U-Ming Marine Transport Corporation

Parent Company Only Financial Statements for the Years Ended December 31, 2019 and 2018

Note：The translation version is intended for reference only. If any inconsistency between the Chinese and English versions, the Chinese version shall govern.

U-MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 45,064	-	$ 12,695	-
Financial assets at fair value through profit or loss - current (Note 7)	-	-	259	-
Financial assets at fair value through other comprehensive income - current (Note 8 and 24)	1,984,687	4	1,726,585	4
Contract assets (Note 17)	4,562	-	5,640	-
Trade receivables from unrelated parties (Note 9)	7,890	-	7,495	-
Trade receivables from related parties (Note 9 and 23)	63,349	-	77,284	-
Other receivables (Note 23)	37,524	-	74,689	-
Fuel inventory	28,669	-	24,693	-
Other current assets (Note 23)	53,371	-	55,697	-
Total current assets	2,225,116	4	1,985,037	4
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,267,653	2	910,293	2
Investments accounted for using equity method (Note 10)	47,352,099	92	48,120,696	92
Property, plant and equipment (Note 11 and 24)	839,966	2	870,896	2
Intangible assets	56,274	-	34,624	-
Deferred tax assets (Note 19)	11,703	-	17,895	-
Refundable deposits (Note 23 and 24)	58,487	-	43,657	-
Other non-current assets	8,780	-	10,301	-
Total non-current assets	49,594,962	96	50,008,362	96
TOTAL	$ 51,820,078	100	$ 51,993,399	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 12 and 24)	$ 6,500,000	13	$ 6,615,000	13
Short-term bills payable (Note 12)	3,199,322	6	4,748,161	9
Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	5,843	-
Trade payables (Note 23)	27,657	-	24,203	-
Other payables (Note 14)	398,372	1	346,480	1
Other payables from related parties (Note 23)	-	-	1,846,115	4
Current tax liabilities (Note 19)	105,252	-	27,895	-
Current portion of long-term borrowings (Note 12)	1,035,000	2	3,819,611	7
Other current liabilities (Note 23)	15,538	-	20,571	-
Total current liabilities	11,281,141	22	17,453,879	34
NON-CURRENT LIABILITIES				
Bank loans (Note 12)	13,396,648	26	8,596,684	17
Deferred tax liabilities (Note 19)	174,185	-	170,677	-
Net defined benefit liabilities - non-current (Note 15)	123,545	-	146,624	-
Total non-current liabilities	13,694,378	26	8,913,985	17
Total liabilities	24,975,519	48	26,367,864	51
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 16)				
Common share capital	8,450,557	16	8,450,557	16
Capital surplus	115,152	-	115,123	-
Retained earnings				
Legal reserve	6,693,492	13	6,526,608	13
Special reserve	-	-	2,000,954	4
Unappropriated earnings	9,669,918	19	7,526,115	14
Total retained earnings	16,363,410	32	16,053,677	31
Other equity	1,915,440	4	1,006,178	2
Total equity	26,844,559	52	25,625,535	49
TOTAL	$ 51,820,078	100	$ 51,993,399	100

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

U-MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Note 17, 23 and 25)	$ 1,062,972	100	$ 1,080,444	100
OPERATING COSTS (Note 18 and 23)	927,313	87	878,018	81
GROSS PROFIT	135,659	13	202,426	19
OPERATING EXPENSES (Note 18 and 23)	301,864	29	267,293	25
LOSS FROM OPERATIONS	(166,205)	(16)	(64,867)	(6)
NON-OPERATING INCOME AND EXPENSES				
Financial costs (Note 18 and 23)	(272,034)	(25)	(331,247)	(31)
Share of the profit or loss of subsidiaries, associates and joint ventures (Note 10)	2,023,359	190	1,788,982	166
Interest income	668	-	280	-
Dividend income	97,117	9	108,572	10
Other income (Note 23)	42,718	4	44,684	4
Net loss on foreign currency exchange (Note 26)	(6,354)	(1)	(51,105)	(5)
Valuation gain on financial assets and liabilities at fair value through profit or loss, net	9,696	1	112,054	10
Other losses	(5,114)	-	(5,607)	-
Total non-operating income and expenses	1,890,056	178	1,666,613	154
PROFIT BEFORE INCOME TAX	1,723,851	162	1,601,746	148
INCOME TAX EXPENSE (BENEFIT) (Note 19)	102,156	9	(67,094)	(6)
NET PROFIT FOR THE YEAR	1,621,695	153	1,668,840	154

(Continued)

U-MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 15)	$ (2,303)	-	$ (12,354)	(1)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	615,462	58	68,918	6
Share of the other comprehensive income of subsidiaries, associates and joint ventures using the equity method	1,524,081	143	568,878	53
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(981,569)	(93)	1,337,857	124
Share of the other comprehensive income of subsidiaries, associates and joint ventures using the equity method	(36,852)	(3)	43,958	4
Other comprehensive income for the year, net of income tax	1,118,819	105	2,007,257	186
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,740,514	258	$ 3,676,097	340
EARNINGS PER SHARE (Note 20)				
Basic	$ 1.92		$ 1.97	
Diluted	$ 1.92		$ 1.97	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

U-MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(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 the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Gain on Property Revaluation	Total	Total Equity
BALANCE AT JANUARY 1, 2018	8,450,557	115,135	6,426,656	-	8,968,971	(2,694,362)	1,696,487	-	133	(997,742)	22,963,577
Appropriation of 2017 earnings											
Legal reserve	-	-	99,952	-	(99,952)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,014,067)	-	-	-	-	-	(1,014,067)
Special reserve	-	-	-	2,000,954	(2,000,954)	-	-	-	-	-	-
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	4	-	-	-	-	-	-	-	-	4
Net profit for the year ended December 31, 2018	-	-	-	-	1,668,840	-	-	-	-	-	1,668,840
Other comprehensive income for the year ended December 31, 2018, net of income tax	-	-	-	-	3,337	1,381,813	622,105	2	-	2,003,920	2,007,257
Total comprehensive income for the year ended December 31, 2018	-	-	-	-	1,672,177	1,381,813	622,105	2	-	2,003,920	3,676,097
Dividends claimed after over five years by stockholders	-	(16)	-	-	-	-	-	-	-	-	(16)
Change from investments in associates and joint ventures accounted for using equity method	-	-	-	-	(60)	-	-	-	-	-	(60)
BALANCE AT DECEMBER 31, 2018	8,450,557	115,123	6,526,608	2,000,954	7,526,115	(1,312,549)	2,318,592	2	133	1,006,178	25,625,535
Appropriation of 2018 earnings											
Legal reserve	-	-	166,884	-	(166,884)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,521,100)	-	-	-	-	-	(1,521,100)
Special reserve	-	-	-	(2,000,954)	2,000,954	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	29	-	-	-	-	-	-	-	-	29
Net profit for the year ended December 31, 2019	-	-	-	-	1,621,695	-	-	-	-	-	1,621,695
Other comprehensive income for the year ended December 31, 2019, net of income tax	-	-	-	-	6,685	(1,018,421)	2,130,555	-	-	1,112,134	1,118,819
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	1,628,380	(1,018,421)	2,130,555	-	-	1,112,134	2,740,514
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiary	-	-	-	-	203,950	-	(203,950)	-	-	(203,950)	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associate	-	-	-	-	(1,078)	-	1,078	-	-	1,078	-
Changes from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	(419)	-	-	-	-	-	(419)
BALANCE AT DECEMBER 31, 2019	$ 8,450,557	$ 115,152	$ 6,693,492	$ -	$ 9,669,918	$ (2,330,970)	$ 4,246,275	$ 2	$ 133	$ 1,915,440	$ 26,844,559

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

U-MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,723,851	$ 1,601,746
Adjustments for:		
Depreciation expenses	129,682	115,156
Amortization expenses	10,786	8,813
Net gain on financial assets and liabilities at fair value through profit or loss	(9,696)	(112,054)
Finance costs	272,034	331,247
Interest income	(668)	(280)
Dividend income	(97,117)	(108,572)
Share of the profit of subsidiaries, associates and joint ventures	(2,023,359)	(1,788,982)
Net loss on foreign currency exchange	11,896	173,746
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	4,112	7,079
Contract assets	1,078	(5,640)
Trade receivables	13,540	(21,961)
Other receivables	37,479	(36,168)
Fuel inventory	(3,976)	591
Other current assets	2,340	6,179
Trade payables	3,454	(10,699)
Other payables	46,349	(24,609)
Other current liabilities	(5,033)	439
Net defined benefit liabilities	(25,382)	(8,293)
Cash generated from operations	91,370	127,738
Interest received	354	791
Dividends received	97,117	108,572
Interest paid	(268,192)	(328,964)
Income tax paid	(15,099)	(8)
Net cash used in operating activities	(94,450)	(91,871)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(92,079)	(50,330)
(Increase) decrease in refundable deposits	(14,830)	4,885
Payment for intangible assets	(1,319)	(20,945)
Increase in other non-current assets	-	(3,078)
Increase in prepayment for equipment	(36,283)	(2,714)
Dividends received from associates accounted for using the equity method	3,297,226	3,300,617
Net cash generated from investing activities	3,152,715	3,228,435

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U-MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	$ (115,000)	$ 535,000
(Repayments of) proceeds from short-term bills payable	(1,550,000)	2,150,000
Proceeds from long-term borrowings	7,209,000	7,432,000
Repayments of long-term borrowings	(5,194,000)	(3,200,000)
Decrease in other payables from related parties	(1,854,720)	(9,044,700)
Dividends paid	(1,521,100)	(1,014,083)
Net cash used in financing activities	(3,025,820)	(3,141,783)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(76)	254
NET DECREASE IN CASH AND CASH EQUIVALENTS	32,369	(4,965)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	12,695	17,660
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 45,064	$ 12,695

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

1. GENERAL INFORMATION

U-Ming Marine Transport Corporation (the "Company") was incorporated in the Republic of China (ROC) in August 1968. The Company not only own and manage ships that transport dry bulk cargoes, specializing in cement, coal, iron ore and grain. The Company's shares are listed on the Taiwan Stock Exchange since December 8, 1990.

