

U-Ming Marine Transport Corporation and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2020 and 2019 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of U-Ming Marine Transport Corporation (the "Company") and its subsidiaries (collectively, the "Group") as of June 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended June 30, 2020 and 2019, and for the six months ended June 30, 2020 and 2019, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies "(collectively referred to as the consolidated financial statements)". Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2020 and 2019, the unreviewed assets amounted to NT\$9,397,644 thousand (US\$317,167 thousand) and NT\$9,823,313 thousand (US\$316,269 thousand), respectively, (15.67% and 14.57% of the consolidated assets, respectively), and the unreviewed liabilities amounted to NT\$507,288 thousand (US\$17,121 thousand) and NT\$198,909 thousand (US\$6,404 thousand), respectively, (1.38% and 0.49% of the consolidated liabilities, respectively). The unreviewed comprehensive income (losses) for the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019 were NT\$104,225 thousand (US\$3,518 thousand), NT\$54,950 thousand (US\$1,769 thousand), NT\$(257,301) thousand (US\$(8,684) thousand) and NT\$759,398 thousand (US\$24,449 thousand), respectively, representing 90.07%, 3.29%, 13.10% and 25.46% of the consolidated comprehensive income, respectively.

As stated in Note 12 to the consolidated financial statements, the investments accounted for using the equity method (including losses offset against long-term receivables - related parties) as of June 30, 2020 and 2019 were NT\$2,876,768 thousand (US\$97,090 thousand) and NT\$2,742,366 thousand (US\$88,293 thousand), respectively, and the related investment income (loss) for the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019 were NT\$50,273 thousand (US\$1,697 thousand), NT\$47,681 thousand (US\$1,535 thousand), NT\$65,469 thousand (US\$2,210 thousand) and NT\$68,165 thousand (US\$2,195 thousand), respectively. These abovementioned amounts of the investments accounted for using the equity method and the related investees' information were based on unreviewed financial statements. Further, as disclosed in Note 29 to the consolidated financial statements, other information about the non-significant subsidiaries, associates and joint ventures accounted for using the equity method as stated above were also not reviewed.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and the financial statements of the investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of June 30, 2020 and 2019, its consolidated financial performance for the three and six months ended June 30, 2020 and 2019, and its consolidated cash flows for the six months ended June 30, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Cheng-Ming Lee and Yi-Wen Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 10, 2020

Notice to Readers

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

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2020 (Reviewed)		December 31, 2019 (Audited)		June 30, 2019 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 7)	\$ 15,362,561	26	\$ 15,879,242	26	\$ 19,007,676	28
Financial assets at fair value through profit or loss - current (Notes 8 and 24)	1,383,968	2	1,941,208	3	1,926,361	3
Financial assets at fair value through other comprehensive income - current (Notes 9 and 25)	6,827,834	11	7,124,123	12	7,542,102	11
Financial assets at amortized cost - current (Note 25)	94,411	-	-	-	-	-
Contract assets - current (Note 19)	104,152	-	224,736	-	302,389	-
Trade receivables from unrelated parties (Note 10)	353,780	1	195,226	-	148,777	-
Trade receivables from related parties (Notes 10 and 24)	63,199	-	107,888	-	8,417	-
Other receivables (Note 24)	175,141	-	236,807	1	383,506	1
Fuel inventory	370,985	1	561,531	1	384,235	1
Other current assets (Note 24)	<u>329,035</u>	<u>1</u>	<u>218,067</u>	<u>-</u>	<u>181,723</u>	<u>-</u>
Total current assets	<u>25,065,066</u>	<u>42</u>	<u>26,488,828</u>	<u>43</u>	<u>29,885,186</u>	<u>44</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 9)	2,041,575	4	2,544,561	4	2,521,957	4
Financial assets at amortized cost - non-current	236,447	-	192,182	-	-	-
Investments accounted for using the equity method (Note 12)	2,955,809	5	2,913,190	5	2,845,308	4
Property, plant and equipment (Notes 13, 25 and 26)	26,959,447	45	27,933,249	45	30,080,871	45
Intangible assets	51,073	-	58,799	-	31,115	-
Deferred tax assets	10,166	-	11,703	-	12,376	-
Prepayments for equipment (Note 13)	1,759,711	3	1,265,124	2	1,124,452	2
Refundable deposits (Notes 24 and 25)	152,287	-	125,303	-	118,223	-
Long-term receivables - related parties (Note 24)	723,175	1	726,038	1	795,759	1
Other non-current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,594</u>	<u>-</u>
Total non-current assets	<u>34,889,690</u>	<u>58</u>	<u>35,770,149</u>	<u>57</u>	<u>37,533,655</u>	<u>56</u>
TOTAL	<u>\$ 59,954,756</u>	<u>100</u>	<u>\$ 62,258,977</u>	<u>100</u>	<u>\$ 67,418,841</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 15)	\$ 7,705,000	13	\$ 6,500,000	11	\$ 6,744,000	10
Short-term bills payable (Notes 15 and 25)	3,779,209	6	3,205,321	5	5,148,878	8
Financial liabilities at fair value through profit or loss - current (Notes 8 and 25)	385,123	1	189,635	-	200,093	-
Trade payables (Note 24)	164,015	-	188,561	-	295,656	1
Other payables (Note 16)	2,483,553	4	1,000,195	2	2,640,960	4
Current tax liabilities	47,140	-	105,919	-	118,358	-
Current portion of long-term borrowings (Notes 15 and 25)	2,939,824	5	3,387,593	6	5,892,292	9
Other current liabilities (Note 24)	<u>168,457</u>	<u>-</u>	<u>200,521</u>	<u>-</u>	<u>190,443</u>	<u>-</u>
Total current liabilities	<u>17,672,321</u>	<u>29</u>	<u>14,777,745</u>	<u>24</u>	<u>21,230,680</u>	<u>32</u>
NON-CURRENT LIABILITIES						
Bank loans (Notes 15 and 25)	18,545,663	31	20,151,636	33	18,587,529	28
Deferred tax liabilities	176,318	1	174,185	-	175,406	-
Deferred revenue - non-current	128,776	-	142,330	-	160,130	-
Net defined benefit liabilities - non-current	<u>157,463</u>	<u>-</u>	<u>168,522</u>	<u>-</u>	<u>178,646</u>	<u>-</u>
Total non-current liabilities	<u>19,008,220</u>	<u>32</u>	<u>20,636,673</u>	<u>33</u>	<u>19,101,711</u>	<u>28</u>
Total liabilities	<u>36,680,541</u>	<u>61</u>	<u>35,414,418</u>	<u>57</u>	<u>40,332,391</u>	<u>60</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 18)						
Common share capital	<u>8,450,557</u>	<u>14</u>	<u>8,450,557</u>	<u>14</u>	<u>8,450,557</u>	<u>12</u>
Capital surplus	<u>115,165</u>	<u>-</u>	<u>115,152</u>	<u>-</u>	<u>115,152</u>	<u>-</u>
Retained earnings						
Legal reserve	6,876,575	11	6,693,492	11	6,693,492	10
Unappropriated earnings	<u>7,596,391</u>	<u>13</u>	<u>9,669,918</u>	<u>15</u>	<u>8,053,625</u>	<u>12</u>
Total retained earnings	<u>14,472,966</u>	<u>24</u>	<u>16,363,410</u>	<u>26</u>	<u>14,747,117</u>	<u>22</u>
Other equity	<u>235,527</u>	<u>1</u>	<u>1,915,440</u>	<u>3</u>	<u>3,773,624</u>	<u>6</u>
Total equity	<u>23,274,215</u>	<u>39</u>	<u>26,844,559</u>	<u>43</u>	<u>27,086,450</u>	<u>40</u>
TOTAL	<u>\$ 59,954,756</u>	<u>100</u>	<u>\$ 62,258,977</u>	<u>100</u>	<u>\$ 67,418,841</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 10, 2020)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of U.S. Dollars, Note 6)

