7	-	-	-	(1,338)	(29)	
U-Ming Transport (Hong Kong) Ltd.	U-Ming Transport (Singapore) Private Limited	The parent company is the same	Sale	(11,451)	(24)	-	-	-	1,338	55	

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
U-Ming Transport (Singapore) Private Limited	U-Ming Marine Transport Corporation	The parent company	Other receivable - related parties $12,981,180	-	$ -	-	$ -	$ -
	Winyield Investment Ltd.	An investee accounted for using equity method by subsidiary	Long-term receivable - related parties $624,280	-	-	-	-	-
	Eagle Investment Private Limited	A subsidiary	Other receivable - related parties $348,150	-	-	-	-	-
	Cape Asia Newbuildings (III) Ltd.	An investee accounted for using equity method by subsidiary	Long-term receivable - related parties $166,162	-	-	-	-	-
U-Ming Transport (Hong Kong) Ltd.	U-Ming Marine Transport Corporation	The parent company	Other receivable - related parties $1,583,078	-	-	-	-	-

Note: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$31.65 as of December 31, 2014.

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2014
(In Thousands of U.S. Dollars, Note 6)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
U-Ming Transport (Singapore) Private Limited	U-Ming Marine Transport Corporation	The parent company	Other receivable - related parties $410,148	-	$ -	-	$ -	$ -
	Winyield Investment Ltd.	An investee accounted for using equity method by subsidiary	Long-term receivable - related parties $19,724	-	-	-	-	-
	Eagle Investment Private Limited	A subsidiary	Other receivable - related parties $11,000	-	-	-	-	-
	Cape Asia Newbuildings (III) Ltd.	An investee accounted for using equity method by subsidiary	Long-term receivable - related parties $5,250	-	-	-	-	-
U-Ming Transport (Hong Kong) Ltd.	U-Ming Marine Transport Corporation	The parent company	Other receivable - related parties $50,018	-	-	-	-	-

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousand Dollars)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details				
				Account	Amount (New Taiwan Dollars)	Amount (U.S. Dollars, Note 6)	Trading Terms	Percentage to Consolidated Total Operating Revenues or Total Assets
0	U-Ming Marine Transport Corporation	U-Ming Transport (Singapore) Private Limited	1	Freight revenue	$ 105,013	$ 3,318	-	1
			1	Other revenue	21,944	693	-	-
			1	Trade receivable	32,239	1,019	-	-
			1	Other receivable	21,944	693	-	-
		U-Ming Transport (Hong Kong) Ltd.	1	Freight revenue	21,080	666	-	-
1	U-Ming Transport (Singapore) Private Limited	U-Ming Marine Transport Corporation	2	Interest revenue	35,663	1,127	-	-
			2	Other receivable	12,981,180	410,148	-	20
		Eagle Investment Private Limited	1	Other receivable	348,233	11,003	-	1
2	U-Ming Transport (Hong Kong) Ltd.	U-Ming Marine Transport Corporation	2	Other receivable	1,583,078	50,018	-	2
		U-Ming Transport (Singapore) Private Limited	3	Freight revenue	362,421	11,451	-	4
			3	Trade receivable	42,356	1,338	-	-
3	Eagle Investment Private Limited	Falcon Investment Private Limited	3	Freight revenue	24,635	778	-	-
4	U-Ming Marine (Xiamen) Service Co	U-Ming Transport (Singapore) Private Limited	3	Freight revenue	28,967	915	-	-

Note:
1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee (Note)	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares (Thousand)	Percentage of Ownership	Carrying Amount (Note)			
U-Ming Marine Transport Corporation	U-Ming Transport (Singapore) Private Limited	Singapore	Transport	$ 2,649,382	$ 2,649,382	150,146	100	$ 45,853,530	$ 1,646,492	$ 1,646,492	A subsidiary
	U-Ming Transport (Hong Kong) Ltd.	Hong Kong	Transport	121,923	121,923	27,000	100	7,455,344	470,324	470,324	A subsidiary
	Yue-Li Investment Corporation	Taipei	Investment	1,500,000	1,500,000	150,000	68	1,577,215	55,299	37,703	A subsidiary
	Yue-Tung Investment Corporation	Taipei	Investment	1,360,400	1,360,400	136,040	74	1,789,460	111,551	82,035	A subsidiary
	Global Energy Maritime Co., Ltd.	Taipei	Transport	764,000	210,600	76,400	40	728,224	(21,778)	(7,997)	An investee accounted for using equity method
Yue-Tung Investment Corporation	Yue Ding Enterprise Corporation	Taipei	Bulk and retail sale of decorations and commodity	186,080	186,080	19,563	25	285,634	79,439	Not applicable	An investee accounted for using equity method
	Ding Ding Consultation Corporation	Taipei	Consultant	50,000	50,000	1,714	40	35,210	18,319	Not applicable	An investee accounted for using equity method
U-Ming Transport (Singapore) Private Limited	Cape Asia Newbuildings (II) Ltd.	Marshall Islands	Transport	2	2	-	17	472	(299)	Not applicable	An investee accounted for using equity method
	Cape Asia Newbuildings (III) Ltd.	Marshall Islands	Transport	2	2	-	17	63,623	113,852	Not applicable	An investee accounted for using equity method
	Cape Asia Ltd.	Hong Kong	Transport	3	3	-	17	24	(15)	Not applicable	An investee accounted for using equity method
	Winyield Investment Ltd.	Hong Kong	Transport	-	-	-	50	58,261	(7,805)	Not applicable	An investee accounted for using equity method
	Welwin Shipping Ltd.	Hong Kong	Transport	-	-	-	50	-	(35)	Not applicable	An investee accounted for using equity method
	Eagle Investment Private Limited	British Virgin Islands	Transport	-	-	-	100	15,987	17,035	Not applicable	An indirect subsidiary
	Falcon Investment Private Limited	British Virgin Islands	Investment	661,080	661,080	-	100	688,205	(2,387)	Not applicable	An indirect subsidiary
	Yue-Li Investment Corporation	Taipei	Investment	700,000	700,000	70,000	32	736,104	55,299	Not applicable	A subsidiary
	Yue-Tung Investment Corporation	Taipei	Investment	489,600	489,600	48,960	26	643,836	111,551	Not applicable	A subsidiary
U-Ming Transport (Hong Kong) Ltd.	Overseas Shipping Pte. Ltd.	Marshall Islands	Transport	474,692	474,692	-	100	1,099,905	89,699	Not applicable	An indirect subsidiary
Falcon Investment Private Limited	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	1,624	1,624	-	33	1,567	25	Not applicable	An investee accounted for using equity method