The parent company only financial statements of the Company are presented in the Company's financial currency, the New Taiwan dollar (NTD).

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company's board of directors on March 10, 2020.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission ("FSC")

   Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies:

   IFRS 16 "Leases"

   IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

   Definition of a lease

   The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases on the parent company only balance sheets except for those whose payments under low-value and short-term leases are recognized as expenses on a straight-line basis. On the parent company only statements of comprehensive income, the Company are presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the parent company only statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts recognized as expenses on a straight-line basis. Cash flows for operating leases were classified within operating activities on the parent company only statements of cash flows.

The Company elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

The Company also applies the following practical expedients:

a) The Company applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

b) The Company accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

c) The Company excludes initial direct costs from the measurement of right-of-use assets on January 1, 2019.

d) The Company uses hindsight, such as in determining lease terms, to measure lease liabilities.

The Company as lessor

The Company does not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

Since all operational vessels are the Company’s self-owned vessels, and there are no vessels leased for long-term use, after assessment, initial application of IFRS 16 was found not to have a material impact on the Company.

The difference between the further minimum lease payments of non-cancellable operating lease commitments and lease liabilities recognized under IFRS 16 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 22,404
Less: Recognition exemption for short-term leases	(22,103)
Less: Recognition exemption for leases of low-value assets	(301)
Undiscounted amounts on January 1, 2019	$ -
Lease liabilities recognized on January 1, 2019	$ -

b. The IFRSs endorsed by the FSC for application starting from 2020

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

Note 1: The Company shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Company shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Company shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

As of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Company's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

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

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the

Company's share of the gain or loss is eliminated.

2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

The amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32: Financial Instruments: Presentation, the aforementioned terms would not affect the classification of the liability.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company'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 parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are 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

3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing the parent company only financial statements, the Company account for subsidiaries and associates by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

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 12 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 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company 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. Foreign currencies

In preparing the parent company only financial statements, 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 from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not retranslated subsequently.

For the purpose of presenting parent company only financial statements, the functional currencies of the Company are translated into the presentation currency, the New Taiwan dollars, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. 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 operations instead of sales. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company.

The Company uses the equity method to account for its investments in subsidiaries. Under the equity method, investments in subsidiaries are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of those subsidiaries. The Company also recognizes the changes in the Company's share of the equity of subsidiaries.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

Profits or losses resulting from downstream transactions are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investments in associates

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

The Company uses the equity method to account for its investments in associates. Under the equity method, investments in associates are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of those associates. The Company also recognizes the changes in the Company's share of the equity of associates.

When the Company 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 Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Company's ownership interest is reduced due to the additional subscription of the new shares of the 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 had the investee 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 using the equity method is insufficient, the shortage is debited to retained earnings.

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 is not allocated to any asset that 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.

When a Company entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company' financial statements only to the extent of interests in the associate that are not related to the Company.

h. Property, plant and equipment

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

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

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the coverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The 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, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding 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.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Company 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 issuance 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 (FVTPL) 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 FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial assets are mandatorily classified as at FVTPL, including investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured 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. Fair value is determined in the manner described in Note 22.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of the financial asset; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits, which are short-term and highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost and contract assets.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

i) Internal or external information show that the debtor is unlikely to pay its creditors.

ii) When a financial asset is more than 365 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Company 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 at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

Except financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when the financial liabilities are held for trading, and are stated at fair value, with any gain or loss 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 22.

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.

l. Revenue recognition

1) Revenue from the rendering of services

The Company identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from rendering of services comes from the freight received from goods shipping and vessel chartering, and revenue from vessel management.

As the Company provides goods shipping, vessel chartering and vessel management services, the customer simultaneously receives and consumes the benefits provided by the Company's performance. Consequently, the related revenue is recognized when services are rendered. The Company measures the progress of each voyage by the proportion of days sailed to the expected total voyage period. Payment for transportation services is not due from the customer until a certain period after the goods have completed loading and, therefore, a contract asset is recognized over the period in which the transportation services are performed. The contract asset is reclassified to trade receivables when billed. Vessel chartering and management revenue are recognized by reference to the stage of completion of the contract, which is the proportion of the time of services rendered to the total contract period.

2) Dividend and Interest income

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

m. Leasing

2019

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

As lessee, the Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms

2018

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

As lessee, operating lease payments are recognized as expenses on a straight-line basic over the lease term.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost), and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

o. 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 on unappropriated earnings is provided for in the year the shareholders approve to retain 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 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 carryforwards 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 Company 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 recognized only 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 liabilities are settled or the assets are 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes 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 taxes 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 Company's accounting policies, management is required to make judgments, estimations 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 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 estimates are revised if the revisions affects only that period or in the period of the revisions and future periods if the revisions affects both current and future periods.

Critical Accounting Judgements

Revenue recognition

The Company assesses that its performance obligations are satisfied over time based on the conditions in the contract and related regulations. Freight revenue is recognized by reference to the stage of completion of the contract, which is the proportion of the actual days sailed to the expected total voyage duration agreed in the contract. If the actual voyage duration differs from that stated in the contract, the amount of revenue recognized might be affected. Management believes that the best estimate has been used to assess the stage of completion of contracts.

Key Sources of Estimation Uncertainty

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 of disposal 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. CASH AND CASH EQUIVALENTS

	December 31	
	2019	2018
Cash on hand	$ 176	$ 367
Checking accounts and demand deposits	28,999	12,328
Cash equivalents		
Time deposits	15,889	-
	$ 45,064	$ 12,695

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2019	2018
Financial assets at FVTPL - current		
Derivative financial assets (not under hedge accounting)		
Cross-currency swap contracts	$ -	$ 259
Financial liabilities held for trading - current		
Derivative financial liabilities (not under hedge accounting)		
Cross-currency swap contracts	$ -	$ 5,843

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, 2019: None.			
December 31, 2018			
NTD307,800/USD10,000	2019.01.07	(0.58%)	1-month LIBOR: 2.3469%
NTD1,542,000/USD50,000	2019.01.11	(0.78%)	1-month LIBOR: 2.3869%

The Company entered into cross-currency swap contracts to manage exposures to exchange rate and interest rate fluctuations of financial liabilities denominated in foreign currencies. The Company did not apply hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
Equity Instruments	2019	2018
Current		
Domestic listed shares	$ 1,984,687	$ 1,726,585
Non-current		
Domestic unlisted shares	$ 1,267,653	$ 910,293

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

Refer to Note 24 for information relating to investments in financial assets at FVTOCI pledged as security.

9. TRADE RECEIVABLES

	December 31 2019	December 31 2018
At amortized cost		
Gross carrying amount	$ 7,890	$ 7,495
Less: Allowance for impairment loss	-	-
	$ 7,890	$ 7,495
Gross carrying amount - related parties	$ 63,349	$ 77,284

The Company receives freight charges that amount to 90% to 95% of the total contract price within 3 to 8 days from completion of loading, and settles demurrage with customer upon completion of each voyage period. The outstanding period of demurrage depends on progress of settlement, normally longer than the outstanding period of freight charge.

The Company uses publicly available financial information or its own trading records to continuously assess the credit ratings of its counterparties, and credit exposure is controlled through credit limits of counterparties. In addition, the Company reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ELCs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 365 days past due, whichever occurs earlier. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2019

	0 to 30 Days	31 to 90 Days	91 to 180 Days	Total
Gross carrying amount	$ 69,975	$ 1,264	$ -	$ 71,239
Loss allowance (Lifetime ECLs)	-	-	-	-
Amortized cost	$ 69,975	$ 1,264	$ -	$ 71,239

December 31, 2018

	0 to 30 Days	31 to 90 Days	91 to 180 Days	Total
Gross carrying amount	$ 82,884	$ 1,638	$ 257	$ 84,779
Loss allowance (Lifetime ECLs)	-	-	-	-
Amortized cost	$ 82,884	$ 1,638	$ 257	$ 84,779

The Company did not recognize an allowance for impairment loss as of December 31, 2019 and there are no the movements of the loss allowance during the year.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2019	2018
Subsidiaries	$ 45,336,359	$ 46,007,264
Associates	2,015,740	2,113,432
	$ 47,352,099	$ 48,120,696

a. Investments in subsidiaries

	December 31			
	2019		2018	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
U-Ming Marine Transport (Singapore) Private Limited (U-Ming Singapore)	$ 32,648,819	100	$ 34,244,515	100
U-Ming Marine Transport (Hong Kong) Ltd. (U-Ming Hong Kong)	8,238,724	100	7,981,661	100
Yue-Li Investment Corporation (Yue-Li)	2,284,803	68	1,947,856	68
Yue-Tung Investment Corporation (Yue-Tung)	2,164,013	74	1,833,232	74
	$ 45,336,359		$ 46,007,264	

The calculation of the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the subsidiaries' audited financial statements as of December 31, 2019 and 2018.

b. Investments in associates

	December 31	
	2019	2018
Associates that are not individually material	$ 2,015,740	$ 2,113,432

Aggregate information of associates that are not individually material:

	For the Year Ended December 31	
	2019	2018
The Company's share of:		
Profit	$ 14,072	$ 82,871
Other comprehensive (loss) income	(37,200)	44,347
Total comprehensive income for the year	$ (23,128)	$ 127,218

The calculation of the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the associates' financial statements that have not been audited as of December 31, 2019. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income, from the financial statements that have not been audited.

The calculation of the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the associates' audited financial statements as of December 31, 2018.