	June 30, 2020 (Reviewed)		December 31, 2019 (Audited)		June 30, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 7)	\$ 518,480	26	\$ 529,661	26	\$ 611,966	28
Financial assets at fair value through profit or loss - current (Notes 8 and 24)	46,708	2	64,750	3	62,021	3
Financial assets at fair value through other comprehensive income - current (Notes 9 and 25)	230,437	11	237,629	12	242,824	11
Financial assets at amortized cost - current (Note 25)	3,186	-	-	-	-	-
Contract assets - current (Note 19)	3,515	-	7,496	-	9,736	-
Trade receivables from unrelated parties (Note 10)	11,940	1	6,512	-	4,790	-
Trade receivables from related parties (Notes 10 and 24)	2,133	-	3,599	-	271	-
Other receivables (Note 24)	5,911	-	7,899	1	12,348	1
Fuel inventory	12,521	1	18,730	1	12,371	1
Other current assets (Note 24)	<u>11,105</u>	<u>1</u>	<u>7,275</u>	<u>-</u>	<u>5,850</u>	<u>-</u>
Total current assets	<u>845,936</u>	<u>42</u>	<u>883,551</u>	<u>43</u>	<u>962,177</u>	<u>44</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 9)	68,902	4	84,875	4	81,196	4
Financial assets at amortized cost - non-current	7,980	-	6,410	-	-	-
Investments accounted for using the equity method (Note 12)	99,757	5	97,171	5	91,607	4
Property, plant and equipment (Notes 13, 25 and 26)	909,870	45	931,729	45	968,476	45
Intangible assets	1,724	-	1,961	-	1,002	-
Deferred tax assets	343	-	390	-	398	-
Prepayments for equipment (Note 13)	59,390	3	42,199	2	36,203	2
Refundable deposits (Notes 24 and 25)	5,140	-	4,180	-	3,806	-
Long-term receivables - related parties (Note 24)	24,407	1	24,217	1	25,620	1
Other non-current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116</u>	<u>-</u>
Total non-current assets	<u>1,177,513</u>	<u>58</u>	<u>1,193,132</u>	<u>57</u>	<u>1,208,424</u>	<u>56</u>
TOTAL	<u>\$ 2,023,449</u>	<u>100</u>	<u>\$ 2,076,683</u>	<u>100</u>	<u>\$ 2,170,601</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 15)	\$ 260,040	13	\$ 216,811	11	\$ 217,128	10
Short-term bills payable (Notes 15 and 25)	127,547	6	106,915	5	165,772	8
Financial liabilities at fair value through profit or loss - current (Notes 8 and 25)	12,998	1	6,325	-	6,442	-
Trade payables (Note 24)	5,535	-	6,289	-	9,519	1
Other payables (Note 16)	83,819	4	33,363	2	85,028	4
Current tax liabilities	1,591	-	3,533	-	3,811	-
Current portion of long-term borrowings (Notes 15 and 25)	99,218	5	112,995	6	189,707	9
Other current liabilities (Note 24)	<u>5,686</u>	<u>-</u>	<u>6,689</u>	<u>-</u>	<u>6,131</u>	<u>-</u>
Total current liabilities	<u>596,434</u>	<u>29</u>	<u>492,920</u>	<u>24</u>	<u>683,538</u>	<u>32</u>
NON-CURRENT LIABILITIES						
Bank loans (Notes 15 and 25)	625,908	31	672,169	33	598,439	28
Deferred tax liabilities	5,951	1	5,810	-	5,647	-
Deferred revenue - non-current	4,346	-	4,748	-	5,156	-
Net defined benefit liabilities - non-current	<u>5,314</u>	<u>-</u>	<u>5,621</u>	<u>-</u>	<u>5,752</u>	<u>-</u>
Total non-current liabilities	<u>641,519</u>	<u>32</u>	<u>688,348</u>	<u>33</u>	<u>614,994</u>	<u>28</u>
Total liabilities	<u>1,237,953</u>	<u>61</u>	<u>1,181,268</u>	<u>57</u>	<u>1,298,532</u>	<u>60</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 18)						
Common share capital	<u>285,203</u>	<u>14</u>	<u>281,873</u>	<u>14</u>	<u>272,072</u>	<u>12</u>
Capital surplus	<u>3,887</u>	<u>-</u>	<u>3,841</u>	<u>-</u>	<u>3,708</u>	<u>-</u>
Retained earnings						
Legal reserve	232,082	11	223,265	11	215,502	10
Unappropriated earnings	<u>256,375</u>	<u>13</u>	<u>322,546</u>	<u>15</u>	<u>259,293</u>	<u>12</u>
Total retained earnings	<u>488,457</u>	<u>24</u>	<u>545,811</u>	<u>26</u>	<u>474,795</u>	<u>22</u>
Other equity	<u>7,949</u>	<u>1</u>	<u>63,890</u>	<u>3</u>	<u>121,494</u>	<u>6</u>
Total equity	<u>785,496</u>	<u>39</u>	<u>895,415</u>	<u>43</u>	<u>872,069</u>	<u>40</u>
TOTAL	<u>\$ 2,023,449</u>	<u>100</u>	<u>\$ 2,076,683</u>	<u>100</u>	<u>\$ 2,170,601</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 10, 2020)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Losses) Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Freight revenue (Notes 19 and 24)	\$ 1,581,288	98	\$ 2,124,300	97	\$ 3,483,761	99	\$ 4,189,456	99
Other operating revenue (Note 20)	<u>35,260</u>	<u>2</u>	<u>59,414</u>	<u>3</u>	<u>35,260</u>	<u>1</u>	<u>59,414</u>	<u>1</u>
Total operating revenue	1,616,548	100	2,183,714	100	3,519,021	100	4,248,870	100
OPERATING COSTS								
Freight cost (Notes 20 and 24)	<u>1,622,443</u>	<u>100</u>	<u>1,947,426</u>	<u>89</u>	<u>3,490,950</u>	<u>99</u>	<u>3,828,128</u>	<u>90</u>
GROSS (LOSS) PROFIT	(5,895)	-	236,288	11	28,071	1	420,742	10
OPERATING EXPENSES (Notes 20 and 24)	<u>108,347</u>	<u>7</u>	<u>88,382</u>	<u>4</u>	<u>206,210</u>	<u>6</u>	<u>178,271</u>	<u>4</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(114,242)</u>	<u>(7)</u>	<u>147,906</u>	<u>7</u>	<u>(178,139)</u>	<u>(5)</u>	<u>242,471</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES								
Other income (Note 24)	3,006	-	266	-	14,785	1	12,367	-
Finance costs (Note 20)	(108,794)	(7)	(161,365)	(7)	(234,128)	(7)	(329,537)	(8)
Interest income	78,972	5	159,336	7	184,451	5	314,649	7
Gain on disposal of property, plant and equipment	-	-	24,336	1	-	-	24,336	1
Net gain on sale of investment	6,033	-	6,282	-	12,041	-	12,435	-
Net (loss) gain on foreign currency exchange (Note 28)	(74,916)	(5)	16,946	1	8	-	6,660	-
Share of profit or loss of associates and joint ventures (Note 12)	55,455	4	17,159	1	88,361	3	364	-
Other losses	(283)	-	(51)	-	(4,558)	-	(3,872)	-
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>212,769</u>	<u>13</u>	<u>(49,751)</u>	<u>(2)</u>	<u>(209,414)</u>	<u>(6)</u>	<u>(21,134)</u>	<u>-</u>
Total non-operating income and expenses	<u>172,242</u>	<u>10</u>	<u>13,158</u>	<u>1</u>	<u>(148,454)</u>	<u>(4)</u>	<u>16,268</u>	<u>-</u>
PROFIT (LOSS) BEFORE INCOME TAX	58,000	3	161,064	8	(326,593)	(9)	258,739	6
INCOME TAX (BENEFIT) EXPENSE (Note 21)	<u>(45,435)</u>	<u>(3)</u>	<u>124,101</u>	<u>6</u>	<u>(42,883)</u>	<u>(1)</u>	<u>130,954</u>	<u>3</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>103,435</u>	<u>6</u>	<u>36,963</u>	<u>2</u>	<u>(283,710)</u>	<u>(8)</u>	<u>127,785</u>	<u>3</u>

(Continued)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Losses) Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 779,289	48	\$ 1,288,129	59	\$ (1,209,549)	(34)	\$ 2,330,968	55
Share of the other comprehensive income of associates accounted for using the equity method	34,719	2	16,629	1	2,460	-	45,717	1
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	(761,834)	(47)	316,694	14	(448,418)	(13)	455,851	11
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(39,901)	(2)	13,893	1	(25,352)	(1)	22,084	-
Other comprehensive income (loss) for the period, net of income tax	12,273	1	1,635,345	75	(1,680,859)	(48)	2,854,620	67
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 115,708</u>	<u>7</u>	<u>\$ 1,672,308</u>	<u>77</u>	<u>\$ (1,964,569)</u>	<u>(56)</u>	<u>\$ 2,982,405</u>	<u>70</u>
EARNINGS (LOSSES) PER SHARE (Note 22)								
Basic	<u>\$ 0.12</u>		<u>\$ 0.04</u>		<u>\$ (0.34)</u>		<u>\$ 0.15</u>	
Diluted	<u>\$ 0.12</u>		<u>\$ 0.04</u>		<u>\$ (0.34)</u>		<u>\$ 0.15</u>	

