U-MING MARINE TRANSPORT CORP.

Meeting Minutes for the 2018 Annual Shareholders' Meeting

Time: 9:00 a.m., June 6, 2018
Place: Taipei Hero House's Auditorium
(No. 20, Sec. 1, Changsha St., Zhongzheng Dist., Taipei, Taiwan)
Total number of outstanding shares: 845,055,712 shares
Total shares represented by presence of shareholders: 559,975,041 shares (66.26%)
In attendance: Hsu, Shu-Tong (Director)
Chang, Tsai-Hsiung (Director)
Lee, Kun-Yen (Director)
Ong Choo Kiat (Director)
Douglas Jefferson Hsu (Director)
Liu, Chorng-Jian (Independent Director & Member of Remuneration Committee)
Chiang Shao, Ruey-Huey (Supervisor)
Chang, Tzu-Pong (Supervisor)
Hsu, Shu-Ping (Supervisor)
Kuo, Li-Wen (Auditor)
Chen, Hsin-Ying (Lawyer)
Chairperson: Hsu Shu-Tong, Chairman of the Board of Directors
Recorder: Alex Chen

Important Resolutions

I. Matters To Be Reported

1. **2017 Business Report 2016 Business Report**
2. **2017 Financial Statements**
3. **Supervisors' Review Report on 2017 Business and Financial Statements**
4. **Distribution of 2017 Remuneration to the Employees, Directors and Supervisors**

II. Matters To Be Ratified

1. **The 2017 Business Report and Financial Statements**

Explanation:

(1) The supervisor's review report is hereby issued after reviewing the 2017 financial statements (including the business report and the independent auditor's report issued by CPA Li-Wen Kuo and CPA Ching-Pin Shih of Deloitte & Touche; please refer to the attachment from Page x to xx) without any nonconformity identified.

(2) Please approve.

Resolved that:
Shareholders who are present represented 559,975,041 votes in total (including electronic votes). 550,961,902 votes (including electronic votes) ratify the motion, accounting to 98.39% of total votes；117,388 votes (including electronic votes) against the motion；6,462,281 votes (including electronic votes) abstained. The motion is ratified.

2. The proposal for Earnings Distribution of 2017

Explanation:
(1) Please refer to the 2017 Earnings Distribution proposed in accordance with Article 27 of the Company’s Articles of Incorporation as follows:

	NT$
Unappropriated retained earnings of previous year	7,856,926,832
Add: Investment adjusted retained earnings by using equity method	9,484,603
Less: 2017 actuarial gain & losses appropriated retained earnings	17,115,327
Adjusted unappropriated retained earnings	7,849,296,108
Add: 2017 net income	999,519,654
Less: 10% legal reserve appropriated	99,951,965
Less: 2017 special reserve	2,000,954,228
Earnings available for distribution	6,747,909,569
Less: 2017 earning distribution (cash dividend NT$1.2 per share)	1,014,066,854
Unappropriated retained earnings	5,733,842,715

(2) The distribution of earnings is calculated to the dollar (round up to the dollar). The total amount of the odd shares will be booked as the other income of the Company. It is proposed that the Board authorized the Chairman to fix the record date of ex-cash dividend after the approved by the year 2018 annual shareholders’ meeting. Upon the approval of the annual shareholders’ meeting, it is proposed that the Board be authorized to adjust the amount per share based on the actual shares outstanding number on the record date of ex-cash dividend for the legal reserve distribution by cash if there is an amendment of the number of shares outstanding before the date.
(3) Please approve.

Resolved that:

Shareholders who are present represented 559,975,041 votes in total (including electronic votes). 551,651,900 votes (including electronic votes) ratify the motion, accounting to 98.51% of total votes；125,390 votes (including electronic votes) against the motion；5,764,281 votes (including electronic votes) abstained. The motion is ratified.

III. Matters to Be Discussed

1. To approve the amendment to the Company Corporate Charter (Articles of Incorporation).

Explanation:

(1) According to the official letter No. 10200531121 from Financial Supervisory Commission, R.O.C. (Taiwan), the Audit Committee should be established in lieu of the Supervisors after the seventeenth tenure of the current Directors and Supervisors ended next year, 2019. It is proposed to amend Article 16 of the Company Act. and to enact Article 16-1. Please refer to Page 34~35 of the Handbook for the 2018 Annual Meeting of Shareholders.

(2) This proposal has been approved by the 9th meeting of the seventeenth-term Board of Directors on March 5, 2018.

(3) The proposal is hereby presented for referendum.

Resolved that:

Shareholders who are present represented 559,975,041 votes in total (including electronic votes). 551,583,788 votes (including electronic votes) ratify the motion, accounting to 98.50% of total votes；151,492 votes (including electronic votes) against the motion；5,806,291 votes (including electronic votes) abstained. The motion hereby is accepted as submitted.

IV.Extempore Motions: None

V.Meeting Adjourned

Chairperson: 

Recorder: 

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of U-Ming Marine Transport Corporation and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance 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 and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Transportation Equipment

According to IAS 36, the Group should periodically perform impairment assessment on assets. As the nature of the business of the Group pertains to marine transportation, the transportation equipment is material to its financial statements. Also, the estimates and assumptions adopted by the management for the assessment of impairment on the equipment thereof directly impact the recognition of impairment loss in the financial statements. As a result, impairment assessment of the transportation equipment is deemed to be a key audit matter. Impairment assessment of transportation equipment has been included in the critical accounting judgements and key sources of estimation uncertainty, please refer to Note 5 to the financial statements.