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Transportation	Miscellaneous	Total
Cost				
Balance at January 1, 2018	$ 1,092	$ 2,900,939	$ 39,948	$ 2,941,979
Additions	-	50,194	136	50,330
Reclassified	-	-	1,864	1,864
Derecognition by replacement	-	(45,984)	-	(45,984)
Balance at December 31, 2018	$ 1,092	$ 2,905,149	$ 41,948	$ 2,948,189
Accumulated depreciation and impairment				
Balance at January 1, 2018	$ -	$ 1,972,121	$ 36,000	$ 2,008,121
Depreciation	-	113,157	1,999	115,156
Derecognition by replacement	-	(45,984)	-	(45,984)
Balance at December 31, 2018	$ -	$ 2,039,294	$ 37,999	$ 2,077,293
Carrying amounts at December 31, 2018	$ 1,092	$ 865,855	$ 3,949	$ 870,896
Cost				
Balance at January 1, 2019	$ 1,092	$ 2,905,149	$ 41,948	$ 2,948,189
Additions	-	91,856	223	92,079
Reclassified	-	-	6,673	6,673
Derecognition by replacement	-	(53,868)	-	(53,868)
Balance at December 31, 2019	$ 1,092	$ 2,943,137	$ 48,844	$ 2,993,073
Accumulated depreciation and impairment				
Balance at January 1, 2019	$ -	$ 2,039,294	$ 37,999	$ 2,077,293
Depreciation	-	126,592	3,090	129,682
Derecognition by replacement	-	(53,868)	-	(53,868)
Balance at December 31, 2019	$ -	$ 2,112,018	$ 41,089	$ 2,153,107
Carrying amounts at December 31, 2019	$ 1,092	$ 831,119	$ 7,755	$ 839,966

The Company carries out a periodic review of the impairment assessment for the ships used for transportation; after the review, the Company found no material indication of impairment for the years ended December 31, 2019 and 2018.

The transportation equipment are depreciated on a straight-line basis, and the miscellaneous assets are depreciated on a fixed-percentage-on-declining-balance method over their estimated useful lives as follows:

Transportation equipment	1-18 years
Miscellaneous	3-5 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 24.

12. BORROWINGS

a. Short-term loans

	December 31	
	2019	2018
Unsecured borrowings		
Credit borrowings	$ 6,500,000	$ 6,615,000
Interest rate	0.90% - 0.95%	0.90% - 1.14%

b. Short-term bills payable

December 31, 2019

Promissory Institution	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
Commercial paper				
Chang Hwa Commercial Bank	$ 1,050,000	($ 372)	$ 1,049,628	0.970%
Mega Bills Finance Co., Ltd.	750,000	(99)	749,901	0.958%
China Bills Financial Corporation	600,000	(142)	599,858	0.958%
The Shanghai Commercial & Savings Bank, Ltd.	500,000	(26)	499,974	0.958%
Taiwan Finance Corporation	300,000	(39)	299,961	0.958%
	$ 3,200,000	($ 678)	$ 3,199,322	

December 31, 2018

Promissory Institution	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
Commercial paper				
Chang Hwa Commercial Bank	$ 1,500,000	($ 355)	$ 1,499,645	0.960%
Mega Bills Finance Co., Ltd.	750,000	(193)	749,807	0.938%
Credit Agricole Corporate & Investment Bank/International Bills Financial Corporation	700,000	(367)	699,633	1.198%
China Bills Financial Corporation	600,000	(15)	599,985	0.938%
The Shanghai Commercial & Savings Bank, Ltd.	500,000	(252)	499,748	1.080%
International Bills Financial Corporation	400,000	(179)	399,821	1.018%
Taiwan Finance Corporation	300,000	(478)	299,522	1.058%
	$ 4,750,000	($ 1,839)	$ 4,748,161	

c. Long-term borrowings

	December 31	
	2019	2018
Unsecured bank loans	$ 14,431,648	$ 12,416,295
Less: Current portion	1,035,000	3,819,611
Long-term borrowings	$ 13,396,648	$ 8,596,684

Long-term borrowings are for the purpose of general operations, with loan periods ranging from 1 month to 4 years and 7 months and with interest rate ranges of 0.83%-1.50% and 0.90%-1.77% as of December 31, 2019 and 2018, respectively.

13. LEASE ARRANGEMENTS

The Company leases certain business spaces office and office equipment which qualify as short-term leases and as low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

2019

	December 31, 2019
Expenses relating to short-term leases	$ 21,416
Expenses relating to low-value asset leases	$ 2,230
Total cash outflow for leases	$ 23,646

2018

	December 31, 2018
The future minimum lease payments of non-cancellable operating lease commitments	
Not later than 1 year	$ 22,280
Later than 1 year and not later than 5 years	124
	$ 22,404

14. OTHER PAYABLES

	December 31	
	2019	2018
Remuneration to directors and supervisors	$ 141,172	$ 139,818
Employees' compensation	58,077	56,831
Dock repairs	40,639	19,857
Salaries and bonuses	39,460	37,063
Material consumption and repairs	34,398	42,839
Port charges	9,848	13,516
Others	74,778	36,556
	$ 398,372	$ 346,480

15. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (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.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 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. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2019	**2018**
Present value of defined benefit obligation	$ 204,319	$ 217,891
Fair value of plan assets	(80,774)	(71,267)
Net defined benefit liabilities	$ 123,545	$ 146,624

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2018	$ 208,603	($ 66,040)	$ 142,563
Current service cost	3,162	-	3,162
Net interest expense (income)	2,086	(680)	1,406
Recognized in profit or loss	5,248	(680)	4,568
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,959)	(1,959)
Actuarial loss - changes in demographic assumptions	1,444	-	1,444
Actuarial loss - changes in financial assumptions	2,059	-	2,059
Actuarial gain - experience adjustments	10,810	-	10,810
Recognized in other comprehensive income	14,313	(1,959)	12,354

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Contributions from the employer	$ -	($ 8,010)	($ 8,010)
Benefits paid	(10,273)	5,422	(4,851)
Balance at December 31, 2018	217,891	(71,267)	146,624
Current service cost	3,238	-	3,238
Net interest expense (income)	1,907	(643)	1,264
Recognized in profit or loss	5,145	(643)	4,502
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,693)	(2,693)
Actuarial loss - changes in demographic assumptions	768	-	768
Actuarial loss - changes in financial assumptions	3,824	-	3,824
Actuarial gain - experience adjustments	404	-	404
Recognized in other comprehensive income	4,996	(2,693)	2,303
Contributions from the employer	-	(21,850)	(21,850)
Benefits paid	(23,713)	15,679	(8,034)
Balance at December 31, 2019	$ 204,319	($ 80,774)	$ 123,545

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2019	**2018**
Discount rate(s)	0.625%	0.875%
Expected rate(s) of salary increase - ship crew	1.500%	1.500%
Expected rate(s) of salary increase - staff	3.000%	3.000%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2019	2018
Discount rate(s)		
0.25% increase	($ 3,830)	($ 4,114)
0.25% decrease	$ 3,967	$ 4,264
Expected rate(s) of salary increase		
0.25% increase	$ 3,829	$ 4,129
0.25% decrease	($ 3,718)	($ 4,004)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2019	2018
Expected contributions to the plan for the next year	$ 4,536	$ 4,363
Average duration of the defined benefit obligation	8.4 years	8.4 years

16. EQUITY

a. Common share capital

	December 31	
	2019	2018
Number of shares authorized (in thousands)	880,000	880,000
Number of shares issued and fully paid (in thousands)	845,056	845,056

	December 31	
	2019	2018
Shares authorized	$ 8,800,000	$ 8,800,000
Shares issued	$ 8,450,557	$ 8,450,557

b. Capital surplus

	December 31	
	2019	2018
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)		
Conversion of bonds	$ 93,474	$ 93,474
Excess of merger	5,428	5,428

(Continued)

	December 31	
	2019	2018
May only be used to offset a deficit		
Donations	16,200	16,200
Share of change in capital surplus of associates or joint ventures	50	21
	$ 115,152	$ 115,123

(Concluded)

Note: Such capital surplus 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

Under the dividend policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, after paying for taxes, the profit shall be first utilized for offsetting losses of previous years, if there is any remaining profit, 10% of the remaining profit shall be set aside as legal reserve, and after setting aside or reversing a special reserve in accordance with the laws and regulations, any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

Dividends distributed to shareholders are decided after consideration has been given to the business perspective of the Company, the life cycle of various products or service provided, capital requirement in the future and the effect of possible changes of tax laws. Dividends shall be distributed under the objective of maintaining a stable dividend policy. For issue of dividends, except to save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, dividends distributed shall not be lower than 50% of net profit after tax deduction for offset of loses, legal reserve, and special reserve, and the cash dividend shall not be lower than 10% of shareholders' bonus of that year.

For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to employees' compensation and remuneration of directors and supervisors in Note 18-d.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. 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.