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

(With Deloitte & Touche review report dated August 10, 2020)

(Concluded)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of U.S. Dollars, Except Earnings (Losses) Per Share, Note 6)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Freight revenue (Notes 19 and 24)	\$ 53,368	98	\$ 68,393	97	\$ 117,575	99	\$ 134,883	99
Other operating revenue (Note 20)	<u>1,190</u>	<u>2</u>	<u>1,913</u>	<u>3</u>	<u>1,190</u>	<u>1</u>	<u>1,913</u>	<u>1</u>
Total operating revenue	54,558	100	70,306	100	118,765	100	136,796	100
OPERATING COSTS								
Freight cost (Notes 20 and 24)	<u>54,757</u>	<u>100</u>	<u>62,699</u>	<u>89</u>	<u>117,818</u>	<u>99</u>	<u>123,249</u>	<u>90</u>
GROSS (LOSS) PROFIT	(199)	-	7,607	11	947	1	13,547	10
OPERATING EXPENSES (Notes 20 and 24)	<u>3,657</u>	<u>7</u>	<u>2,846</u>	<u>4</u>	<u>6,960</u>	<u>6</u>	<u>5,740</u>	<u>4</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(3,856)</u>	<u>(7)</u>	<u>4,761</u>	<u>7</u>	<u>(6,013)</u>	<u>(5)</u>	<u>7,807</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES								
Other income (Note 24)	102	-	8	-	501	1	398	-
Finance costs (Note 20)	(3,672)	(7)	(5,195)	(7)	(7,902)	(7)	(10,610)	(8)
Interest income	2,665	5	5,130	7	6,225	5	10,130	7
Gain on disposal of property, plant and equipment	-	-	784	1	-	-	784	1
Net gain on sale of investment	204	-	202	-	406	-	400	-
Net (loss) gain on foreign currency exchange (Note 28)	(2,529)	(5)	545	1	-	-	214	-
Share of profit or loss of associates and joint ventures (Note 12)	1,872	4	552	1	2,982	3	12	-
Other losses	(10)	-	(2)	-	(153)	-	(125)	-
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>7,181</u>	<u>13</u>	<u>(1,601)</u>	<u>(2)</u>	<u>(7,068)</u>	<u>(6)</u>	<u>(680)</u>	<u>-</u>
Total non-operating income and expenses	<u>5,813</u>	<u>10</u>	<u>423</u>	<u>1</u>	<u>(5,009)</u>	<u>(4)</u>	<u>523</u>	<u>-</u>
PROFIT (LOSS) BEFORE INCOME TAX	1,957	3	5,184	8	(11,022)	(9)	8,330	6
INCOME TAX (BENEFIT) EXPENSE (Note 21)	<u>(1,533)</u>	<u>(3)</u>	<u>3,996</u>	<u>6</u>	<u>(1,447)</u>	<u>(1)</u>	<u>4,216</u>	<u>3</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>3,490</u>	<u>6</u>	<u>1,188</u>	<u>2</u>	<u>(9,575)</u>	<u>(8)</u>	<u>4,114</u>	<u>3</u>

(Continued)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 26,301	48	\$ 41,472	59	\$ (40,822)	(34)	\$ 75,047	55
Share of the other comprehensive income of associates accounted for using the equity method	1,172	2	535	1	82	-	1,472	1
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	(25,712)	(47)	10,196	14	(15,134)	(13)	14,676	11
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(1,347)	(2)	447	1	(855)	(1)	711	-
Other comprehensive income (loss) for the period, net of income tax	414	1	52,650	75	(56,729)	(48)	91,906	67
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 3,904</u>	<u>7</u>	<u>\$ 53,838</u>	<u>77</u>	<u>\$ (66,304)</u>	<u>(56)</u>	<u>\$ 96,020</u>	<u>70</u>
EARNINGS (LOSSES) PER SHARE (Note 22)								
Basic	<u>\$ 0.004</u>		<u>\$ 0.001</u>		<u>\$ (0.011)</u>		<u>\$ 0.005</u>	
Diluted	<u>\$ 0.004</u>		<u>\$ 0.001</u>		<u>\$ (0.011)</u>		<u>\$ 0.005</u>	

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

(With Deloitte & Touche review report dated August 10, 2020)

(Concluded)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Other Equity										
	Common Share Capital	Capital Surplus	Retained 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
			Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2019	\$ 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 distributed by the Company	-	-	-	-	(1,521,100)	-	-	-	-	-	(1,521,100)
Reversal of 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 six months ended June 30, 2019	-	-	-	-	127,785	-	-	-	-	-	127,785
Other comprehensive income for the six months ended June 30, 2019, net of income tax	-	-	-	-	3,098	477,935	2,373,587	-	-	2,851,522	2,854,620
Total comprehensive income for the six months ended June 30, 2019	-	-	-	-	130,883	477,935	2,373,587	-	-	2,851,522	2,982,405
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	85,154	-	(85,154)	-	-	(85,154)	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	(1,078)	-	1,078	-	-	1,078	-
Changes from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	(419)	-	-	-	-	-	(419)
BALANCE AT JUNE 30, 2019	<u>\$ 8,450,557</u>	<u>\$ 115,152</u>	<u>\$ 6,693,492</u>	<u>\$ -</u>	<u>\$ 8,053,625</u>	<u>\$ (834,614)</u>	<u>\$ 4,608,103</u>	<u>\$ 2</u>	<u>\$ 133</u>	<u>\$ 3,773,624</u>	<u>\$ 27,086,450</u>
BALANCE AT JANUARY 1, 2020	\$ 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
Appropriation of 2019 earnings											
Legal reserve	-	-	183,083	-	(183,083)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,605,606)	-	-	-	-	-	(1,605,606)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	14	-	-	-	-	-	-	-	-	14
Net loss for the six months ended June 30, 2020	-	-	-	-	(283,710)	-	-	-	-	-	(283,710)
Other comprehensive income (loss) for the six months ended June 30, 2020, net of income tax	-	-	-	-	(1,056)	(473,769)	(1,206,045)	(1)	12	(1,679,803)	(1,680,859)
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	(284,766)	(473,769)	(1,206,045)	(1)	12	(1,679,803)	(1,964,569)
Cash dividends claimed after over prescription by shareholders	-	(1)	-	-	-	-	-	-	-	-	(1)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	110	-	(110)	-	-	(110)	-
Changes from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	(182)	-	-	-	-	-	(182)
BALANCE AT JUNE 30, 2020	<u>\$ 8,450,557</u>	<u>\$ 115,165</u>	<u>\$ 6,876,575</u>	<u>\$ -</u>	<u>\$ 7,596,391</u>	<u>\$ (2,804,739)</u>	<u>\$ 3,040,120</u>	<u>\$ 1</u>	<u>\$ 145</u>	<u>\$ 235,527</u>	<u>\$ 23,274,215</u>

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

(With Deloitte & Touche review report dated August 10, 2020)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of U.S. Dollars, Note 6) (Reviewed, Not Audited)