The main audit procedures we have performed in respect of the key audit matter stated above were as follows:

1. We understood and tested the design and implementation of the key controls over the impairment assessment of property, plant and equipment.

2. We obtained and understood the calculation table of impairment assessment of transportation equipment.

3. We assessed and consulted with our internal our specialist regarding the reasonableness of accounting estimates used in the impairment assessment, such as the identification of cash-generating units, the confirmation of fair value of transportation equipment by obtaining supporting documents, and the discount rate and future cash flows used in determining the recoverable amount under the discounted cash flow method.

4. We tested the calculation of impairment loss according to the table provided by the management.

Stage of Completion of Freight Contracts

The Group's freight revenue is recognized by reference to the stage of completion of the contract. Because making judgements and estimates is required to a certain extent when measuring and calculating stage of completion of freight contracts, and revenue recognition and expression might be affected by the selection and application of calculation methods, the determination of the stage of completion of freight contracts is deemed to be a key audit matter. Stage of completion of freight contracts has been included in the critical accounting judgements and key sources of estimation uncertainty; please refer to Note 5 to the financial statements.

The main audit procedures we have performed in respect of the key audit matter stated above were as follows:

1. We understood and tested the design and implementation of the key controls over the freight revenue recognition.

2. We obtained relevant documents and understood the determination of the stage of completion of freight contracts, and we confirmed that the calculation method is appropriate and applied consistently.

3. We verified the management's calculation of percentage of voyages and freight revenue by collating the information on actual voyages, entering/departing reports, sailing schedule and freight contracts.

Other Matter

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, 2017 and 2016 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance 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 and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2017 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Li-Wen Kuo and Ching-Pin Shih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 5, 2018

<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, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017		2016	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 7)	$ 10,528,550	20	$ 13,540,718	23
Financial assets at fair value through profit or loss - current (Note 8)	147,982	-	237,569	1
Available-for-sale financial assets - current (Notes 9, 25 and 26)	6,482,215	12	8,250,475	14
Trade receivables from unrelated parties (Note 11)	489,217	1	331,103	1
Trade receivables from related parties (Notes 11 and 25)	62,388	-	54,545	-
Other receivables (Note 11)	652,469	1	171,096	-
Fuel inventory	422,490	1	261,993	1
Other current assets (Note 25)	166,094	-	184,423	-
Total current assets	18,951,405	35	23,031,922	40
NON-CURRENT ASSETS				
Available-for-sale financial assets - non-current (Note 9)	-	-	134	-
Financial assets measured at cost - non-current (Note 10)	892,943	2	892,943	1
Investments accounted for using equity method (Notes 13 and 25)	2,504,503	5	2,447,985	4
Property, plant and equipment (Notes 14, 26 and 27)	30,217,912	56	28,315,931	49
Intangible assets	879	-	-	-
Deferred tax assets (Note 21)	34,465	-	36,226	-
Prepayment for equipment (Note 14)	342,042	1	2,390,657	4
Refundable deposits (Notes 25 and 26)	109,706	-	98,973	-
Long-term receivable - related parties (Notes 13 and 25)	819,523	1	894,230	2
Other non-current assets	22,827	-	-	-
Total non-current assets	34,944,800	65	35,077,079	60
TOTAL	$ 53,896,205	100	$ 58,109,001	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 15)	$ 5,985,000	11	$ 3,100,000	5
Short-term bills payable (Notes 15 and 26)	2,598,642	5	2,357,157	4
Financial liabilities at fair value through profit or loss - current (Note 8)	154,238	-	119,978	-
Trade payables (Note 25)	131,536	-	199,243	1
Other payables (Note 17)	905,443	2	661,745	1
Current tax liabilities (Note 21)	104,532	-	103,920	-
Current portion of long-term borrowings and bonds payable (Notes 15, 16 and 26)	3,370,445	6	5,132,241	9
Other current liabilities (Note 25)	211,961	1	153,307	-
Total current liabilities	13,461,797	25	11,827,591	20
NON-CURRENT LIABILITIES				
Bank loans (Notes 15 and 26)	18,022,116	34	20,839,714	36
Deferred tax liabilities (Note 21)	178,726	-	401,639	1
Deferred revenue - non-current	189,459	-	231,413	-
Net defined benefit liabilities - non-current (Note 18)	203,897	-	258,163	1
Total non-current liabilities	18,594,198	34	21,730,929	38
Total liabilities	32,055,995	59	33,558,520	58
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)				
Common share capital	8,450,557	16	8,450,557	14
Capital surplus	115,135	-	115,140	-
Retained earnings				
Legal reserve	6,426,656	12	7,060,448	12
Special reserve	-	-	337,186	1
Unappropriated earnings	8,848,816	17	7,519,741	13
Total retained earnings	15,275,472	29	14,917,375	26
Other equity	(2,000,954)	(4)	1,067,409	2
Total equity	21,840,210	41	24,550,481	42
TOTAL	$ 53,896,205	100	$ 58,109,001	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, 2017 AND 2016
(In Thousands of U.S. Dollars, Note 6)