Items referred to under Rule No. 1010012865 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2018 and 2017 which have been approved in the shareholders' meetings on June 13, 2019 and June 6, 2018, respectively, were as follows:

	Appropriation of Earnings		Dividend Per Share	
	2018	2017	2018	2017
Legal reserve	$ 166,884	$ 99,952		
Special reserve	(2,000,954)	2,000,954		
Cash dividends	1,521,100	1,014,067	$ 1.8	$ 1.2
	($ 312,970)	$ 3,114,973		

The appropriations of earnings for 2019 which had been proposed by the Company's board of directors on March 10, 2020, were as follows:

	Appropriation of Earnings	Dividend Per Share
	2019	2019
Legal reserve	$ 183,083	
Cash dividends	1,605,606	$ 1.9
	$ 1,788,689	

The appropriations of earnings for 2019 are subject to the resolution of the shareholders' meeting to be held on June 9, 2020.

d. Other equity items

	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Gains on Property Revaluation
Balance at January 1, 2019	($ 1,312,549)	$ 2,318,592	$ 2	$ 133
Exchange differences on translating the financial statements of foreign operations	(981,092)	-	-	-
Unrealized valuation gain (loss) on financial assets at FVTOCI	-	2,109,054	-	-
Share of other comprehensive gain (loss) of subsidiaries and associates accounted for using equity method	(37,329)	21,501	-	-
Disposal of investment in equity instruments designated as at FVTOCI by subsidiaries and associate	-	(202,872)	-	-
Balance at December 31, 2019	($ 2,330,970)	$ 4,246,275	$ 2	$ 133
Balance at January 1, 2018	($ 2,694,362)	$ 1,696,487	$ -	$ 133
Exchange differences on translating the financial statements of foreign operations	1,337,857	-	-	-
Unrealized valuation gain (loss) on financial assets at FVTOCI	-	68,918	-	-
Share of other comprehensive gain (loss) of subsidiaries and associates and joint ventures accounted for using equity method	43,956	553,187	2	-
Balance at December 31, 2018	($ 1,312,549)	$ 2,318,592	$ 2	$ 133

17. REVENUE

a. Disaggregation of revenue

	For the Year Ended December 31	
	2019	2018
Transportation	$ 779,826	$ 809,222
Vessel management	274,026	267,505
Vessel leased	5,310	-
Others	3,810	3,717
	$ 1,062,972	$ 1,080,444

Refer to Note 4 for information relating to the relevant accounting policies.

b. Contract balances

	December 31	
	2019	2018
Contract assets - transportation services	$ 4,562	$ 5,640

The Company measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to trade receivables when the corresponding invoice is billed to the client, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Company concluded that the expected loss rates for trade receivables can be applied to the contract assets. No impairment losses was recognized for contract assets in 2019 and 2018, respectively.

The changes in the balance of contract assets and contract liabilities primarily resulted from the timing difference between the Company's performance and the respective customer's payment. As of December 31, 2019 and 2018, the balance of contract liabilities was not material.

18. NET PROFIT AND OTHER COMPREHENSIVE INCOME

a. Finance costs

	For the Year Ended December 31	
	2019	2018
Interest on bank loans/commercial papers	$ 272,034	$ 331,247

b. Depreciation and amortization by function

	For the Year Ended December 31	
	2019	2018
Depreciation of property, plant and equipment		
Operating costs	$ 126,592	$ 113,157
Operating expenses	3,090	1,999
	$ 129,682	$ 115,156
Amortization of intangible assets		
Operating expenses	$ 10,786	$ 8,813

c. Employee benefits expense

	2019			2018		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term benefits						
Salary expenses	$ 226,473	$ 112,506	$ 338,979	$ 221,790	$ 103,380	$ 325,170
Insurance expenses	16,345	8,767	25,112	15,332	7,660	22,992
	242,818	121,273	364,091	237,122	111,040	348,162
Post-employment benefits (Note 15)						
Defined contribution plans	9,227	4,206	13,433	9,048	3,769	12,817
Defined benefit plans	608	3,894	4,502	613	3,955	4,568
	9,835	8,100	17,935	9,661	7,724	17,385
Other employee benefits						
Remuneration of directors	-	18,237	18,237	-	16,950	16,950
Others	14,561	21,512	36,073	14,572	20,149	34,721
	14,561	39,749	54,310	14,572	37,099	51,671
Total employee benefits expense	$ 267,214	$ 169,122	$ 436,336	$ 261,355	$ 155,863	$ 417,218

The Company had 239 and 243 employees, both including 7 directors not serving concurrently as employees as of December 31, 2019 and 2018.

The Company's average employee benefit expenses for the years ended December 31, 2019 and 2018 were NT$1,802 thousand and NT$1,696 thousand, respectively. The Company's average salary expenses for the years ended December 31, 2019 and 2018 were NT$1,461 thousand and NT$1,378 thousand, respectively. The Company's average salary expense adjustment for the year ended December 31, 2019 increased by 6.02%.

d. Employees’ compensation and remuneration of directors and supervisors

According to the Articles of Incorporation of the Company, the Company accrued employees’ compensation and remuneration of directors and supervisors at rates of 1% and no higher than 1%, respectively, of net profit before income tax, employees’ compensation, and remuneration of directors and supervisors. The employees’ compensation and remuneration of directors and supervisors for the years ended December 31, 2019 and 2018 which were approved by the Company’s board of directors on March 10, 2020 and March 19, 2019, respectively, are as follows:

	For the Year Ended December 31			
	2019		2018	
	Accrual Rate	Cash Amount	Accrual Rate	Cash Amount
Employees' compensation	1%	$ 17,590	1%	$ 16,344
Remuneration of directors and supervisors	1%	17,590	1%	16,344

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors approved and the amounts recognized in the parent company only financial statements for the years ended December 31, 2018 and 2017.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Company's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

19. INCOME TAXES

a. Major components of income tax expense (benefit) recognized in profit or loss

	For the Year Ended December 31	
	2019	2018
Current tax		
In respect of the current year	$ -	$ 27,903
Adjustments for prior years	(12,809)	(103,518)
Income tax on unappropriated earnings	105,265	-
	92,456	(75,615)
Deferred tax		
In respect of the current year	9,700	(16,937)
Changes in tax rates	-	25,458
	9,700	8,521
Income tax expense (benefit) recognized in profit or loss	$ 102,156	($ 67,094)

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

	For the Year Ended December 31	
	2019	2018
Profit before tax	$ 1,723,851	$ 1,601,746
Income tax expense calculated at the statutory rate	$ 344,770	$ 320,349
Non-deductible expenses in determining taxable income	487	14,917
Tax-exempt income	(414,819)	(378,130)
Deferred tax effect of earnings of subsidiaries	79,262	53,830
Changes in tax rates	-	25,458
Adjustments for prior years' tax	(12,809)	(103,518)
Income tax on unappropriated earnings	105,265	-
Income tax expense (benefit) recognized in profit or loss	$ 102,156	($ 67,094)

The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings was reduced from 10% to 5%.

In July 2019, the President of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. The Company expects to apply to the regulation. As of the date on which the parent company only financial statements were authorized for issue, the possible impact is continuously assessed.

As the status of the 2020 appropriation of earnings is uncertain, the potential income tax consequences of the 2019 unappropriated earnings are not reliably determinable.

b. Current tax assets and liabilities

	December 31	
	2019	**2018**
Current tax liabilities		
Income tax payable	$ 105,252	$ 27,895

c. Deferred tax assets and liabilities

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary differences			
Defined benefit plans	$ 16,784	($ 5,076)	$ 11,708
Financial instruments at fair value through profit or loss	1,117	(1,117)	-
Property, plant and equipment	(6)	1	(5)
	$ 17,895	($ 6,192)	$ 11,703
Deferred tax liabilities			
Temporary differences			
Unappropriated earnings of subsidiaries	$ 157,000	$ 5,000	$ 162,000
Unrealized exchange gain	13,677	(1,492)	12,185
	$ 170,677	$ 3,508	$ 174,185

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary differences			
Defined benefit plans	$ 15,676	$ 1,108	$ 16,784
Financial instruments at fair value through profit or loss	18,795	(17,678)	1,117
Property, plant and equipment	(6)	-	(6)
	$ 34,465	($ 16,570)	$ 17,895
Deferred tax liabilities			
Temporary differences			
Unappropriated earnings of subsidiaries	$ 142,000	$ 15,000	$ 157,000
Unrealized exchange gain	36,726	(23,049)	13,677
	$ 178,726	($ 8,049)	$ 170,677

d. Income tax assessments

The tax returns through 2017 of the Company have been assessed by the tax authorities.

20. EARNINGS PER SHARE

The earnings and weighted-average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

a. Net profit for the year

	For the Year Ended December 31	
	2019	2018
Earnings used in the computation of basic and diluted earnings per share	$ 1,621,695	$ 1,668,840

b. The weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Year Ended December 31	
	2019	2018
Weighted average number of ordinary shares used in the computation of basic earnings per share	845,056	845,056
Effect of potentially dilutive ordinary shares		
Employee's compensation	637	543
Weighted average number of ordinary shares used in the computation of diluted earnings per share	845,693	845,599

If the Company offered to settle the compensation paid to employees in cash or shares, the Company assumed that the entire amount of the compensation 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, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

21. CAPITAL MANAGEMENT

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

The capital structure of the Company consists of net debt (borrowings offset by cash) and equity of the Company (comprising issued capital, reserves, retained earnings, and other equity).Key management personnel of the Company review the capital structure on a regular basis. 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 Company may adjust the amount of dividends paid to shareholders, and/or the amount of new debt issued or existing debt redeemed.

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

22. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the parent company only financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity investments				
Domestic listed shares	$ 1,984,687	$ -	$ -	$ 1,984,687
Domestic unlisted shares	-	-	1,267,653	1,267,653
	$ 1,984,687	$ -	$ 1,267,653	$ 3,252,340

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	$ -	$ 259	$ -	$ 259
Financial assets at FVTOCI				
Equity investments				
Domestic listed shares	$ 1,726,585	$ -	$ -	$ 1,726,585
Domestic unlisted shares	-	-	910,293	910,293
	$ 1,726,585	$ -	$ 910,293	$ 2,636,878
Financial liabilities at FVTPL				
Derivative instruments	$ -	$ 5,843	$ -	$ 5,843

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

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - cross-currency swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates and interest rate at the end of the reporting period, discounted at a rate that reflects the credit risk of various counterparties.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic unlisted equity securities were determined using the asset-based approach. The asset-based approach assesses the fair-market value of each asset and liability of the target of evaluation, and considers risk factors like the liquidity discount rate to estimate the target’s fair value.

c. Categories of financial instruments

	December 31			
	2019		2018	
Financial assets				
Financial assets at FVTPL	$	-	$	259
Financial assets at FVTOCI - equity instruments		3,252,340		2,636,878
Financial assets at amortized cost (1)		212,314		215,820
Financial liabilities				
Financial liabilities at FVTPL		-		5,843
Amortized cost (2)		24,556,999		25,996,254

1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables and refundable deposits.

2) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans (including current portion of long-term borrowings), short-term bills payable, trade payable and other payable.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity investments, derivative financial instruments, trade receivables, trade payables and borrowings. The Company'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 Company 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 Company 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 Company'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 Company'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 Company entered into cross-currency swap contracts to mitigate the exchange rate risk and interest rates risk arising from the Company's foreign currency denominated loans due to foreign operations.

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

a) Foreign currency risk

The Company is exposed to foreign currency risk arising from engagement in foreign-currency transactions, investments and borrowings. The Company used cross-currency swap contracts to hedge against adverse risks pertaining to exchange rates, maturing the terms of foreign currency denominated borrowings to maximize hedge effectiveness.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities exposed to foreign currency risk at the end of the reporting period are set out in Note 26.

Sensitivity analysis

The Company was mainly exposed to the USD.

The sensitivity analysis included outstanding foreign currency denominated monetary items and foreign currency denominated loans due to foreign operations, and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. For a 10% strengthening of the New Taiwan dollar against the USD, the Company's pre-tax profit for the years ended December 31, 2019 and 2018 would decrease by NT$715 thousand and increase by NT$181,901 thousand, respectively. For a 10% weakening of the New Taiwan dollar against the USD, there would be an equal and opposite impact on pre-tax profit and the balances above would be negative. This was mainly attributable to the exposure to the Company's USD denominated bank loans.

Because the Company entered into cross-currency swap contracts and its' profit and loss would offset with the Company's translation of foreign currency denominated loans due to foreign operations, changes in exchange rates between the New Taiwan dollar and USD would not have a material impact on the profit and loss of the Company.

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings, and using 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 Company's financial assets and financial liabilities with exposure to interest rate risk at the end of the reporting period were as follows:

	December 31	
	2019	**2018**
Fair value interest rate risk		
Financial assets	$ 59,389	$ 30,000
Financial liabilities	13,598,970	14,762,456
Cash flow interest rate risk		
Financial assets	7,730	6,244
Financial liabilities	10,532,000	10,859,900

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

The Company was also exposed to fair value interest rate risk in relation to fixed-rate bank borrowings. It is the Company'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 Company’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 Company’s pre-tax profit for the years ended December 31, 2019 and 2018 would decrease/increase by NT$52,621 thousand and NT$54,268 thousand, respectively, which was mainly attributable to the Company’s exposure to interest rates on its variable-rate bank borrowings.

c) Other price risk

The Company was exposed to equity price risk through its investments in equity securities. The Company manages this risk by maintaining a portfolio of investments with different risk levels. The Company’s equity price risk was mainly concentrated on equity instruments in Taiwan. Investments in equity securities are strategic investments made by the financial department of the Company.

Sensitivity analysis

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

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the years ended December 31, 2019 and 2018 would increase/decrease by NT$325,234 thousand and NT$263,688 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company’s maximum exposure to credit risk which will cause a financial loss to the Company due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Company could arise from the carrying amount of the respective recognized financial assets as stated in the parent company only balance sheets and the contingent liabilities would be generated if the financial guarantee is called upon.

The Company adopted a policy of credit risk management regarding operations. Risk assessment of counterparties takes into consideration the financial situation, credit rating by both external and internal parties, historical transaction records, current economic condition, and other factors that might affect the payment ability of the counterparty. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers.

The Company’s concentration of credit risk was related to the top five customers of the Company whose balances of trade receivables are among the top five. The Company’s exposure and the credit ratings of its counterparties are continuously monitored. When the counterparties are associates, the Company will consider them as of similar nature with the counterparties. In the years 2019 and 2018, the credit risk concentration was immaterial for any counterparty at any point in time.

3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2019 and 2018, the Company had available unutilized short-term bank loan facilities of NT$11,566,000 thousand and NT$7,519,038 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 Company's short, medium and long-term funding and liquidity management requirements. The Company 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 rate risk 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 Company 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, 2019

	On Demand or Within 1 Year	**1-5 Years**	**More Than 5 Years**
Non-interest bearing	$ 426,029	$ -	$ -
Floating interest rate	1,144,296	9,672,391	-
Fixed interest rate	9,777,685	4,031,478	-
	$ 11,348,010	$ 13,703,869	$ -

December 31, 2018

	On Demand or Within 1 Year	**1-5 Years**	**More Than 5 Years**
Non-interest bearing	$ 370,683	$ -	$ -
Floating interest rate	3,405,964	5,782,499	-
Fixed interest rate	11,917,248	3,028,371	-
Subsidiary borrowing	1,846,115	-	-
	$ 17,540,010	$ 8,810,870	$ -

Taking into account the Company'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 non-derivative financial assets and liabilities will vary due to the difference between the floating interest rate and the expected interest rate on the balance sheet dates.

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

The following table details the Company's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

	December 31	
	2019	**2018**
Gross settled		
Cross-currency swaps		
Inflows on demand or within 1 year	$ -	$ 1,853,866
Outflows on demand or within 1 year	-	(1,853,253)
	$ -	$ 613

23. TRANSACTIONS WITH RELATED PARTIES

a. Related party name and category

Related Party Name	Related Party Category
Asia Cement Corporation (Asia Cement)	Investors that have significant influence over the Company
U-Ming Marine Transport (Singapore) Private Limited (U-Ming Singapore)	Subsidiary
U-Ming Marine Transport (Hong Kong) Limited (U-Ming Hong Kong)	Subsidiary
Overseas Shipping Pte. Ltd. (OSPL)	Subsidiary
Yuan Ding Co., Ltd. (Yuan Ding)	Related party in substance
Asia Engineering Enterprise Corporation (Asia Engineering)	Related party in substance
Far Eastern New Century Corporation (FENC)	Related party in substance

b. Operating revenue

		For the Year Ended December 31	
Account Items	**Related Party Category/Name**	**2019**	**2018**
Freight revenue	Investors that have significant influence over the Company		
	Asia Cement	$ 545,483	$ 545,460
	Subsidiaries		
	U-Ming Singapore	104,509	102,752
	U-Ming Hong Kong	11,851	11,920
		$ 661,843	$ 660,132

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.

c. Purchases

		For the Year Ended December 31	
Account Items	**Related Party Category/Name**	**2019**	**2018**
Freight costs	Related parties in substance	$ 7,912	$ 11,968

The Company engages substantive related parties to provide ship material and repair services to the Company, and the relevant expenses are recognized as freight costs.

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

Account Items	Related Party Category/Name	December 31 2019	December 31 2018
Trade receivables from related parties	Investors that have significant influence over the Company		
	Asia Cement	$ 63,349	$ 76,975
	Subsidiaries	-	309
		$ 63,349	$ 77,284
Other receivables	Subsidiaries		
	U-Ming Singapore	$ 31,731	$ 33,448
	Others	-	19
		$ 31,731	$ 33,467

The outstanding trade receivables from related parties are unsecured. No impairment loss was recognized for trade receivables from related parties for the years ended December 31, 2019 and 2018.

e. Payables to related parties (excluding loans from related parties)

Account Items	Related Party Category/Name	December 31 2019	December 31 2018
Trade payables - related parties	Related party in substance	$ 393	$ 697

f. Prepayments

Account Items	Related Party Category/Name	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Prepaid expenses	Related party in substance		
	Asia Engineering	$ 34,262	$ 14,893
	Subsidiaries		
	U-Ming Singapore	18,529	21,743
	U-Ming Hong Kong	6,200	-
	Others	-	3,985
		$ 58,991	$ 40,621

g. Loans from related parties

Account Items	Related Party Category/Name	December 31 2019	December 31 2018
Other payables - related parties (Including principal and interest payable)	Subsidiaries		
	U-Ming Singapore	$ -	$ 1,846,115

Account Items	Related Party Category/Name	December 31 2019	December 31 2018
Financial costs	Subsidiaries		
	U-Ming Singapore	1,379	78,959
	Others	-	8,868
		$ 1,379	$ 87,827

For information about balance and interest rate of loans from related parties, refer to Table 1.

h. Endorsements and guarantees

Related Party Category/Name	December 31 2019	December 31 2018
Subsidiaries		
Amount endorsed	$ 8,021,634	$ 8,573,285
Amount utilized	$ 7,356,078	$ 8,573,285
Liabilities recognized	$ -	$ -

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

i. Others

Account Items	Related Party Category	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Temporary payments	Subsidiaries		
	U-Ming Hong Kong	$ 1,940	$ -
	U-Ming Singapore	1,464	-
		$ 3,404	$ -

Account Items	Related Party Category	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Temporary receipts	Investors that have significant influence over the Company		
	Asia Cement (Note 1)	$ 15,000	$ 15,000
	Subsidiaries		
	U-Ming Singapore	-	4,460
		$ 15,000	$ 19,460
Rent expense	Investors that have significant influence over the Company	$ 371	$ 515
	Related party in substance		
	Yuan Ding (Note 2)	13,373	20,054
		$ 13,744	$ 20,569
Other revenue	Subsidiaries		
	U-Ming Singapore	$ 31,649	$ 33,244
	Others	-	15
	Related party in substance		
	FENC (Note 3)	6,150	5,740
		$ 37,799	$ 38,999

Note 1: Asia Cement deposited to the Company revolving funds for ships.

Note 2: Refundable deposits for the lease were both NT$4,573 thousand as of December 31, 2019 and 2018.

Note 3: Remuneration of directors.

j. Compensation of key management personnel

	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Short-term employee benefits	$ 45,910	$ 42,167
Post-employment benefits	3,140	3,134
	$ 49,050	$ 45,301

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

24. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged or mortgaged as collateral for certain short-term bank loans and cash deposits of Taiwan Power Company:

	December 31	
	2019	2018
Property, plant and equipment (transportation)	$ 767,724	$ 809,141
Financial assets at FVTOCI - current	370,425	329,925
Pledged deposits (classified as refundable deposits)	43,500	30,000
	$ 1,181,649	$ 1,169,066

25. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Significant commitments

1) The Company entered into an agreement with Taiwan Power Company (TPC) to provide operational services for two ships of TPC - Taipower Prosperity I and Taipower Prosperity II through 2022.