	Other Equity										
	Common Share Capital	Capital Surplus	Retained 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
			Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2019	\$ 275,128	\$ 3,748	\$ 212,489	\$ 65,146	\$ 245,031	\$ (42,733)	\$ 75,487	\$ -	\$ 4	\$ 32,758	\$ 834,300
Appropriation of 2018 earnings											
Legal reserve	-	-	5,373	-	(5,373)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(48,973)	-	-	-	-	-	(48,973)
Reversal of special reserve	-	-	-	(64,422)	64,422	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	1	-	-	-	-	-	-	-	-	1
Net profit for the six months ended June 30, 2019	-	-	-	-	4,114	-	-	-	-	-	4,114
Other comprehensive income for the six months ended June 30, 2019, net of income tax	-	-	-	-	100	15,387	76,419	-	-	91,806	91,906
Total comprehensive income for the six months ended June 30, 2019	-	-	-	-	4,214	15,387	76,419	-	-	91,806	96,020
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	2,742	-	(2,742)	-	-	(2,742)	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	(35)	-	35	-	-	35	-
Changes from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	(13)	-	-	-	-	-	(13)
Changes in translation adjustments	(3,056)	(41)	(2,360)	(724)	(2,722)	475	(838)	-	-	(363)	(9,266)
BALANCE AT JUNE 30, 2019	<u>\$ 272,072</u>	<u>\$ 3,708</u>	<u>\$ 215,502</u>	<u>\$ -</u>	<u>\$ 259,293</u>	<u>\$ (26,871)</u>	<u>\$ 148,361</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 121,494</u>	<u>\$ 872,069</u>
BALANCE AT JANUARY 1, 2020	\$ 281,873	\$ 3,841	\$ 223,265	\$ -	\$ 322,546	\$ (77,751)	\$ 141,637	\$ -	\$ 4	\$ 63,890	\$ 895,415
Appropriation of 2019 earnings											
Legal reserve	-	-	6,179	-	(6,179)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(54,189)	-	-	-	-	-	(54,189)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-
Net loss for the six months ended June 30, 2020	-	-	-	-	(9,575)	-	-	-	-	-	(9,575)
Other comprehensive income (loss) for the six months ended June 30, 2020, net of income tax	-	-	-	-	(36)	(15,989)	(40,704)	-	-	(56,693)	(56,729)
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	(9,611)	(15,989)	(40,704)	-	-	(56,693)	(66,304)
Cash dividends claimed after over prescription by shareholders	-	-	-	-	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	4	-	(4)	-	-	(4)	-
Change from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	(6)	-	-	-	-	-	(6)
Changes in translation adjustments	3,330	46	2,638	-	3,810	(919)	1,674	-	1	756	10,580
BALANCE AT JUNE 30, 2020	<u>\$ 285,203</u>	<u>\$ 3,887</u>	<u>\$ 232,082</u>	<u>\$ -</u>	<u>\$ 256,375</u>	<u>\$ (94,659)</u>	<u>\$ 102,603</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 7,949</u>	<u>\$ 785,496</u>

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

(With Deloitte & Touche review report dated August 10, 2020)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ (326,593)	\$ 258,739
Adjustments for:		
Depreciation expenses	1,165,216	1,197,131
Amortization expenses	7,970	4,506
Net loss on financial assets and liabilities at fair value through profit or loss	209,414	21,134
Finance costs	234,128	329,537
Interest income	(184,451)	(314,649)
Dividend income	(36,815)	(62,109)
Share of the profit of associates and joint ventures	(88,361)	(364)
Gain on disposal of property, plant and equipment, net	-	(24,336)
Net (gain) loss on foreign currency exchange	(6,471)	3,185
Other non-cash items	(12,041)	(12,435)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	514,644	922,780
Contract assets	120,584	(113,037)
Trade receivables	(113,858)	279,937
Other receivables	7,026	9,223
Fuel inventory	190,546	26,079
Other current assets	(111,017)	51,032
Trade payables	(24,546)	190,718
Other payables	(111,841)	(97,165)
Other current liabilities	(32,064)	(25,526)
Net defined benefit liabilities	(11,059)	(19,993)
Cash generated from operations	1,390,411	2,624,387
Interest received	251,416	182,313
Dividends received	36,815	62,109
Interest paid	(244,625)	(330,773)
Income tax paid	(12,177)	(31,247)
Net cash generated from operating activities	<u>1,421,840</u>	<u>2,506,789</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(413,815)	(10,000)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	120,792
Purchase of financial assets at amortized cost	(142,684)	-
Purchase of property, plant and equipment	(243,465)	(1,171,775)

(Continued)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2020	2019
Proceeds from disposal of property, plant and equipment	\$ -	\$ 208,814
Increase in refundable deposits	(27,071)	(10,061)
Payments for intangible assets	-	(300)
Increase in prepayments for equipment	<u>(771,799)</u>	<u>(393,302)</u>
Net cash used in investing activities	<u>(1,598,834)</u>	<u>(1,255,832)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,205,000	129,000
Proceeds from short-term bills payable	574,000	400,000
Proceeds from long-term borrowings	1,840,017	2,948,295
Repayments of long-term borrowings	(3,776,992)	(2,596,808)
Dividends paid to owners of the Company	<u>(1)</u>	<u>-</u>
Net cash (used in) generated from financing activities	<u>(157,976)</u>	<u>880,487</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(181,711)</u>	<u>191,316</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(516,681)	2,322,760
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>15,879,242</u>	<u>16,684,916</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 15,362,561</u>	<u>\$ 19,007,676</u>

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

(With Deloitte & Touche review report dated August 10, 2020)

(Concluded)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ (11,022)	\$ 8,330
Adjustments for:		
Depreciation expenses	39,326	38,543
Amortization expenses	269	145
Net loss on financial assets and liabilities at fair value through profit or loss	7,068	680
Finance costs	7,902	10,610
Interest income	(6,225)	(10,130)
Dividend income	(1,242)	(2,000)
Share of the profit of associates and joint ventures	(2,982)	(12)
Gain on disposal of property, plant and equipment, net	-	(784)
Net (gain) loss on foreign currency exchange	(218)	103
Other non-cash items	(406)	(400)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	17,369	29,710
Contract assets	4,070	(3,639)
Trade receivables	(3,843)	9,013
Other receivables	237	297
Fuel inventory	6,431	840
Other current assets	(3,747)	1,643
Trade payables	(828)	6,140
Other payables	(3,775)	(3,128)
Other current liabilities	(1,082)	(822)
Net defined benefit liabilities	(373)	(644)
Cash generated from operations	46,929	84,495
Interest received	8,485	5,870
Dividends received	1,242	2,000
Interest paid	(8,256)	(10,649)
Income tax paid	(411)	(1,006)
Net cash generated from operating activities	<u>47,989</u>	<u>80,710</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(13,966)	(322)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	3,889
Purchase of financial assets at amortized cost	(4,816)	-
Purchase of property, plant and equipment	(8,217)	(37,726)

(Continued)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2020	2019
Proceeds from disposal of property, plant and equipment	\$ -	\$ 6,723
Increase in refundable deposits	(914)	(324)
Payments for intangible assets	-	(10)
Increase in prepayments for equipment	<u>(26,048)</u>	<u>(12,663)</u>
Net cash used in investing activities	<u>(53,961)</u>	<u>(40,433)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	40,668	4,153
Proceeds from short-term bills payable	19,372	12,878
Proceeds from long-term borrowings	62,100	94,923
Repayments of long-term borrowings	(127,472)	(83,606)
Dividends paid to owners of the Company	<u>-</u>	<u>-</u>
Net cash (used in) generated from financing activities	<u>(5,332)</u>	<u>28,348</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>123</u>	<u>124</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(11,181)	68,749
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>529,661</u>	<u>543,217</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 518,480</u>	<u>\$ 611,966</u>

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

(With Deloitte & Touche review report dated August 10, 2020)

(Concluded)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019

(In Thousands of New Taiwan Dollars and U.S. Dollars, Unless Stated Otherwise)

(Reviewed, Not Audited)

1. GENERAL INFORMATION

U-Ming Marine Transport Corporation (the “Company”) was incorporated in the Republic of China (ROC) in August 1968. The Company and its subsidiaries (collectively referred to as the “Group”) not only own and manage ships that transport dry bulk cargoes, specializing in cement, coal, iron ore and grain. The Company’s shares have been listed on the Taiwan Stock Exchange since December 8, 1990. The consolidated financial statements of the Group are presented in the Company’s financial currency, the New Taiwan dollars and translated to U.S. dollars on the basis stated in Note 6 for the convenience of readers.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 10, 2020.

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

- a. Initial application of the amendments to 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)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
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, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts-Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

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

Note 2: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable 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, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of consolidation

Refer to Note 11 and Tables 7 and 8 for the detailed information of subsidiaries (including the percentage of ownership and main business).

c. Other significant accounting policies

Except for the following descriptions, please refer to the summary of other significant accounting policies in consolidated financial statements for the year ended December 31, 2019.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2019.

The Group considers the economic implications of the COVID-19 when making its critical accounting 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 affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. TRANSLATION INTO U.S. DOLLARS

The consolidated financial statements are originally stated in New Taiwan dollars. The translations of New Taiwan dollars into U.S. dollars are included solely for the convenience of the reader, using the exchange rate of NT\$29.63 to US\$1.00, NT\$29.98 to US\$1.00 and NT\$31.06 to US\$1.00 published by the Bank of Taiwan as of June 30, 2020, December 31, 2019 and June 30, 2019, respectively. The convenience translations should not be construed as representations that the New Taiwan dollar amounts have been, could have been or could in the future be, converted into U.S. dollars at these rates or any other exchange rate.