	2017		2016	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 7)	$ 353,782	20	$ 419,867	23
Financial assets at fair value through profit or loss - current (Note 8)	4,973	-	7,366	1
Available-for-sale financial assets - current (Notes 9, 25 and 26)	217,816	12	255,829	14
Trade receivables from unrelated parties (Note 11)	16,439	1	10,267	1
Trade receivables from related parties (Notes 11 and 25)	2,096	-	1,691	-
Other receivables (Note 11)	21,924	1	5,305	-
Fuel inventory	14,197	1	8,124	1
Other current assets (Note 25)	5,581	-	5,719	-
Total current assets	636,808	35	714,168	40
NON-CURRENT ASSETS				
Available-for-sale financial assets - non-current (Note 9)	-	-	4	-
Financial assets measured at cost - non-current (Note 10)	30,005	2	27,688	1
Investments accounted for using equity method (Notes 13 and 25)	84,157	5	75,907	4
Property, plant and equipment (Notes 14, 26 and 27)	1,015,387	56	878,013	49
Intangible assets	30	-	-	-
Deferred tax assets (Note 21)	1,158	-	1,123	-
Prepayment for equipment (Note 14)	11,493	1	74,129	4
Refundable deposits (Notes 25 and 26)	3,686	-	3,069	-
Long-term receivable - related parties (Notes 13 and 25)	27,538	1	27,728	2
Other non-current assets	766	-	-	-
Total non-current assets	1,174,220	65	1,087,661	60
TOTAL	$ 1,811,028	100	$ 1,801,829	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 15)	$ 201,109	11	$ 96,124	5
Short-term bills payable (Notes 15 and 26)	87,320	5	73,090	4
Financial liabilities at fair value through profit or loss - current (Note 8)	5,183	-	3,720	-
Trade payables (Note 25)	4,420	-	6,178	1
Other payables (Note 17)	30,425	2	20,519	1
Current tax liabilities (Note 21)	3,513	-	3,222	-
Current portion of long-term borrowings and bonds payable (Notes 15, 16 and 26)	113,254	6	159,139	9
Other current liabilities (Note 25)	7,121	1	4,755	-
Total current liabilities	452,345	25	366,747	20
NON-CURRENT LIABILITIES				
Bank loans (Notes 15 and 26)	605,582	34	646,193	36
Deferred tax liabilities (Note 21)	6,006	-	12,454	1
Deferred revenue - non-current	6,366	-	7,175	-
Net defined benefit liabilities - non-current (Note 18)	6,851	-	8,005	1
Total non-current liabilities	624,805	34	673,827	38
Total liabilities	1,077,150	59	1,040,574	58
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)				
Common share capital	283,957	16	262,033	14
Capital surplus	3,869	-	3,570	-
Retained earnings				
Legal reserve	215,949	12	218,929	12
Special reserve	-	-	10,455	1
Unappropriated earnings	297,340	17	233,170	13
Total retained earnings	513,289	29	462,554	26
Other equity	(67,237)	(4)	33,098	2
Total equity	733,878	41	761,255	42
TOTAL	$ 1,811,028	100	$ 1,801,829	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, 2017 AND 2016
(In Thousands of New Taiwan Dollars, Except Earnings/Losses Per Share)

	2017		2016	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Note 27)				
Freight revenue (Note 25)	$ 8,285,385	97	$ 6,391,062	98
Other operating revenue (Notes 9 and 20)	215,940	3	126,335	2
Total operating revenue	8,501,325	100	6,517,397	100
OPERATING COSTS				
Freight cost (Notes 20 and 25)	7,724,280	91	6,716,524	103
GROSS PROFIT (LOSS)	777,045	9	(199,127)	(3)
OPERATING EXPENSES (Notes 20 and 25)	316,027	3	267,862	4
PROFIT (LOSS) FROM OPERATIONS	461,018	6	(466,989)	(7)
NON-OPERATING INCOME AND EXPENSES				
Financial costs (Note 20)	(548,379)	(6)	(535,133)	(8)
Interest income	235,651	3	248,866	4
Dividend income	125,303	1	150,878	2
Other income (Note 25)	18,894	-	25,209	-
Net gain on foreign currency exchange (Notes 20 and 29)	794,145	9	121,243	2
Other losses	(17,697)	-	(7,340)	-
Loss on disposal of property, plant and equipment, net	(106)	-	(215,258)	(3)
Gain (loss) on sale of investments, net (Note 25)	(299,152)	(4)	257,322	4
Valuation loss on financial instruments, net	(103,900)	(1)	(357,916)	(6)
Impairment loss (Note 9)	(4,900)	-	(24,673)	-
Share of the profit or loss of associates and joint ventures (Note 13)	150,537	2	(49,377)	(1)
Total non-operating income and expenses	350,396	4	(386,179)	(6)
PROFIT (LOSS) BEFORE INCOME TAX	811,414	10	(853,168)	(13)
INCOME TAX (BENEFIT) EXPENSE (Note 21)	(188,106)	(2)	25,186	1
NET PROFIT (LOSS) FOR THE YEAR	999,520	12	(878,354)	(14)

(Continued)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars, Except Earnings/Losses Per Share)

	2017		2016	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	$ (4,671)	-	$ (8,484)	-
Share of the other comprehensive loss of associates using the equity method	(12,444)	(1)	(320)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(3,584,374)	(42)	(931,291)	(14)
Unrealized gain (loss) on available-for-sale financial assets	623,152	7	(364,282)	(6)
Share of the other comprehensive loss of associates using the equity method	(107,141)	(1)	(7,186)	-
Other comprehensive loss for the year, net of income tax	(3,085,478)	(37)	(1,311,563)	(20)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	$ (2,085,958)	(25)	$ (2,189,917)	(34)
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 999,520	12	$ (878,354)	(13)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ (2,085,958)	(25)	$ (2,189,917)	(34)
EARNINGS (LOSSES) PER SHARE (Note 22)				
Basic	$ 1.18		$ (1.04)	
Diluted	$ 1.18		$ (1.04)	