2) 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 and NT$50,000 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 Company had financial guarantees given to banks in respect of banking facilities to subsidiaries. Refer to Note 23(h) for the details.

26. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and the respective functional currencies were as follows:

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of NTD)
Financial assets			
Monetary items			
USD	$ 1,903	29.980 (USD:NTD)	$ 57,043
Non-monetary items			
Investments accounted for using equity method			
USD	1,363,827	29.980 (USD:NTD)	$ 40,887,543
Financial liabilities			
Monetary items			
USD	1,664	29.980 (USD:NTD)	$ 49,890

December 31, 2018

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of NTD)
Financial assets			
Monetary items			
USD	$ 1,320	30.715 (USD:NTD)	$ 40,548
Non-monetary items			
Investments accounted for using equity method			
USD	1,374,774	30.715 (USD:NTD)	$ 42,226,176
Derivative financial assets			
USD	10,000	30.715 (USD:NTD)	$ 259
Financial liabilities			
Monetary items			
USD	60,542	30.715 (USD:NTD)	$ 1,859,558
Non-monetary items			
Derivative financial liabilities			
USD	5,000	30.715 (USD:NTD)	$ 5,843

Realized and unrealized foreign exchange gains (losses) by significant foreign currency were as follows:

	For the Year Ended December 31			
	2019		2018	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	30.912 (USD:NTD)	($ 5,733)	30.149 (USD:NTD)	($ 50,855)

27. 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 investments in subsidiaries and associates). (Table 3)

4) Marketable securities acquired or disposed of at costs or prices of 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. None.

10) Information on investees. (Table 7)

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 8)

2) 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

TABLE 1

U-MING MARINE TRANSPORT CORPORATION

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note b)	Ending Balance (Note b)	Actual Borrowing Amount (Note b)	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note b)	Aggregate Financing Limits (Note b)
													Item	Value		
1	U-Ming Singapore	U-Ming Marine Transport Corporation	Other receivables - related parties	Y	$ 2,998,000	$ -	$ -	-	Short-term financing	$ -	Short-term financing	$ -	-	$ -	30% of net worth of subsidiary $9,794,646	40% of net worth of subsidiary $13,059,528
		Winyield	Long-term receivables - related parties	Y	805,995	805,995	719,053 (Note c)	-	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary $9,794,646	40% of net worth of subsidiary $13,059,528
		Eagle	Other receivable - related parties	Y	89,940	29,980	5,996	1.899%	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary $9,794,646	40% of net worth of subsidiary $13,059,528
		Cape Asia (III)	Long-term receivables - related parties	Y	127,415	109,427	89,639	-	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary $9,794,646	40% of net worth of subsidiary $13,059,528
		Cape Asia	Long-term receivables - related parties	Y	2,998	2,998	2,998	-	Short-term financing	-	Operational revolving fund	-	-	-	30% of net worth of subsidiary $9,794,646	40% of net worth of subsidiary $13,059,528
2	U-Ming Hong Kong	ITG-U-Ming Shipping	Other receivables - related parties	Y	44,071	44,071	28,781	-	Short-term financing	-	Short-term financing	-	-	-	30% of net worth of subsidiary $2,471,617	40% of net worth of subsidiary $3,295,489

Note a: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$29.98 as of December 31, 2019.

Note b: 1. The total amount available from U-Ming Marine Transport Corporation and its domestic subsidiaries for financing shall not exceed 50% of the borrower’s net worth per their most recent financial statements, the total financing amount for borrowers with short-term financing needs shall not exceed 15% of the borrower’s net worth, and the individual financing amount to each of such borrowers shall not exceed 5% of the borrower’s net worth.

2. The total amount available for financing from U-Ming (Singapore), U-Ming (Hong Kong), and foreign subsidiaries shall not exceed 50% of the net worth of the borrower, the total financing amount for borrowers with short-term financing needs shall not exceed 40% of the net worth of the borrower, and the individual amount available for financing to each of such borrowers shall not exceed 30% of the net worth of the borrower.

Note c: The financing amounts listed in Table 1 pertains only to the actual amounts utilized, and does not include the share of the loss of associates accounted for using the equity method of NT$85,652 thousand offset against long-term receivables - related parties.

U-MING MARINE TRANSPORT CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note a)	Maximum Amount Endorsed/ Guaranteed During the Period (Note a)	Ending Balance (Note a)	Actual Borrowing Amount (Note a)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Amount to Net Equity in Latest Financial Statement	Aggregate Endorsement/ Guarantee Limit (Note a and b)	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 Singapore	A subsidiary	50% of net worth of the Company $13,422,280	$ 8,323,265	$ 7,356,078	$ 7,356,078	$ -	27.40%	Net worth of the Company $26,844,559	Y	-	-
		U-Ming Hing Kong	A subsidiary	50% of net worth of the Company $13,422,280	665,556	665,556	-	-	2.48%	Net worth of the Company $26,844,559	Y	-	-
1	U-Ming Singapore	Winyield	An investee accounted for using equity method by subsidiary	50% of net worth of the subsidiary $16,324,410	104,930	89,191	89,191	-	0.27%	Net worth of the subsidiary $32,648,819	-	-	-
2	Yue-Li	Da Ju Fiber Co., Ltd.	The subsidiary is its supervisor	50% of net worth of the subsidiary $1,675,556	116,280	116,280	41,861	-	3.47%	Net worth of the subsidiary $3,351,111	-	-	-

Note a: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$29.98 as of December 31, 2019.

Note b: The total amount available for endorsements/guarantees to external parties provided by U-Ming shall not exceed the current net worth of the entity, and the individual amount available to each entity shall not exceed 50% of the net worth of the entity. The same restrictions apply to the entity's subsidiaries.

TABLE 3

U-MING MARINE TRANSPORT CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2019
(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, 2019				Note		Limit
				Shares/Units (Thousand)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note c)	Shares Provided as Pledge (Thousand) (Note b)	Value of Pledged or Mortgaged Asset	
U-Ming Marine Transport Corporation	Common stocks									
	Far Eastern International Bank	The chairman of the Company is its vice-chairman	Financial assets at fair value through other comprehensive income - current	78,822	$ 941,921	2	$ 941,921	-	$ -	-
	Far Eastern New Century Corporation	The chairman is the same	Same as above	31,180	930,737	1	930,737	10,000	298,500	(Note a)
	Asia Cement Corporation	The major stockholder	Same as above	1,793	85,974	-	85,974	1,500	71,925	(Note a)
	Far EasTone Telecommunications Co., Ltd.	The chairman is the same	Same as above	331	23,865	-	23,865	-	-	-
	Oriental Union Chemical Corp.,	The chairman is the same	Same as above	99	2,076	-	2,076	-	-	-
	Far Eastern Department Stores Ltd.	The chairman is the same	Same as above	4	114	-	114	-	-	-
	Yue Yuan Investment Corporation	An investee accounted for using equity method by major stockholder	Financial assets at fair value through other comprehensive income - non-current	91,487	1,267,653	18	1,267,653	-	-	-
Yue-Li	Common stocks									
	Far Eastern International Bank	The chairman of the parent company is its vice-chairman	Financial assets at fair value through other comprehensive income - current	147,188	1,758,902	4	1,758,902	94,166	1,125,282	(Note a)
	Asia Cement Corporation	The major stockholder of the parent company	Same as above	8,622	413,429	-	413,429	7,600	364,420	(Note a)
	Oriental Union Chemical Corp.	The chairman of the parent company is the same	Same as above	4,862	102,098	1	102,098	2,000	42,000	(Note a)
	CSBC Corporation, Taiwan	The subsidiary is its director	Same as above	2,652	71,217	1	71,217	-	-	-
	Far Eastern Department Stores Ltd.	The chairman of the parent company is the same	Same as above	1,769	46,082	-	46,082	-	-	-
	Far Eastern New Century Corporation	The chairman of the parent company is the same	Same as above	1,516	45,247	-	45,247	-	-	-
	Far EasTone Telecommunications Co., Ltd.	The chairman of the parent company is the same	Same as above	2	133	-	133	-	-	-
	Everest Textile Co., Ltd.	The chairman of the parent company is its director	Same as above	5	49	-	49	-	-	-
	Da Ju Fiber Co., Ltd.	The subsidiary is its supervisor	Financial assets at fair value through other comprehensive income - non-current	27,573	818,748	19	818,748	-	-	-
Yue-Tung	Common stocks									
	Far Eastern International Bank	The chairman of the parent company is its vice-chairman	Financial assets at fair value through other comprehensive income - current	130,575	1,560,367	4	1,560,367	11,282	134,825	(Note a)
	Far Eastern New Century Corporation	The chairman of the parent company is the same	Same as above	8,057	240,506	-	240,506	4,000	119,400	(Note a)
	Asia Cement Corporation	The major stockholder of the parent company	Same as above	2,985	143,153	-	143,153	2,985	143,131	(Note a)
	Far EasTone Telecommunications Co., Ltd.	The chairman of the parent company is the same	Same as above	510	36,771	-	36,771	-	-	-
	Ding Shen Investment Co., Ltd.	The subsidiary is its director	Financial assets at fair value through other comprehensive income - non-current	39,600	326,015	18	326,015	-	-	-
	Yue Yuan Investment Corporation	An investee accounted for using equity method by major stockholder of the parent company	Same as above	9,537	132,145	2	132,145	-	-	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note		Limit
				Shares/Units (Thousand)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note c)	Shares Provided as Pledge (Thousand) (Note b)	Value of Pledged or Mortgaged Asset	
U-Ming Singapore	Beneficiary certificates									
	Opas Fund Segregated Portfolio Tranche A	Related party in substance	Financial assets at fair value through profit or loss - current	27	$ 924,883	-	$ 924,883	-	$ -	-
	Hutchison Port Holdings Trust	None	Same as above	8,050	41,510	-	41,510	-	-	-
U-Ming Hong Kong	Beneficiary certificates									
	Opas Fund Segregated Portfolio Tranche A	Related party in substance	Financial assets at fair value through profit or loss - current	9	302,993	-	302,993	-	-	-
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Same as above	14	657,268	-	657,268	-	-	-
Falcon	Common stocks									
	Asia Cement (China) Holdings Corporation	The major stockholder of parent company is the same	Financial assets at fair value through other comprehensive income - current	15,661	701,631	-	701,631	-	-	-
	China Sanshui Cement Group Ltd.	The major stockholder of parent company is the same	Same as above	1,691	19,851	-	19,851	-	-	-
	Bonds									
	Lloyds Bank Plc Bond	None	Financial assets at amortized cost - non-current	-	96,576	-	96,576	-	-	-
	BNP Paribas Bond	None	Same as above	-	63,977	-	63,977	-	-	-
	Societe Generale Bond	None	Same as above	-	31,629	-	31,629	-	-	-

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, 2019; (b) the fair value measurement of unlisted stocks.