7. CASH AND CASH EQUIVALENTS

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Cash on hand	\$ 250	\$ 8	\$ 263	\$ 9	\$ 257	\$ 8
Checking accounts and demand deposits	366,228	12,360	472,713	15,768	560,626	18,050
Cash equivalents						
Time deposits	14,996,083	506,112	15,386,292	513,218	18,351,996	590,856
Commercial papers	-	-	19,974	666	94,797	3,052
	<u>\$ 15,362,561</u>	<u>\$ 518,480</u>	<u>\$ 15,879,242</u>	<u>\$ 529,661</u>	<u>\$ 19,007,676</u>	<u>\$ 611,966</u>

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Financial assets mandatorily classified as at FVTPL						
Derivative financial assets (not under hedge accounting)						
Cross-currency swap contracts (a)	\$ -	\$ -	\$ 6,309	\$ 210	\$ 8,001	\$ 257
Interest rate swap contracts (b)	-	-	8,245	275	16,858	543
Non-derivative financial assets						
Mutual funds	1,376,030	46,440	1,926,654	64,265	1,901,502	61,221
Domestic listed shares	7,938	268	-	-	-	-
	<u>\$ 1,383,968</u>	<u>\$ 46,708</u>	<u>\$ 1,941,208</u>	<u>\$ 64,750</u>	<u>\$ 1,926,361</u>	<u>\$ 62,021</u>
Financial liabilities held for trading						
Derivative financial liabilities (not under hedge accounting)						
Cross-currency swap contracts (a)	\$ 56,152	\$ 1,895	\$ 59,992	\$ 2,001	\$ 74,534	\$ 2,400
Interest rate swap contracts (b)	<u>328,971</u>	<u>11,103</u>	<u>129,643</u>	<u>4,324</u>	<u>125,559</u>	<u>4,042</u>
Financial liabilities at FVTPL - current	<u>\$ 385,123</u>	<u>\$ 12,998</u>	<u>\$ 189,635</u>	<u>\$ 6,325</u>	<u>\$ 200,093</u>	<u>\$ 6,442</u>

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

Contract Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
<u>June 30, 2020</u>			
USD9,966/AUD12,007	2022.03.21	3-month LIBOR plus 1%:1.31%	3-month AUD BBR-BBSW plus 1%:1.10%
USD13,600/AUD19,796	2024.01.22	3-month LIBOR plus 1.05%:2.19%	3-month AUD BBR-BBSW plus 1.05%:1.18%
<u>December 31, 2019</u>			
USD12,458/AUD15,009	2022.03.21	3-month LIBOR plus 1%:2.91%	3-month AUD BBR-BBSW plus 1%:1.91%
USD15,300/AUD22,271	2024.01.22	3-month LIBOR plus 1.05%:3.02%	3-month AUD BBR-BBSW plus 1.05%:1.95%
<u>June 30, 2019</u>			
USD14,949/AUD18,011	2020.03.21	3-month LIBOR plus 1%: 3.39%	3-month AUD BBR-BBSW plus 1%: 2.25%
USD17,000/AUD24,745	2024.01.22	3-month LIBOR plus 1.05%: 3.64%	3-month AUD BBR-BBSW plus 1.05%: 2.74%

The Group entered into cross-currency swap contracts to manage exposures to exchange rate and interest rate fluctuations of U.S. dollar and Australian dollar denominated loans. The Group did not apply hedge accounting.

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

Contract Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
<u>June 30, 2020</u>			
USD4,725	2022.07.20	1.36%	3-month LIBOR: 1.1353%
USD4,550	2022.09.20	1.43%	3-month LIBOR: 0.3064%
USD8,094	2022.10.25	1.18%	3-month LIBOR: 0.9914%
USD9,923	2023.04.22	1.27%	3-month LIBOR: 1.0976%
USD5,670	2023.06.05	1.90%	3-month LIBOR: 0.3371%
USD6,615	2023.08.30	1.85%	3-month LIBOR: 0.3625%
USD13,475	2023.10.30	1.89%	3-month LIBOR: 0.7601%
USD16,660	2024.01.16	1.68%	3-month LIBOR: 1.3114%
USD50,295	2027.08.30	2.865%	3-month LIBOR: Not effective yet
USD50,295	2027.11.30	2.875%	3-month LIBOR: Not effective yet
USD2,581	2021.03.19	1.115%	3-month LIBOR: 0.3064%
<u>December 31, 2019</u>			
USD5,670	2022.07.20	1.36%	3-month LIBOR: 1.9659%
USD5,460	2022.09.20	1.43%	3-month LIBOR: 1.9080%
USD9,713	2022.10.25	1.18%	3-month LIBOR: 1.9396%
USD11,576	2023.04.22	1.27%	3-month LIBOR: 1.9533%
USD6,615	2023.06.05	1.90%	3-month LIBOR: 1.9055%
USD7,560	2023.08.30	1.85%	3-month LIBOR: 1.9138%
USD15,400	2023.10.30	1.89%	3-month LIBOR: 1.9355%
USD18,743	2024.01.16	1.68%	3-month LIBOR: 2.0009%
USD50,295	2027.08.30	2.865%	3-month LIBOR: Not effective yet
USD50,295	2027.11.30	2.875%	3-month LIBOR: Not effective yet
USD3,872	2021.03.19	1.115%	3-month LIBOR: 1.9080%
<u>June 30, 2019</u>			
USD6,615	2022.07.20	1.36%	3-month LIBOR: 2.5915%
USD6,370	2022.09.20	1.43%	3-month LIBOR: 2.3866%
USD11,331	2022.10.25	1.18%	3-month LIBOR: 2.5803%
USD13,230	2023.04.22	1.27%	3-month LIBOR: 2.5915%
USD7,560	2023.06.05	1.90%	3-month LIBOR: 2.5203%
USD8,505	2023.08.30	1.85%	3-month LIBOR: 2.5238%
USD17,325	2023.10.30	1.89%	3-month LIBOR: 2.5828%
USD20,825	2024.01.16	1.68%	3-month LIBOR: 2.5968%
USD50,295	2027.08.30	2.865%	3-month LIBOR: Not effective yet
USD50,295	2027.11.30	2.875%	3-month LIBOR: Not effective yet
USD5,163	2021.03.19	1.115%	3-month LIBOR: 2.3866%

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

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity Instruments	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
<u>Current</u>						
Domestic listed shares	\$ 6,329,559	\$ 213,620	\$ 6,402,641	\$ 213,564	\$ 6,578,918	\$ 211,814
Foreign listed shares	<u>498,275</u>	<u>16,817</u>	<u>721,482</u>	<u>24,065</u>	<u>963,184</u>	<u>31,010</u>
	<u>\$ 6,827,834</u>	<u>\$ 230,437</u>	<u>\$ 7,124,123</u>	<u>\$ 237,629</u>	<u>\$ 7,542,102</u>	<u>\$ 242,824</u>
<u>Non-current</u>						
Domestic unlisted shares	<u>\$ 2,041,575</u>	<u>\$ 68,902</u>	<u>\$ 2,544,561</u>	<u>\$ 84,875</u>	<u>\$ 2,521,957</u>	<u>\$ 81,196</u>

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 Group's strategy of holding these investments for long-term purposes.

Refer to Table 3 for detailed information relating to the Group's investments.

Refer to Note 25 for information relating to investments in equity instruments at FVTOCI pledged as security.

10. TRADE RECEIVABLES

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
<u>Trade receivables</u>						
At amortized cost						
Non-related party	\$ 354,364	\$ 11,960	\$ 195,816	\$ 6,532	\$ 149,479	\$ 4,813
Less: Allowance for impairment loss	<u>(584)</u>	<u>(20)</u>	<u>(590)</u>	<u>(20)</u>	<u>(702)</u>	<u>(23)</u>
	<u>\$ 353,780</u>	<u>\$ 11,940</u>	<u>\$ 195,226</u>	<u>\$ 6,512</u>	<u>\$ 148,777</u>	<u>\$ 4,790</u>
Related party	<u>\$ 63,199</u>	<u>\$ 2,133</u>	<u>\$ 107,888</u>	<u>\$ 3,599</u>	<u>\$ 8,417</u>	<u>\$ 271</u>

Trade Receivables

The Group 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 customers 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 Group 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 Group 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 Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. 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 forecasted direction of economic conditions at the reporting date. As the Group'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 Group's different customer base.

The Group 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 Group 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 Group's provision matrix.