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, 2017 AND 2016
(In Thousands of U.S. Dollars, Except Earnings/Losses Per Share, Note 6)

	2017		2016	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Note 27)				
Freight revenue (Note 25)	$ 278,407	97	$ 198,172	98
Other operating revenue (Notes 9 and 20)	7,256	3	3,917	2
Total operating revenue	285,663	100	202,089	100
OPERATING COSTS				
Freight cost (Notes 20 and 25)	259,552	91	208,264	103
GROSS PROFIT (LOSS)	26,111	9	(6,175)	(3)
OPERATING EXPENSES (Notes 20 and 25)	10,619	3	8,306	4
PROFIT (LOSS) FROM OPERATIONS	15,492	6	(14,481)	(7)
NON-OPERATING INCOME AND EXPENSES				
Financial costs (Note 20)	(18,427)	(6)	(16,593)	(8)
Interest income	7,918	3	7,717	4
Dividend income	4,210	1	4,678	2
Other income (Note 25)	635	-	782	-
Net gain on foreign currency exchange (Notes 20 and 29)	26,685	9	3,759	2
Other losses	(594)	-	(227)	-
Loss on disposal of property, plant and equipment, net	(4)	-	(6,675)	(3)
Gain (loss) on sale of investments, net (Note 25)	(10,052)	(4)	7,979	4
Valuation loss on financial instruments, net	(3,491)	(1)	(11,098)	(6)
Impairment loss (Note 9)	(165)	-	(765)	-
Share of the profit or loss of associates and joint ventures (Note 13)	5,058	2	(1,531)	(1)
Total non-operating income and expenses	11,773	4	(11,974)	(6)
PROFIT (LOSS) BEFORE INCOME TAX	27,265	10	(26,455)	(13)
INCOME TAX (BENEFIT) EXPENSE (Note 21)	(6,321)	(2)	781	1
NET PROFIT (LOSS) FOR THE YEAR	33,586	12	(27,236)	(14)

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U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of U.S. Dollars, Except Earnings/Losses Per Share, Note 6)

	2017		2016	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	$ (157)	-	$ (263)	-
Share of the other comprehensive loss of associates using the equity method	(418)	(1)	(10)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(120,443)	(42)	(28,877)	(14)
Unrealized gain (loss) on available-for-sale financial assets	20,939	7	(11,296)	(6)
Share of the other comprehensive loss of associates using the equity method	(3,600)	(1)	(223)	-
Other comprehensive loss for the year, net of income tax	(103,679)	(37)	(40,669)	(20)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	$ (70,093)	(25)	$ (67,905)	(34)
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 33,586	12	$ (27,236)	(13)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ (70,093)	(25)	$ (67,905)	(34)
EARNINGS (LOSSES) PER SHARE (Note 22)				
Basic	$ 0.04		$ (0.03)	
Diluted	$ 0.04		$ (0.03)	

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, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

			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	Gain on Property Revaluation	Cash Flow Hedges	Total	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2016	$ 8,580,167	$ 225,410	$ 6,978,008	$ 337,186	$ 9,573,288	$ 1,905,051	$ 465,034	$ 453	$ (50)	$ 2,370,488	$ (477,693)	$ 27,586,854
Appropriation of 2015 earnings												
Legal reserve	-	-	82,440	-	(82,440)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(845,056)	-	-	-	-	-	-	(845,056)
Change from investments in associates and joint ventures accounted for using equity method	-	(29)	-	-	(1,362)	-	-	-	-	-	-	(1,391)
Net loss for the year ended December 31, 2016	-	-	-	-	(878,354)	-	-	-	-	-	-	(878,354)
Other comprehensive income for the year ended December 31, 2016, net of income tax	-	-	-	-	(8,484)	(904,708)	(398,105)	(320)	54	(1,303,079)	-	(1,311,563)
Total comprehensive income for the year ended December 31, 2016	-	-	-	-	(886,838)	(904,708)	(398,105)	(320)	54	(1,303,079)	-	(2,189,917)
Cancelation of treasury shares	(129,610)	(110,232)	-	-	(237,851)	-	-	-	-	-	477,693	-
Dividends claimed after over five years by stockholders	-	(9)	-	-	-	-	-	-	-	-	-	(9)
BALANCE AT DECEMBER 31, 2016	8,450,557	115,140	7,060,448	337,186	7,519,741	1,000,343	66,929	133	4	1,067,409	-	24,550,481
Appropriation of 2016 earnings												
Cash dividends distributed from legal reserve	-	-	(633,792)	-	-	-	-	-	-	-	-	(633,792)
Reversal of special reserve	-	-	-	(337,186)	337,186	-	-	-	-	-	-	-
Change from investments in associates and joint ventures accounted for using equity method	-	2	-	-	9,484	-	-	-	-	-	-	9,486
Net profit for the year ended December 31, 2017	-	-	-	-	999,520	-	-	-	-	-	-	999,520
Other comprehensive income for the year ended December 31, 2017, net of income tax	-	-	-	-	(17,115)	(3,693,524)	625,165	-	(4)	(3,068,363)	-	(3,085,478)
Total comprehensive income for the year ended December 31, 2017	-	-	-	-	982,405	(3,693,524)	625,165	-	(4)	(3,068,363)	-	(2,085,958)
Dividends claimed after over five years by stockholders	-	(7)	-	-	-	-	-	-	-	-	-	(7)
BALANCE AT DECEMBER 31, 2017	$ 8,450,557	$ 115,135	$ 6,426,656	$ -	$ 8,848,816	$ (2,693,181)	$ 692,094	$ 133	$ -	$ (2,000,954)	$ -	$ 21,840,210