Note d: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$29.98 as of December 31, 2019.

(Concluded)

U-MING MARINE TRANSPORT CORPORATION

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares (Thousand)	Amount (Note a)	Shares (Thousand)	Amount (Note a)	Shares (Thousand)	Amount (Note a)	Carrying Amount (Note a)	Gain (Loss) on Disposal (Note a)	Shares (Thousand)	Amount (Note a)
U-Ming Singapore	Beneficiary certificates Opas Fund Segregated Portfolio Tranche D	Mandatorily at fair value through profit or loss	Fund transaction	Related party in substance	20	$ 614,096 (US$ 19,993)	-	$ 433 (US$ 14)	20	$ 640,744 (US$ 20,728)	$ 618,673 (US$ 20,014)	$ 22,071 (US$ 714)	-	$ -

Note a: The foreign-currency amounts of the acquisition/disposal were translated into New Taiwan dollars at the average exchange rate of US$1=NT$30.912 for the year ended December 31, 2019; the foreign-currency amounts of the ending balance were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$29.98 as of December 31, 2019.

TABLE 5

U-MING MARINE TRANSPORT CORPORATION

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, 2019
(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	The major shareholder	Sales	$(545,483)	(51)	Upon completion of loading, within a month	ad hoc basis	ad hoc basis	$63,349	89	-
	U-Ming Singapore	Subsidiary	Sales	(104,509)	(10)	-	-	-	-	-	-
U-Ming Singapore	Asia Cement	The major shareholder of the parent company	Sales	(188,537)	(2)	Upon completion of loading, within 8 days	ad hoc basis	ad hoc basis	-	-	-
	Jiangxi Yadong	Subsidiary of the major shareholder of the parent company	Sales	(327,707)	(4)	Upon completion of loading, within a month	ad hoc basis	ad hoc basis	44,539	23	-
	U-Ming Marine Transport Corporation	The parent company	Purchase	104,509	2	-	-	-	-	-	-
	U-Ming Hong Kong	The parent company is the same	Purchase	157,623	2	-	-	-	(56,095)	28	-
U-Ming Hong Kong	U-Ming Singapore	The parent company is the same	Sales	(157,623)	24	-	-	-	56,095	86	-

Note: The foreign-currency amounts of payables and receivables were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$29.98 as of December 31, 2019; the foreign-currency amount of profit and loss items were translated into New Taiwan dollars at the average exchange rate of US$1=NT$30.912 for the year ended December 31, 2019.

U-MING MARINE TRANSPORT CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2019
(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 Singapore	Winyield	An investee accounted for using equity method by subsidiary	Long-term receivable - related parties $633,401	-	$ -	-	$ -	$ -

Note: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$29.98 as of December 31, 2019.

U-MING MARINE TRANSPORT CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares (Thousand)	Percentage of Ownership	Carrying Amount			
U-Ming Marine Transport Corporation	U-Ming Singapore	Singapore	Transport	$ 2,649,382	$ 2,649,382	150,146	100	$ 32,648,819	$ 1,399,498	$ 1,399,498	A subsidiary
	U-Ming Hong Kong	Hong Kong	Transport	121,923	121,923	27,000	100	8,238,724	463,735	463,735	A subsidiary
	Yue-Li	Taipei	Investment	1,500,000	1,500,000	150,000	68	2,284,803	104,990	71,584	A subsidiary
	Yue-Tung	Taipei	Investment	1,360,400	1,360,400	136,040	74	2,164,013	101,270	74,469	A subsidiary
	Global Energy Maritime Co., Ltd.	Taipei	Transport	2,004,000	2,004,000	205,410	40	2,015,740	35,181	14,073	An investee accounted for using equity method
Yue-Tung	Yue Ding Enterprise Corporation	Taipei	Bulk and retail sale of decorations and commodity	186,080	186,080	28,758	25	439,213	120,217	Not applicable	An investee accounted for using equity method
	Ding Ding Consultation Corporation	Taipei	Consultant	50,000	50,000	2,167	40	66,376	41,368	Not applicable	An investee accounted for using equity method
U-Ming Singapore	Cape Asia (III)	Marshall Islands	Transport	2	2	-	17	81,912	53,095	Not applicable	An investee accounted for using equity method
	Cape Asia	Hong Kong	Transport	3	3	-	17	102	394	Not applicable	An investee accounted for using equity method
	Winyield	Hong Kong	Transport	-	-	-	50	-	(17,514)	Not applicable	An investee accounted for using equity method
	Eagle	British Virgin Islands	Transport	-	-	-	100	84,794	7,191	Not applicable	An indirect subsidiary
	Falcon	British Virgin Islands	Investment	661,080	661,080	-	100	1,265,581	55,928	Not applicable	An indirect subsidiary
	Yue-Li	Taipei	Investment	700,000	700,000	70,000	32	1,066,308	104,990	Not applicable	A subsidiary
	Yue-Tung	Taipei	Investment	489,600	489,600	48,960	26	778,816	101,270	Not applicable	A subsidiary
U-Ming Hong Kong	OSPL	Marshall Islands	Transport	474,692	474,692	-	100	1,732,330	79,115	Not applicable	An indirect subsidiary
	ITG-Uming Shipping	Hong Kong	Transport	19	19	5	49	28,980	34,710	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC (SP Tranche One)	Cayman Islands	Investment	122,860	122,860	4	25	120,851	3,831	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC (SP Tranche Three)	Cayman Islands	Investment	119,920	-	4	25	119,174	(3,076)	Not applicable	An investee accounted for using equity method
Falcon	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	1,624	1,624	-	33	1,484	113	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC	Cayman Islands	Investment	491	491	-	33	495	20	Not applicable	An investee accounted for using equity method

Note: The foreign currency amounts of original investment were translated into New Taiwan dollars based on historical exchange rate; the foreign currency amounts of carrying value were translated into New Taiwan dollars at the prevailing exchange rate of US$1=NT$29.98 as of December 31, 2019; the foreign currency amount of profit and loss items were translated into New Taiwan dollars at an average exchange rate of US$1=NT$30.912 for the year ended December 31, 2019.

U-MING MARINE TRANSPORT CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019
					Outward	Inward						
U-Ming Xiamen.	Transport	$ 29,579 (US$ 1,000)	(Note a)	$ 29,579 (US$ 1,000)	$ -	$ -	$ 29,579 (US$ 1,000)	$ 6,994	100%	$ 6,994 (Note b)	$ 37,284	$ -
ITG-Uming Xiamen	Transport	45,684 (US$ 1,568)	(Note a)	45,684 (US$ 1,568)	-	-	45,684 (US$ 1,568)	(3,356)	49%	(1,664) (Note c)	38,863	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2019	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$75,263 (US$2,568)	$75,263 (US$2,568)	$16,106,735

Note a: The investment in the target company in mainland China was made by investing in an existing company, U-Ming Hong Kong, which was incorporated in a third area (other than Taiwan and mainland China).

Note b: The investment gain (loss) recognized was based on the investee company’s audited financial statements for the same period.

Note c: The investment gain (loss) recognized was based on the investee company’s unaudited financial statements for the same period.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

U-MING MARINE TRANSPORT CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Cash and cash equivalents		
Cash in banks		
Checking accounts		$ 21,269
Time deposits		15,889
Foreign currency deposits (US$119 thousand and JPY414 thousand) (Note)		3,670
Postal Giro		376
Demand deposits		3,684
		44,888
Cash on hand (US$1 thousand, RMB5 thousand and JPY36 thousand) (Note)		35
Petty cash		141
Total		$ 45,064

Note: Based on the exchange rate of US$1:NT$29.980, JPY1:NT$0.2760, RMB1:NT$4.2975, respectively.

U-MING MARINE TRANSPORT CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

					Fair Value		
Name of Marketable Securities	Shares (In Thousands)	Par Value (NT$)	Total Amount	Acquisition Cost	Unit Price (NT$) (Note a)	Total Amount	Note
Domestic listed shares							
Far Eastern International Bank	78,822	10	$ 941,921	$ 534,113	11.95	$ 941,921	—
Far Eastern New Century Corporation	31,180	10	930,737	280,788	29.85	930,737	Note b
Asia Cement Corporation	1,793	10	85,974	21,685	47.95	85,974	Note b
Far EasTone Telecommunications Co., Ltd.	331	10	23,865	14,515	72.10	23,865	—
Oriental Union Chemical Corp.,	99	10	2,076	2,229	21.00	2,076	—
Far Eastern Department Stores Ltd.	4	10	114	18	26.05	114	—
			$ 1,984,687	$ 853,348		$ 1,984,687	

Note a: Fair value are determined as listed stock closing price on December 31, 2019.