June 30, 2020

New Taiwan dollars

	0 to 30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 312,926	\$ 77,930	\$ 7,989	\$ 14,598	\$ 4,120	\$ 417,563
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(584)</u>	<u>(584)</u>
Amortized cost	<u>\$ 312,926</u>	<u>\$ 77,930</u>	<u>\$ 7,989</u>	<u>\$ 14,598</u>	<u>\$ 3,536</u>	<u>\$ 416,979</u>

U.S. dollars (Note 6)

	0 to 30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 10,561	\$ 2,630	\$ 270	\$ 493	\$ 139	\$ 14,093
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20)</u>	<u>(20)</u>
Amortized cost	<u>\$ 10,561</u>	<u>\$ 2,630</u>	<u>\$ 270</u>	<u>\$ 493</u>	<u>\$ 119</u>	<u>\$ 14,073</u>

December 31, 2019

New Taiwan dollars

	0 to 30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 231,219	\$ 46,722	\$ 21,273	\$ 911	\$ 3,579	\$ 303,704
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(590)</u>	<u>(590)</u>
Amortized cost	<u>\$ 231,219</u>	<u>\$ 46,722</u>	<u>\$ 21,273</u>	<u>\$ 911</u>	<u>\$ 2,989</u>	<u>\$ 303,114</u>

U.S. dollars (Note 6)

	0 to 30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 7,712	\$ 1,558	\$ 710	\$ 31	\$ 120	\$ 10,131
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20)</u>	<u>(20)</u>
Amortized cost	<u>\$ 7,712</u>	<u>\$ 1,558</u>	<u>\$ 710</u>	<u>\$ 31</u>	<u>\$ 100</u>	<u>\$ 10,111</u>

June 30, 2019

New Taiwan dollars

	0 to 30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 118,705	\$ 22,168	\$ 10,911	\$ 6,112	\$ -	\$ 157,896
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(702)</u>	<u>-</u>	<u>(702)</u>
Amortized cost	<u>\$ 118,705</u>	<u>\$ 22,168</u>	<u>\$ 10,911</u>	<u>\$ 5,410</u>	<u>\$ -</u>	<u>\$ 157,194</u>

U.S. dollars (Note 6)

	0 to 30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 3,822	\$ 714	\$ 351	\$ 197	\$ -	\$ 5,084
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23)</u>	<u>-</u>	<u>(23)</u>
Amortized cost	<u>\$ 3,822</u>	<u>\$ 714</u>	<u>\$ 351</u>	<u>\$ 174</u>	<u>\$ -</u>	<u>\$ 5,061</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Six Months Ended June 30, 2020		For the Six Months Ended June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Balance at January 1	\$ 590	\$ 20	\$ 694	\$ 23
Foreign exchange gains and losses	<u>(6)</u>	<u>-</u>	<u>8</u>	<u>-</u>
Balance at June 30	<u>\$ 584</u>	<u>\$ 20</u>	<u>\$ 702</u>	<u>\$ 23</u>

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Nature of Business	% of Ownership			Remark
			June 30, 2020	December 31, 2019	June 30, 2019	
The Company	U-Ming Marine Transport (Singapore) Private Limited (U-Ming Singapore)	Transport	100	100	100	-
	U-Ming Marine Transport (Hong Kong) Ltd. (U-Ming Hong Kong)	Transport	100	100	100	Note 2
	Yue-Li Investment Corporation (Yue-Li)	Investment	68	68	68	Note 1
	Yue-Tung Investment Corporation (Yue-Tung)	Investment	74	74	74	Note 1
U-Ming Singapore	Falcon Investment Private Limited (Falcon)	Investment	100	100	100	Note 1
	Eagle Investment Private Limited (Eagle)	Transport	100	100	100	Note 1
	Yue-Li Investment Corporation (Yue-Li)	Investment	32	32	32	Note 1
	Yue-Tung Investment Corporation (Yue-Tung)	Investment	26	26	26	Note 1
U-Ming Hong Kong	Overseas Shipping Pte. Ltd. (OSPL)	Transport	100	100	100	Note 1
	U-Ming Marine (Xiamen) International Ship Management Co., Ltd. (U-Ming Xiamen)	Ship service	100	100	100	Note 1

Note 1: Those companies were immaterial subsidiaries, their financial statements have not been reviewed.

Note 2: U-Ming Hong Kong's financial statements have been reviewed though U-Ming Hong Kong have been recognized as an immaterial subsidiary.

b. Subsidiaries excluded from the consolidated financial statements: None.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Associates that are not individually material	\$ 2,955,809	\$ 99,757	\$ 2,913,190	\$ 97,171	\$ 2,845,308	\$ 91,607

The Group's equities in certain associates were less than 20%, but the equity method was used because of the Group's significant influence on them. The Group holds 50% of the issued share capital of some associates, but classified them as the Group's associates because the Group neither participated in operations nor had control over them.

The Group's share of losses of an associate is limited to its interest in that associate which includes any long-term interests that, in substance, form part of the Group's net investment in the associate.

The Group and other companies jointly invested in and established Drive Catalyst SPC SP Tranche Three in 2019.

Investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Transportation	Miscellaneous	Total
<u>New Taiwan dollars</u>				
<u>Cost</u>				
Balance at January 1, 2019	\$ 1,092	\$ 42,831,589	\$ 78,332	\$ 42,911,013
Additions	-	1,170,865	910	1,171,775
Disposals	-	(692,861)	-	(692,861)
Reclassified from prepayment for equipment	-	25,259	-	25,259
Derecognition by replacement	-	(131,352)	-	(131,352)
Effects of foreign currency exchange differences	-	448,561	378	448,939
Balance at June 30, 2019	<u>\$ 1,092</u>	<u>\$ 43,652,061</u>	<u>\$ 79,620</u>	<u>\$ 43,732,773</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2019	\$ -	\$ 12,921,555	\$ 50,117	\$ 12,971,672
Depreciation	-	1,193,360	3,771	1,197,131
Disposals	-	(508,383)	-	(508,383)
Derecognition by replacement	-	(131,352)	-	(131,352)
Effects of foreign currency exchange differences	-	122,714	120	122,834
Balance at June 30, 2019	<u>\$ -</u>	<u>\$ 13,597,894</u>	<u>\$ 54,008</u>	<u>\$ 13,651,902</u>
Carrying amounts at June 30, 2019	<u>\$ 1,092</u>	<u>\$ 30,054,167</u>	<u>\$ 25,612</u>	<u>\$ 30,080,871</u>

(Continued)

	Land	Transportation	Miscellaneous	Total
<u>Cost</u>				
Balance at January 1, 2020	\$ 1,092	\$ 41,682,226	\$ 86,550	\$ 41,769,868
Additions	-	242,997	468	243,465
Reclassified from prepayment for equipment	-	194,012	61,856	255,868
Derecognition by replacement	-	(212,715)	-	(212,715)
Effects of foreign currency exchange differences	-	(454,796)	(684)	(455,480)
Balance at June 30, 2020	<u>\$ 1,092</u>	<u>\$ 41,451,724</u>	<u>\$ 148,190</u>	<u>\$ 41,601,006</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2020	\$ -	\$ 13,778,426	\$ 58,193	\$ 13,836,619
Depreciation	-	1,153,630	11,586	1,165,216
Derecognition by replacement	-	(212,715)	-	(212,715)
Effects of foreign currency exchange differences	-	(147,263)	(298)	(147,561)
Balance at June 30, 2020	<u>\$ -</u>	<u>\$ 14,572,078</u>	<u>\$ 69,481</u>	<u>\$ 14,641,559</u>
Carrying amounts at December 31, 2019	<u>\$ 1,092</u>	<u>\$ 27,903,800</u>	<u>\$ 28,357</u>	<u>\$ 27,933,249</u>
Carrying amounts at June 30, 2020	<u>\$ 1,092</u>	<u>\$ 26,879,646</u>	<u>\$ 78,709</u>	<u>\$ 26,959,447</u>
<u>U.S. dollars (Note 6)</u>				
<u>Cost</u>				
Balance at January 1, 2019	\$ 36	\$ 1,394,484	\$ 2,551	\$ 1,397,071
Additions	-	37,697	29	37,726
Disposals	-	(22,307)	-	(22,307)
Reclassified from prepayment for equipment	-	813	-	813
Derecognition by replacement	-	(4,229)	-	(4,229)
Effects of foreign currency exchange differences	(1)	(1,047)	(17)	(1,065)
Balance at June 30, 2019	<u>\$ 35</u>	<u>\$ 1,405,411</u>	<u>\$ 2,563</u>	<u>\$ 1,408,009</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2019	\$ -	\$ 420,692	\$ 1,632	\$ 422,324
Depreciation	-	38,422	121	38,543
Disposals	-	(16,368)	-	(16,368)
Derecognition by replacement	-	(4,229)	-	(4,229)
Effects of foreign currency exchange differences	-	(723)	(14)	(737)
Balance at June 30, 2019	<u>\$ -</u>	<u>\$ 437,794</u>	<u>\$ 1,739</u>	<u>\$ 439,533</u>
Carrying amounts at June 30, 2019	<u>\$ 35</u>	<u>\$ 967,617</u>	<u>\$ 824</u>	<u>\$ 968,476</u>
<u>Cost</u>				
Balance at January 1, 2020	\$ 36	\$ 1,390,334	\$ 2,887	\$ 1,393,257
Additions	-	8,201	16	8,217
Reclassified from prepayment for equipment	-	6,548	2,088	8,636
Derecognition by replacement	-	(7,179)	-	(7,179)
Effects of foreign currency exchange differences	1	1,074	10	1,085
Balance at June 30, 2020	<u>\$ 37</u>	<u>\$ 1,398,978</u>	<u>\$ 5,001</u>	<u>\$ 1,404,016</u>