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, 2017 AND 2016
(In Thousands of U.S. Dollars, Note 6)

			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	Gain on Property Revaluation	Cash Flow Hedges	Total	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2016	$ 261,391	$ 6,867	$ 212,582	$ 10,272	$ 291,646	$ 58,037	$ 14,167	$ 14	$ (2)	$ 72,216	$ (14,552)	$ 840,422
Appropriation of 2015 earnings												
Legal reserve	-	-	2,556	-	(2,556)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(26,203)	-	-	-	-	-	-	(26,203)
Change from investments in associates and joint ventures accounted for using equity method	-	-	-	-	(42)	-	-	-	-	-	-	(42)
Net loss for the year ended December 31, 2016	-	-	-	-	(27,236)	-	-	-	-	-	-	(27,236)
Other comprehensive income for the year ended December 31, 2016, net of income tax	-	-	-	-	(263)	(28,054)	(12,344)	(10)	2	(40,406)	-	(40,669)
Total comprehensive income for the year ended December 31, 2016	-	-	-	-	(27,499)	(28,054)	(12,344)	(10)	2	(40,406)	-	(67,905)
Cancelation of treasury shares	(4,019)	(3,418)	-	-	(7,375)	-	-	-	-	-	14,812	-
Dividends claimed after over five years by stockholders	-	-	-	-	-	-	-	-	-	-	-	-
Changes in translation adjustments	4,661	121	3,791	183	5,199	1,036	252	-	-	1,288	(260)	14,983
BALANCE AT DECEMBER 31, 2016	262,033	3,570	218,929	10,455	233,170	31,019	2,075	4	-	33,098	-	761,255
Appropriation of 2016 earnings												
Cash dividends distributed from legal reserve	-	-	(21,297)	-	-	-	-	-	-	-	-	(21,297)
Reversal of special reserve	-	-	-	(11,330)	11,330	-	-	-	-	-	-	-
Change from investments in associates and joint ventures accounted for using equity method	-	-	-	-	319	-	-	-	-	-	-	319
Net profit for the year ended December 31, 2017	-	-	-	-	33,586	-	-	-	-	-	-	33,586
Other comprehensive income for the year ended December 31, 2017, net of income tax	-	-	-	-	(575)	(124,111)	21,007	-	-	(103,104)	-	(103,679)
Total comprehensive income for the year ended December 31, 2017	-	-	-	-	33,011	(124,111)	21,007	-	-	(103,104)	-	(70,093)
Dividends claimed after over five years by stockholders	-	-	-	-	-	-	-	-	-	-	-	-
Changes in translation adjustments	21,924	299	18,317	875	19,510	2,595	174	-	-	2,769	-	63,694
BALANCE AT DECEMBER 31, 2017	$ 283,957	$ 3,869	$ 215,949	$ -	$ 297,340	$ (90,497)	$ 23,256	$ 4	$ -	$ (67,237)	$ -	$ 733,878

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ 811,414	$ (853,168)
Adjustments for:		
Depreciation expenses	2,301,321	2,249,488
Amortization expenses	41	-
Recognition (reversal) of provision for doubtful accounts	4,742	(1,191)
Net loss on financial assets and liabilities at fair value through profit or loss	103,900	357,916
Finance costs	548,379	535,133
Interest income	(235,651)	(248,866)
Dividend income	(263,480)	(301,374)
Share of the profit of associates and joint ventures	(150,537)	49,377
Loss on disposal of property, plant and equipment, net	106	215,258
(Gain) loss on disposal of investment, net	(266,784)	24,161
Loss on disposal of associates and joint ventures	1	-
Impairment loss recognized on available-for-sale financial assets	8,643	24,673
Net gain on foreign currency exchange	(938,003)	(278,526)
Other non-cash items	(24,631)	(26,113)
Changes in operating assets and liabilities		
Financial assets held for trading	23,187	355,612
Trade receivables	(166,954)	48,562
Other receivables	31,941	(16,337)
Fuel inventory	(160,497)	53,148
Other current assets	18,329	65,002
Trade payables	(67,707)	104,437
Other payables	240,193	(121,760)
Other current liabilities	58,654	(133,490)
Net defined benefit liabilities	(58,937)	(89,712)
Cash generated from operations	1,817,670	2,012,230
Interest received	242,189	214,976
Dividends received	263,480	301,374
Interest paid	(537,086)	(538,293)
Income tax paid	(32,434)	(100,597)
Net cash generated from operating activities	1,753,819	1,889,690
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(1,013,012)	(18,351)
Proceeds on sale of available-for-sale financial assets	2,869,980	-
Acquisition of associates	(502)	(480,000)
Purchase of property, plant and equipment	(366,851)	(208,475)
Proceeds from disposal of property, plant and equipment	-	726,667
(Increase) decrease in refundable deposits	(11,356)	8,038
Increase in financing provided - related parties	(16,129)	(75,496)
Payment for intangible assets	(920)	-