Note b: 10,000 thousands shares of Far Eastern New Century Corporation and 1,500 thousands shares of Asia Cement Corporation are pledged as collateral for credit line of bank loans.

STATEMENT 3

U-MING MARINE TRANSPORT CORPORATION

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Client	Amount
Related party	
Asia Cement Corporation	$ 63,349
Unrelated parties	
Taiwan Power Company	3,822
BocimarbN.V.	2,466
Mita Shipping Agency Co., Ltd.	1,260
Others (Note)	342
Subtotal	7,890
Total	$ 71,239

Note: The amount of individual client included in others does not exceed 5% of the account balance.

U-MING MARINE TRANSPORT CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NON-CURRENT
FOR THE YEARS ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

			Annual Changes							
	Balance, January 1, 2019		Additions		Decrease		Balance, December 31, 2019			
Name of Marketable Securities	Shares (In Thousands)	Fair Value	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Fair Value (Note a)	Collateral	Notes
Yue Yuan Investment Corporation	91,487	$ 910,293	-	$ -	-	$ -	91,487	$ 1,267,653	—	

Note a: Fair value are determined as the fair value measurement of unlisted stocks.

U-MING MARINE TRANSPORT CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEARS ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

		Balance, January 1, 2019		Annual Changes: Additions		Annual Changes: Decrease			Balance, December 31, 2019				
Name	Par Value (SGD$, HKD$ And NT$)	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Increase (Decrease) in Using the Equity Method (Note a)	Shares (In Thousands)	%	Amount	Net Assets Value	Notes
U-Ming Singapore	SGD$ 1	150,146	$ 34,244,515	-	$ -	-	$ -	($ 1,595,696)	150,146	100	$ 32,648,819	$ 32,648,819	Note b
U-Ming Hong Kong	HKD$ 1	27,000	7,981,661	-	-	-	-	257,063	27,000	100	8,238,724	8,238,724	Note b
Yue-Li	NT$ 10	150,000	1,947,856	-	-	-	-	336,947	150,000	68	2,284,803	2,284,803	Note b
Yue-Tung	NT$ 10	136,040	1,833,232	-	-	-	-	330,781	136,040	74	2,164,013	2,164,013	Note b
Global Energy Maritime Co., Ltd.	NT$ 10	205,410	2,113,432	-	-	-	-	(97,692)	205,410	40	2,015,740	2,015,740	Note c
			$ 48,120,696		$ -		$ -	($ 768,597)			$ 47,352,099	$ 47,352,099	

Note a: Including:

1. Share of gain of subsidiaries, associates and joint ventures accounted for using equity method	$ 2,023,359
2. Exchange differences on the financial statements of translating foreign operations	(1,018,421)
3. Unrealized gain on investments in financial assets at fair value through other comprehensive income	1,515,093
4. Defined benefit plans actuarial gain	8,988
5. Investees distribute cash dividends	(3,297,226)
6. Capital surplus - change in capital surplus from investment in associates and joint ventures accounted for using the equity method	29
7. Retained earnings	(419)
	($ 768,597)

Note b: The amount is calculated based on the investee company's audited financial statements as of December 31, 2019.
Note c: The amount is calculated based on the investee company's unaudited financial statements as of December 31, 2019.

U-MING MARINE TRANSPORT CORPORATION

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Type	Balance, End of Year	Contract Period	Interest Rates	Loan Commitments	Collateral
Unsecured loans					
Bank SinoPac 1	$ 1,210,000	2019.12.06-2020.01.06	0.900%	$ 2,500,000	Nil
Bank SinoPac 2	200,000	2019.12.13-2020.01.13	0.900%	-	Nil
Bank SinoPac 2	690,000	2019.12.20-2020.01.20	0.900%	-	Nil
Subtotal	2,100,000			2,500,000	
Mizuho Bank 1	300,000	2019.10.22-2020.01.22	0.920%	1,000,000	Nil
Mizuho Bank 2	700,000	2019.12.10-2020.01.22	0.920%	-	Nil
Subtotal	1,000,000			1,000,000	
Taipei Fubon Bank	700,000	2019.12.20-2020.05.18	0.950%	700,000	Nil
Bank Of Taiwan	1,200,000	2019.12.17-2020.03.16	0.900%	1,200,000	Nil
Hua Nan Commercial Bank, Ltd.	1,500,000	2019.08.16-2020.08.14	0.900%	1,500,000	Nil
	$ 6,500,000			$ 6,900,000	

U-MING MARINE TRANSPORT CORPORATION

STATEMENT OF BANK LOANS
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Creditor Bank or Guarantee	Contract Period and Repayment	Interest Rate	Balance, December 31, 2019 Expired in A Year	Expired after A Year	Total Amount	Collateral
Bank credit loans						
Chang Hwa Bank	2015.08.13-2020.08.13, 3-year grace period. After the grace period, the borrower should repay the principal by quarterly installment, interest payment monthly	1.23%	$ 285,000	$ -	$ 285,000	Nil
Chang Hwa Bank	2016.12.09-2021.12.09, 3-year grace period. After the grace period, the borrower should repay the principal by quarterly installment, interest payment monthly	1.17%	250,000	250,000	500,000	Nil
First Commercial Bank	2018.12.25-2021.12.25, 1-year grace period. After the grace period, the borrower should repay the principal by quarterly installment, interest payment quarterly	1.07%	500,000	-	500,000	Nil
Bank of Taiwan	2019.04.30-2024.04.30, lump sum repayment on maturity, interest payment monthly	1.22%	-	600,000	600,000	Nil
Bank of Taiwan	2019.08.15-2022.08.15, lump sum repayment on maturity, interest payment monthly	1.16%	-	2,000,000	2,000,000	Nil
Jih Sun International Bank	2019.12.09-2022.12.09, lump sum repayment on maturity, interest payment quarterly	1.17%	-	700,000	700,000	Nil
Bank SinoPac	2019.10.21-2020.01.21, lump sum repayment on maturity, interest payment monthly	1.32%	-	199,856	199,856	Nil
Bank SinoPac	2019.10.25-2020.01.30, lump sum repayment on maturity, interest payment monthly	1.31%	-	199,792	199,792	Nil
Mega International Commercial Bank	2017.08.30-2021.08.30, lump sum repayment on maturity, interest payment monthly	1.46%	-	500,000	500,000	Nil
Mega International Commercial Bank	2018.08.15-2023.08.15, lump sum repayment on maturity, interest payment monthly	1.47%	-	1,000,000	1,000,000	Nil
Mega International Commercial Bank	2019.07.30-2024.07.30, lump sum repayment on maturity, interest payment monthly	1.27%	-	1,000,000	1,000,000	Nil
Taishin International Bank	2017.09.29-2022.09.29, lump sum repayment on maturity, interest payment monthly	1.49%	-	500,000	500,000	Nil
Chinatrust Commercial Bank	2018.03.19-2023.03.17, lump sum repayment on maturity, interest payment monthly	1.17%	-	500,000	500,000	Nil
Mega International Commercial Bank	2019.12.03-2021.12.03, lump sum repayment on maturity, interest payment monthly	0.97%	-	300,000	300,000	Nil
Mega International Commercial Bank	2019.12.20-2021.12.20, lump sum repayment on maturity, interest payment monthly	0.97%	-	700,000	700,000	Nil
Taishin International Bank	2019.06.30-2021.06.30, lump sum repayment on maturity, interest payment monthly	0.94%	-	1,052,000	1,052,000	Nil

Taishin International Bank	2019.12.18-2021.12.18, lump sum repayment on maturity, interest payment monthly	0.96%	$ -	$ 595,000	$ 595,000	Nil
Hua Nan Commercial Bank	2019.12.06-2021.12.06, lump sum repayment on maturity, interest payment monthly	0.90%	-	500,000	500,000	Nil
E.SUN Commercial Bank	2019.12.27-2021.12.27, lump sum repayment on maturity, interest payment monthly	0.91%	-	700,000	700,000	Nil
Taiwan Business Bank	2018.10.23-2023.10.23, 3-year grace period. After the grace period, the borrower should repay the principal by quarterly installment, interest payment monthly.	1.50%	-	500,000	500,000	Nil
First Commercial Bank	2018.12.25-2021.12.25, 1-year grace period. After the grace period, the borrower should repay the principal by quarterly installment, interest payment quarterly.	1.07%	-	500,000	500,000	Nil
Bank of China	2019.12.18-2021.12.18, lump sum repayment on maturity, interest payment monthly	0.93%	-	600,000	600,000	Nil
The Export-Import Bank of the Republic of China	2019.12.13-2021.12.13, lump sum repayment on maturity, interest payment monthly	0.83%	-	500,000	500,000	Nil
			$ 1,035,000	$ 13,396,648	$ 14,431,648	

U-MING MARINE TRANSPORT CORPORATION

STATEMENT OF OPERATING REVENUE
FOR THE YEARS ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Name	Amount
Cement Carrier	
Asia Cement No. 1	$ 126,645
Asia Cement No. 3	139,975
Asia Cement No. 5	146,174
Asia Cement No. 6	152,151
	564,945
Panamax	
Cemtex Hunter	214,881
Vessel management	274,026
Vessel leased	5,310
Others	3,810
Total	$ 1,062,972

U-MING MARINE TRANSPORT CORPORATION

STATEMENT OF OPERATING COSTS
FOR THE YEARS ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Item	Amount
Fuel	$ 250,689
Salaries and bonuses	226,473
Port charges	141,420
Depreciation expense	126,592
Repair and maintenance expense	110,215
Others (Note)	71,924
Total	$ 927,313

Note: The amount of each item in others does not exceed 5% of the account balance.

U-MING MARINE TRANSPORT CORPORATION

STATEMENT OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

Item	Amount
Salaries and bonuses	$ 112,506
Employees' compensation & Remuneration to directors and supervisors	35,180
Rental expense	23,646
Computer fee	30,701
Others (Note)	99,831
Total	$ 301,864

Note: The amount of each item in others does not exceed 5% of the account balance.