Note: The foreign currency amounts of original investment amount and carrying value were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$31.65 as of December 31, 2014, the foreign currency amount of net income was translated into New Taiwan dollars at an average exchange rate of US$1=NT$30.306 for the year ended December 31, 2014.

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of U.S. Dollars, Note 6)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares (Thousand)	Percentage of Ownership	Carrying Amount			
U-Ming Marine Transport Corporation	U-Ming Transport (Singapore) Private Limited	Singapore	Transport	$ 83,709	$ 83,709	150,146	100	$ 1,448,769	$ 52,022	$ 52,022	A subsidiary
	U-Ming Transport (Hong Kong) Ltd.	Hong Kong	Transport	3,852	3,852	27,000	100	235,556	14,860	14,860	A subsidiary
	Yue-Li Investment Corporation	Taipei	Investment	47,393	47,393	150,000	68	49,833	1,747	1,191	A subsidiary
	Yue-Tung Investment Corporation	Taipei	Investment	42,983	42,983	136,040	74	56,539	3,525	2,592	A subsidiary
	Global Energy Maritime Co., Ltd.	Taipei	Transport	24,139	24,139	76,400	40	23,009	(688)	(253)	An investee accounted for using equity method
Yue-Tung Investment Corporation	Yue Ding Enterprise Corporation	Taipei	Bulk and retail sale of decorations and commodity	5,879	5,879	19,563	25	9,025	2,510	Not applicable	An investee accounted for using equity method
	Ding Ding Consultation Corporation	Taipei	Consultant	1,580	1,580	1,714	40	1,112	579	Not applicable	An investee accounted for using equity method
U-Ming Transport (Singapore) Private Limited	Cape Asia Newbuildings (II) Ltd.	Marshall Islands	Transport	-	-	-	17	15	(9)	Not applicable	An investee accounted for using equity method
	Cape Asia Newbuildings (III) Ltd.	Marshall Islands	Transport	-	-	-	17	2,010	3,597	Not applicable	An investee accounted for using equity method
	Cape Asia Ltd.	Hong Kong	Transport	-	-	-	17	1	-	Not applicable	An investee accounted for using equity method
	Winyield Investment Ltd.	Hong Kong	Transport	-	-	-	50	1,841	(247)	Not applicable	An investee accounted for using equity method
	Welwin Shipping Ltd.	Hong Kong	Transport	-	-	-	50	-	(1)	Not applicable	An investee accounted for using equity method
	Eagle Investment Private Limited	British Virgin Islands	Transport	-	-	-	100	505	538	Not applicable	An indirect subsidiary
	Falcon Investment Private Limited	British Virgin Islands	Investment	20,887	20,887	-	100	21,744	(75)	Not applicable	An indirect subsidiary
	Yue-Li Investment Corporation	Taipei	Investment	22,117	22,117	70,000	32	23,258	1,747	Not applicable	A subsidiary
	Yue-Tung Investment Corporation	Taipei	Investment	15,469	15,469	48,960	26	20,342	3,525	Not applicable	A subsidiary
U-Ming Transport (Hong Kong) Ltd.	Overseas Shipping Pte. Ltd.	Marshall Islands	Transport	14,998	14,998	-	100	34,752	2,834	Not applicable	An indirect subsidiary
Falcon Investment Private Limited	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	51	51	-	33	50	1	Not applicable	An investee accounted for using equity method

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2013
(In Thousands Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2014	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2014	Accumulated Repatriation of Investment Income as of December 31, 2014
					Outward	Inward						
U-Ming Marine (Xiamen) Service Co.	Transport	$ 29,579 (US$ 1,000)	(Note a)	$ 29,579 (US$ 1,000)	$ -	$ -	$ 29,579 (US$ 1,000)	$ 875 (US$ 29)	100	$ 875 (US$ 29)	$ 31,488 (US$ 955)	$ -

Accumulated Investment in Mainland China as of December 31, 2014	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
$29,579 (US$1,000)	$29,579 (US$1,000)	$16,974,931 (US$536,333)

Note a: The investment was made by investing an existing company which was incorporated in the area other than Taiwan and Mainland China and invested the target company in Mainland China.

Note b: The investment gain (loss) was translated into New Taiwan dollars at average exchange rate of US$1=NT$30.306 for the year ended December 31, 2014.