(Continued)

	Land	Transportation	Miscellaneous	Total
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2020	\$ -	\$ 459,587	\$ 1,941	\$ 461,528
Depreciation	-	38,935	391	39,326
Derecognition by replacement	-	(7,179)	-	(7,179)
Effects of foreign currency exchange differences	-	458	13	471
Balance at June 30, 2020	<u>\$ -</u>	<u>\$ 491,801</u>	<u>\$ 2,345</u>	<u>\$ 494,146</u>
Carrying amounts at December 31, 2019	<u>\$ 36</u>	<u>\$ 930,747</u>	<u>\$ 946</u>	<u>\$ 931,729</u>
Carrying amounts at June 30, 2020	<u>\$ 37</u>	<u>\$ 907,177</u>	<u>\$ 2,656</u>	<u>\$ 909,870</u>
				(Concluded)

No impairment assessment was performed in the six months ended June 30, 2020 and 2019 as there was no material indication of impairment.

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	1-10 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 25.

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

	For the Six Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Capitalized interest	<u>\$ 4,119</u>	<u>\$ 139</u>	<u>\$ 4,907</u>	<u>\$ 158</u>
Capitalization rate	2.32%-2.91%		3.55%-3.81%	

14. LEASE ARRANGEMENTS

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

2020

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Expenses relating to short-term leases	<u>\$ 8,910</u>	<u>\$ 301</u>	<u>\$ 17,231</u>	<u>\$ 582</u>
Expenses relating to low-value asset leases	<u>\$ 55</u>	<u>\$ 2</u>	<u>\$ 110</u>	<u>\$ 4</u>
Total cash outflow for leases	<u>\$ 8,965</u>	<u>\$ 303</u>	<u>\$ 17,341</u>	<u>\$ 586</u>

2019

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Expenses relating to short-term leases	\$ 7,778	\$ 250	\$ 15,703	\$ 506
Expenses relating to low-value asset leases	\$ 557	\$ 18	\$ 1,083	\$ 35
Total cash outflow for leases	\$ 8,335	\$ 268	\$ 16,786	\$ 541

15. BORROWINGS

a. Short-term loans

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Unsecured borrowings						
Credit borrowings	\$ 7,705,000	\$ 260,040	\$ 6,500,000	\$ 216,811	\$ 6,744,000	\$ 217,128
Interest rate	0.65%-1.00%		0.90%-0.95%		0.90%-1.15%	

b. Short-term bills payable (Note 25)

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Commercial paper	\$ 3,780,000	\$ 127,574	\$ 3,206,000	\$ 106,938	\$ 5,150,000	\$ 165,808
Less:						
Unamortized discounts	791	27	679	23	1,122	36
	\$ 3,779,209	\$ 127,547	\$ 3,205,321	\$ 106,915	\$ 5,148,878	\$ 165,772

c. Long-term borrowings

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Secured bank loans (1) (Note 25)	\$ 8,360,817	\$ 282,174	\$ 9,107,581	\$ 303,789	\$ 10,654,145	\$ 343,018
Unsecured bank loans (2)	13,124,670	442,952	14,431,648	481,375	13,825,676	445,128
	21,485,487	725,126	23,539,229	785,164	24,479,821	788,146
Less: Current portion	2,939,824	99,218	3,387,593	112,995	5,892,292	189,707
Long-term borrowings	\$ 18,545,663	\$ 625,908	\$ 20,151,636	\$ 672,169	\$ 18,587,529	\$ 598,439

- 1) Secured bank loans are mainly for the purpose of construction of vessels, and are secured by the related vessels under construction as collaterals. The loan period of the borrowings ranges from 5 months to 8 years and 7 months with floating interest rate ranges of 0.87%-3.65%, 2.42%-3.65% and 2.95%-3.72% as of June 30, 2020, December 31, 2019 and June 30, 2019, respectively. The Group entered into interest rate swap contracts to exchange floating interest rate with fixed interest rate to manage the risk of interest rate fluctuations of the above outstanding loans. (Refer to Note 8).

- 2) Unsecured bank loans are for the purpose of general operations, with loan periods ranging from 1 month to 4 years and 1 months with interest rate ranges of 0.63%-1.50%, 0.83%-1.50% and 0.90%-1.50% as of June 30, 2020, December 31, 2019 and June 30, 2019, respectively.

16. OTHER PAYABLES

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Cash dividends	\$ 1,605,709	\$ 54,192	\$ 103	\$ 3	\$ 1,521,196	\$ 48,976
Material consumption and repairs	157,680	5,322	167,958	5,602	221,103	7,119
Remuneration of directors	141,172	4,764	141,172	4,709	142,069	4,574
Dock repairs	104,751	3,535	40,639	1,356	145,817	4,695
Salaries and bonuses	104,709	3,534	90,941	3,033	99,448	3,202
Employees' compensation	58,674	1,980	58,674	1,957	59,679	1,921
Port charges	29,619	1,000	36,536	1,219	25,833	832
Fuel	28,994	979	137,418	4,584	160,538	5,169
Interest	24,879	840	35,287	1,177	44,145	1,421
Charter freight	7,195	243	93,252	3,110	7,513	242
Others	<u>220,171</u>	<u>7,430</u>	<u>198,215</u>	<u>6,613</u>	<u>213,619</u>	<u>6,877</u>
	<u>\$ 2,483,553</u>	<u>\$ 83,819</u>	<u>\$ 1,000,195</u>	<u>\$ 33,363</u>	<u>\$ 2,640,960</u>	<u>\$ 85,028</u>

17. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2019 and 2018. The amount were NT\$1,951 thousand (US\$66 thousand), NT\$2,418 thousand (US\$78 thousand), NT\$3,909 thousand (US\$132 thousand) and NT\$4,824 thousand (US\$155 thousand) for the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019, respectively.

18. EQUITY

a. Common share capital

	June 30, 2020		December 31, 2019		June 30, 2019	
Number of shares authorized (in thousands)	<u>880,000</u>		<u>880,000</u>		<u>880,000</u>	
Number of shares issued and fully paid (in thousands)	<u>845,056</u>		<u>845,056</u>		<u>845,056</u>	
	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Shares authorized	<u>\$ 8,800,000</u>	<u>\$ 296,996</u>	<u>\$ 8,800,000</u>	<u>\$ 293,529</u>	<u>\$ 8,800,000</u>	<u>\$ 283,323</u>
Shares issued	<u>\$ 8,450,557</u>	<u>\$ 285,203</u>	<u>\$ 8,450,557</u>	<u>\$ 281,873</u>	<u>\$ 8,450,557</u>	<u>\$ 272,072</u>

b. Capital surplus

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)						
Conversion of bonds	\$ 93,474	\$ 3,155	\$ 93,474	\$ 3,118	\$ 93,474	\$ 3,009
Excess of merger	5,428	183	5,428	181	5,428	175
May only be used to offset a deficit						
Donations	16,199	547	16,200	540	16,200	522
Share of change in capital surplus of associates or joint venture	64	2	50	2	50	2
	<u>\$ 115,165</u>	<u>\$ 3,887</u>	<u>\$ 115,152</u>	<u>\$ 3,841</u>	<u>\$ 115,152</u>	<u>\$ 3,708</u>

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).

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, the profit shall be first utilized for paying taxes, offsetting losses of previous years. When there is any remaining profit, 10% of the unappropriated earnings from the net profit after tax for the current period coupled with other items that recognized in retained earnings directly for the current period shall be set aside as legal reserve. Then, after setting aside or reversing a special reserve in accordance with the laws and regulations, the company shall use the remaining profit together with any undistributed retained earnings as the basis for the Company's board of directors to propose a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

Dividends distributed to stockholders 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 losses, 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 after the amendment, refer to employees' compensation and remuneration of directors in Note 20-e.