(Continued)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017	2016
Increase in other non-current assets	$ (22,827)	$ -
Increase in prepayment for equipment	(4,132,450)	(1,689,932)
Other dividends received	809	-
Net cash used in investing activities	(2,693,258)	(1,737,549)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (repayments) of short-term borrowings	1,585,000	(4,530,000)
Proceeds (repayments) from short-term bills payable	241,000	(37,500)
Repayment of bond payables	(1,000,000)	(1,000,000)
Proceeds from long-term borrowings	8,527,244	11,849,200
Repayments of long-term borrowings	(9,812,674)	(8,126,618)
Dividends paid to owners of the Company	(633,799)	(845,065)
Net cash used in financing activities	(1,093,229)	(2,689,983)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(979,500)	(297,312)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,012,168)	(2,835,154)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	13,540,718	16,375,872
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 10,528,550	$ 13,540,718

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, 2017 AND 2016
(In Thousands of U.S. Dollars, Note 6)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ 27,265	$ (26,455)
Adjustments for:		
Depreciation expenses	77,329	69,752
Amortization expenses	1	-
Recognition (reversal) of provision for doubtful accounts	159	(37)
Net loss on financial assets and liabilities at fair value through profit or loss	3,491	11,098
Finance costs	18,427	16,593
Interest income	(7,918)	(7,717)
Dividend income	(8,853)	(9,345)
Share of the profit of associates and joint ventures	(5,058)	1,531
Loss on disposal of property, plant and equipment, net	4	6,675
(Gain) loss on disposal of investment, net	(8,965)	749
Impairment loss recognized on available-for-sale financial assets	290	765
Net gain on foreign currency exchange	(31,519)	(8,636)
Other non-cash items	(828)	(810)
Changes in operating assets and liabilities		
Financial assets held for trading	779	11,027
Trade receivables	(5,610)	1,506
Other receivables	1,073	(507)
Fuel inventory	(5,393)	1,648
Other current assets	616	2,016
Trade payables	(2,275)	3,238
Other payables	8,071	(3,776)
Other current liabilities	1,971	(4,139)
Net defined benefit liabilities	(1,980)	(2,782)
Cash generated from operations	61,077	62,394
Interest received	8,138	6,666
Dividends received	8,853	9,345
Interest paid	(18,047)	(16,691)
Income tax paid	(1,090)	(3,119)
Net cash generated from operating activities	58,931	58,595
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(34,039)	(569)
Proceeds on sale of available-for-sale financial assets	96,438	-
Acquisition of associates	(17)	(14,884)
Purchase of property, plant and equipment	(12,327)	(6,464)
Proceeds from disposal of property, plant and equipment	-	22,532
(Increase) decrease in refundable deposits	(382)	249
Increase in financing provided - related parties	(542)	(2,341)
Payment for intangible assets	(31)	-
Increase in other non-current assets	(767)	-

(Continued)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of U.S. Dollars, Note 6)

	2017	2016
Increase in prepayment for equipment	$ (138,859)	$ (52,401)
Other dividends received	27	-
Net cash used in investing activities	(90,499)	(53,878)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (repayments) of short-term borrowings	53,259	(140,465)
Proceeds (repayments) from short-term bills payable	8,098	(1,163)
Repayment of bond payables	(33,602)	(31,008)
Proceeds from long-term borrowings	286,534	367,416
Repayments of long-term borrowings	(329,727)	(251,988)
Dividends paid to owners of the Company	(21,297)	(26,203)
Net cash used in financing activities	(36,735)	(83,411)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	2,218	(323)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(66,085)	(79,017)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	419,867	498,884
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 353,782	$ 419,867

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

U-MING MARINE TRANSPORT CORPORATION

INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017		2016	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash	$ 17,660	-	$ 20,190	-
Financial assets at fair value through profit or loss - current	-	-	177,265	-
Available-for-sale financial assets - current	1,626,942	4	1,493,193	3
Trade receivables from unrelated parties	22,618	-	11,016	-
Trade receivables from related parties	40,200	-	41,500	-
Other receivables	39,032	-	78,207	-
Fuel inventory	25,284	-	15,622	-
Other current assets	61,876	-	85,619	-
Total current assets	1,833,612	4	1,922,612	3
NON-CURRENT ASSETS				
Financial assets measured at cost - non-current	344,296	1	344,296	1
Investments accounted for using equity method	47,155,049	93	52,499,295	94
Property, plant and equipment	933,858	2	978,474	2
Intangible assets	879	-	-	-
Deferred tax assets	34,465	-	36,226	-
Prepayment for equipment	5,159	-	2,970	-
Refundable deposits	48,542	-	33,533	-
Other non-current assets	22,827	-	-	-
Total non-current assets	48,545,075	96	53,894,794	97
TOTAL	$ 50,378,687	100	$ 55,817,406	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	$ 5,985,000	12	$ 3,100,000	6
Short-term bills payable	2,598,642	5	2,298,194	4
Financial liabilities at fair value through profit or loss - current	110,559	-	-	-
Trade payables	34,902	-	45,888	-
Other payables from unrelated parties	358,923	1	330,737	1
Other payables from related parties	10,726,224	21	12,494,906	22
Current tax liabilities	103,518	-	103,518	-
Current portion of long-term borrowings and bonds payable	835,000	2	2,992,704	5
Other current liabilities	20,132	-	23,900	-
Total current liabilities	20,772,900	41	21,389,847	38
NON-CURRENT LIABILITIES				
Bank loans	7,444,288	15	9,304,281	17
Deferred tax liabilities	178,726	1	401,639	1
Net defined benefit liabilities - non-current	142,563	-	171,158	-
Total non-current liabilities	7,765,577	16	9,877,078	18
Total liabilities	28,538,477	57	31,266,925	56
EQUITY				
Common share capital	8,450,557	17	8,450,557	15
Capital surplus	115,135	-	115,140	-
Retained earnings				
Legal reserve	6,426,656	13	7,060,448	13
Special reserve	-	-	337,186	1
Unappropriated earnings	8,848,816	17	7,519,741	13
Total retained earnings	15,275,472	30	14,917,375	27
Other equity	(2,000,954)	(4)	1,067,409	2
Total equity	21,840,210	43	24,550,481	44
TOTAL	$ 50,378,687	100	$ 55,817,406	100

U-MING MARINE TRANSPORT CORPORATION

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	%	Amount	%
FREIGHT REVENUE	$ 878,369	100	$ 1,190,126	100
FREIGHT COSTS	781,243	89	1,088,884	92
GROSS PROFIT	97,126	11	101,242	8
OPERATING EXPENSES	207,242	23	188,395	16
LOSS FROM OPERATIONS	(110,116)	(12)	(87,153)	(8)
NON-OPERATING INCOME AND EXPENSES				
Financial costs	(361,984)	(41)	(351,264)	(29)
Share of the profit or loss of subsidiaries, associates and joint ventures	960,445	109	(604,153)	(51)
Interest income	378	-	292	-
Dividend income	117,068	13	139,956	12
Other income	22,560	3	34,063	3
Gain on disposal of property, plant and equipment, net	-	-	978	-
Gain (loss) on sale of investments, net	(499,003)	(57)	299,477	25
Net gain on foreign currency exchange	946,040	108	123,193	10
Other losses	(9,196)	(1)	(7,486)	-
Valuation loss on financial instruments, net	(287,824)	(33)	(424,046)	(36)
Total non-operating income and expenses	888,484	101	(788,990)	(66)
PROFIT (LOSS) BEFORE INCOME TAX	778,368	89	(876,143)	(74)
INCOME TAX EXPENSE (BENEFIT)	(221,152)	(25)	2,211	-
NET PROFIT (LOSS) FOR THE YEAR	999,520	114	(878,354)	(74)

(Continued)

U-MING MARINE TRANSPORT CORPORATION

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ (13,200)	(2)	$ (7,219)	(1)
Share of the other comprehensive income of subsidiaries, associates and joint ventures using the equity method	(3,915)	-	(1,585)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(3,585,151)	(408)	(932,060)	(78)
Unrealized loss on available-for-sale financial assets	133,749	15	(84,784)	(7)
Share of the other comprehensive income of subsidiaries, associates and joint ventures using the equity method	383,039	44	(285,915)	(24)
Other comprehensive income (loss) for the year, net of income tax	(3,085,478)	(351)	(1,311,563)	(110)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ (2,085,958)	(237)	$ (2,189,917)	(184)
EARNINGS (LOSSES) PER SHARE				
Basic	$ 1.18		$ (1.04)	
Diluted	$ 1.18		$ (1.04)	

(Concluded)

U-MING MARINE TRANSPORT CORPORATION

INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

			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	Cash Flow Hedges	Total	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2016	8,580,167	225,410	6,978,008	337,186	9,573,288	1,905,051	465,034	453	(50)	2,370,488	(477,693)	27,586,854
Appropriation of 2015 earnings												
Legal reserve	-	-	82,440	-	(82,440)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(845,056)	-	-	-	-	-	-	(845,056)
Change from investments in associates and joint ventures accounted for using equity method	-	(29)	-	-	(1,362)	-	-	-	-	-	-	(1,391)
Net loss for the year ended December 31, 2016	-	-	-	-	(878,354)	-	-	-	-	-	-	(878,354)
Other comprehensive income for the year ended December 31, 2016, net of income tax	-	-	-	-	(8,484)	(904,708)	(398,105)	(320)	54	(1,303,079)	-	(1,311,563)
Total comprehensive income for the year ended December 31, 2016	-	-	-	-	(886,838)	(904,708)	(398,105)	(320)	54	(1,303,079)	-	(2,189,917)
Cancelation of treasury shares	(129,610)	(110,232)	-	-	(237,851)	-	-	-	-	-	477,693	-
Dividends claimed after over five years by stockholders	-	(9)	-	-	-	-	-	-	-	-	-	(9)
BALANCE AT DECEMBER 31, 2016	8,450,557	115,140	7,060,448	337,186	7,519,741	1,000,343	66,929	133	4	1,067,409	-	24,550,481
Appropriation of 2016 earnings												
Cash dividends distributed from legal reserve	-	-	(633,792)	-	-	-	-	-	-	-	-	(633,792)
Reversal of special reserve	-	-	-	(337,186)	337,186	-	-	-	-	-	-	-
Change from investments in associates and joint ventures accounted for using equity method	-	2	-	-	9,484	-	-	-	-	-	-	9,486
Net loss for the year ended December 31, 2017	-	-	-	-	999,520	-	-	-	-	-	-	999,520
Other comprehensive income for the year ended December 31, 2017, net of income tax	-	-	-	-	(17,115)	(3,693,524)	625,165	-	(4)	(3,068,363)	-	(3,085,478)
Total comprehensive income for the year ended December 31, 2017	-	-	-	-	982,405	(3,693,524)	625,165	-	(4)	(3,068,363)	-	(2,085,958)
Dividends claimed after over five years by stockholders	-	(7)	-	-	-	-	-	-	-	-	-	(7)
BALANCE AT DECEMBER 31, 2017	$ 8,450,557	$ 115,135	$ 6,426,656	$ -	$ 8,848,816	$ (2,693,181)	$ 692,094	$ 133	$ -	$ (2,000,954)	$ -	$ 21,840,210

U-MING MARINE TRANSPORT CORPORATION

INDIVIDUAL STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ 778,368	$ (876,143)
Adjustments for:		
Depreciation expenses	115,875	193,256
Amortization expenses	41	-
Net loss on financial assets and liabilities at fair value through profit or loss	287,824	424,046
Finance costs	361,984	351,264
Interest income	(378)	(292)
Dividend income	(117,068)	(139,956)
Share of the profit or loss of subsidiaries, associates and joint ventures	(960,445)	604,153
Gain on disposal of property, plant and equipment, net	-	(978)
Unrealized gain on foreign currency exchange	(963,097)	(247,220)
Changes in operating assets and liabilities		
Trade receivables	(10,302)	44,464
Other receivables	39,453	(23,758)
Fuel inventory	(9,662)	8,080
Other current assets	23,743	(365)
Trade payables	(10,986)	9,539
Other payables	29,467	(30,669)
Other current liabilities	(3,768)	(301)
Net defined benefit liabilities	(41,795)	(62,575)
Cash (used in) generated from operations	(480,746)	252,545
Interest received	100	89
Dividends received	117,068	139,956
Interest paid	(357,046)	(354,869)
Income tax paid	-	(77,888)
Net cash used in operating activities	(720,624)	(40,167)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	-	(480,000)
Purchase of property, plant and equipment	(68,053)	(59,894)
Proceeds from disposal of property, plant and equipment	-	115,233
Increase in refundable deposits	(15,009)	(8,600)
Payment for intangible assets	(920)	-
Increase in other non-current assets	(22,827)	-
Increase in prepayment for equipment	(5,395)	(2,970)
Dividend received from subsidiaries	3,108,150	3,325,751
Net cash generated from investing activities	2,995,946	2,889,520

(Continued)

U-MING MARINE TRANSPORT CORPORATION

INDIVIDUAL STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (repayments) of short-term borrowings	$ 1,585,000	$ (4,530,000)
Proceeds from short-term bills payable	300,000	50,000
Repayment of bond payables	(1,000,000)	(1,000,000)
Proceeds from long-term borrowings	5,959,000	10,750,000
Repayments of long-term borrowings	(7,684,000)	(5,880,000)
Decrease in other payables from related parties	(803,520)	(1,386,750)
Dividends paid	(633,799)	(845,065)
Net cash used in financing activities	(2,277,319)	(2,841,815)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(533)	(31)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,530)	7,507
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	20,190	12,683
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 17,660	$ 20,190

(Concluded)

Amendments Table of "Articles of Incorporation"

No.	After amendment	Before amendment	Remark
Article 16	The Company has 9~13 directors and 3 supervisors who are competent shareholders elected in the shareholders' meeting. The total order shares of the Company held by all directors and supervisors are to be processed in accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies." The number of directors referred to above shall include at least three independent directors. Directors and supervisors are elected among the shareholders by nomination system in accordance with Article 192-1 of the Company Act. Votes casted for the election of independent directors, non-independent directors, and supervisors are counted and elected separately.	The Company has 9~13 directors and 3 supervisors who are competent shareholders elected in the shareholders' meeting. The total order shares of the Company held by all directors and supervisors are to be processed in accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies." The number of directors referred to above shall include at least two independent directors that is not less than one fifth of the board of directors. Directors and supervisors are elected among the shareholders by nomination system in accordance with Article 192-1 of the Company Act. Votes casted for the election of independent directors, non-independent directors, and supervisors are counted and elected separately.	In accordance with Article 14-4 of the Securities and Exchange Act and the official letter No. 10200531121 from Financial Supervisory Commission, R.O.C. (Taiwan), the Audit Committee should be established in lieu of the Supervisors after the seventeenth tenure of the current Directors and Supervisors ended next year, 2019. It is proposed to amend Article 16 of the Company Act. and to enact Article 16-1.
Article 16-1	Pursuant to Article 14-4 of the Securities and Exchange Act, the Company will establish an Audit Committee. The Audit Committee shall make up of the entire number of independent directors, and it is responsible of executing powers relegated to Supervisors by the Company Act, Securities and Exchange Act and other laws and regulations. The Supervisors will cease to function and be ipso facto dismissed on the date of instituting of the Audit Committee. The organizing members, exercise of powers and other matters to be abided by the Audit Committee shall follow related laws, regulations or rules or regulation of the Company. The organization regulations of the		

	Audit Committee shall be adopted by the Board of Director.		
Article 29	The Articles of Incorporation of the Corporation are stipulated on the 22nd day of June 1968 and after resolution was obtained in the stockholders' regular meeting, it was submitted to the competent authority for approval and became effective on the same day. Subsequent amendment to these Articles of Incorporation shall become effective after being passed at the stockholders' meeting. (Omitted) The forty-sixth revision was in June 8th 2016. The forty-seventh revision was in June 6th 2018.	The Articles of Incorporation of the Corporation are stipulated on the 22nd day of June 1968 and after resolution was obtained in the stockholders' regular meeting, it was submitted to the competent authority for approval and became effective on the same day. Subsequent amendment to these Articles of Incorporation shall become effective after being passed at the stockholders' meeting. (Omitted) The forty-sixth revision was in June 8th 2016.	