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 2019 and 2018 which have been approved in the shareholders' meetings on June 9, 2020 and June 13, 2019, respectively, were as follows:

	Appropriation of Earnings				Dividend Per Share	
	2019		2018		2019	2018
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	NT\$
Legal reserve	\$ 183,083	\$ 6,179	\$ 166,884	\$ 5,373		
Special reserve	-	-	(2,000,954)	(64,422)		
Cash dividends	<u>1,605,606</u>	<u>54,189</u>	<u>1,521,100</u>	<u>48,973</u>	\$ 1.9	\$ 1.8
	<u>\$ 1,788,689</u>	<u>\$ 60,368</u>	<u>\$ (312,970)</u>	<u>\$ (10,076)</u>		

d. Other equity items

New Taiwan dollars

	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, 2020	\$ (2,330,970)	\$ 4,246,275	\$ 2	\$ 133
Exchange differences on translating the financial statements of foreign operations	(448,418)	-	-	-
Unrealized valuation gain (loss) on financial assets at FVTOCI	-	(1,209,549)	-	-
Share of other comprehensive gain (loss) of associates and joint ventures accounted for using the equity method	(25,351)	3,504	(1)	12
Disposal of investments in equity instruments designated as at FVTOCI by associates	-	(110)	-	-
Balance at June 30, 2020	<u>\$ (2,804,739)</u>	<u>\$ 3,040,120</u>	<u>\$ 1</u>	<u>\$ 145</u>
Balance at January 1, 2019	\$ (1,312,549)	\$ 2,318,592	\$ 2	\$ 133
Exchange differences on translating the financial statements of foreign operations	455,851	-	-	-
Unrealized valuation gain (loss) on financial assets at FVTOCI	-	2,330,968	-	-
Share of other comprehensive gain (loss) of associates and joint ventures accounted for using the equity method	22,084	42,619	-	-
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	-	(85,154)	-	-
Disposal of investments in equity instruments designated as at FVTOCI by associates	-	1,078	-	-
Balance at June 30, 2019	<u>\$ (834,614)</u>	<u>\$ 4,608,103</u>	<u>\$ 2</u>	<u>\$ 133</u>

U.S. dollars (Note 6)

	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, 2020	\$ (77,751)	\$ 141,637	\$ -	\$ 4
Exchange differences on translating the financial statements of foreign operations	(15,134)	-	-	-
Unrealized valuation gain (loss) on financial assets at FVTOCI	-	(40,822)	-	-
Share of other comprehensive gain (loss) of associates and joint ventures accounted for using the equity method	(855)	118	-	-
Disposal of investments in equity instruments designated as at FVTOCI by associates	-	(4)	-	-
Changes in translation adjustments	(919)	1,674	-	1
Balance at June 30, 2020	<u>\$ (94,659)</u>	<u>\$ 102,603</u>	<u>\$ -</u>	<u>\$ 5</u>
Balance at January 1, 2019	\$ (42,733)	\$ 75,487	\$ -	\$ 4
Exchange differences on translating the financial statements of foreign operations	14,676	-	-	-
Unrealized valuation gain (loss) on financial assets at FVTOCI	-	75,047	-	-
Share of other comprehensive gain (loss) of associates and joint ventures accounted for using the equity method	711	1,372	-	-
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	-	(2,742)	-	-
Disposal of investments in equity instruments designated as at FVTOCI by associates	-	35	-	-
Changes in translation adjustments	475	(838)	-	-
Balance at June 30, 2019	<u>\$ (26,871)</u>	<u>\$ 148,361</u>	<u>\$ -</u>	<u>\$ 4</u>

19. REVENUE

a. Disaggregation of revenue

	For the Three Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Transportation	\$ 1,529,336	\$ 51,615	\$ 2,067,348	\$ 66,560
Vessel management	34,316	1,158	40,987	1,319
Others	<u>17,636</u>	<u>595</u>	<u>15,965</u>	<u>514</u>
	<u>\$ 1,581,288</u>	<u>\$ 53,368</u>	<u>\$ 2,124,300</u>	<u>\$ 68,393</u>
	For the Six Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Transportation	\$ 3,380,968	\$ 114,105	\$ 4,091,705	\$ 131,736
Vessel management	72,404	2,444	81,786	2,633
Others	<u>30,389</u>	<u>1,026</u>	<u>15,965</u>	<u>514</u>
	<u>\$ 3,483,761</u>	<u>\$ 117,575</u>	<u>\$ 4,189,456</u>	<u>\$ 134,883</u>

b. Contract balances

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Contract assets - transportation services	<u>\$ 104,152</u>	<u>\$ 3,515</u>	<u>\$ 224,736</u>	<u>\$ 7,496</u>	<u>\$ 302,389</u>	<u>\$ 9,736</u>

The Group provides for expected credit losses prescribed, which permits the use of a lifetime expected loss provision for the contract assets. 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 Group concluded that the expected loss rates for trade receivables can be applied to the contract assets. For six months ended June 30, 2020 and 2019, no impairment losses were recognized.

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment. As of June 30, 2020, December 31, 2019 and June 30, 2019, the balance of contract liabilities were not material.

20. NET PROFIT (LOSS)

a. Other operating revenue

	For the Three Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Dividend income	<u>\$ 35,260</u>	<u>\$ 1,190</u>	<u>\$ 59,414</u>	<u>\$ 1,913</u>

	For the Six Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Dividend income	<u>\$ 35,260</u>	<u>\$ 1,190</u>	<u>\$ 59,414</u>	<u>\$ 1,913</u>

b. Finance costs

	For the Three Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Interest on bank loans/commercial papers	<u>\$ 108,794</u>	<u>\$ 3,672</u>	<u>\$ 161,365</u>	<u>\$ 5,195</u>

	For the Six Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Interest on bank loans/commercial papers	<u>\$ 234,128</u>	<u>\$ 7,902</u>	<u>\$ 329,537</u>	<u>\$ 10,610</u>

c. Depreciation and amortization

	For the Three Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
An analysis of depreciation by function				
Operating costs	\$ 575,983	\$ 19,439	\$ 608,087	\$ 19,578
Operating expenses	<u>7,814</u>	<u>264</u>	<u>1,914</u>	<u>62</u>
	<u>\$ 583,797</u>	<u>\$ 19,703</u>	<u>\$ 610,001</u>	<u>\$ 19,640</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 3,986</u>	<u>\$ 135</u>	<u>\$ 2,303</u>	<u>\$ 74</u>
	For the Six Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
An analysis of depreciation by function				
Operating costs	\$ 1,153,630	\$ 38,935	\$ 1,193,360	\$ 38,422
Operating expenses	<u>11,586</u>	<u>391</u>	<u>3,771</u>	<u>121</u>
	<u>\$ 1,165,216</u>	<u>\$ 39,326</u>	<u>\$ 1,197,131</u>	<u>\$ 38,543</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 7,970</u>	<u>\$ 269</u>	<u>\$ 4,506</u>	<u>\$ 145</u>

d. Employee benefits expense

	For the Three Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Short-term benefits				
Salary expenses	\$ 273,329	\$ 9,225	\$ 289,583	\$ 9,323
Insurance expenses	<u>5,968</u>	<u>201</u>	<u>6,714</u>	<u>216</u>
	<u>279,297</u>	<u>9,426</u>	<u>296,297</u>	<u>9,539</u>
Post-employment benefits				
Defined contribution plans	5,685	192	5,643	182
Defined benefit plans (Note 17)	<u>1,951</u>	<u>66</u>	<u>2,418</u>	<u>78</u>
	<u>7,636</u>	<u>258</u>	<u>8,061</u>	<u>260</u>
Other employee benefits	<u>21,073</u>	<u>711</u>	<u>22,659</u>	<u>730</u>
Total employee benefits expense	<u>\$ 308,006</u>	<u>\$ 10,395</u>	<u>\$ 327,017</u>	<u>\$ 10,529</u>
An analysis by function				
Operating costs	\$ 263,550	\$ 8,895	\$ 281,036	\$ 9,048
Operating expenses	<u>44,456</u>	<u>1,500</u>	<u>45,981</u>	<u>1,481</u>
	<u>\$ 308,006</u>	<u>\$ 10,395</u>	<u>\$ 327,017</u>	<u>\$ 10,529</u>

	For the Six Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Short-term benefits				
Salary expenses	\$ 557,821	\$ 18,826	\$ 581,245	\$ 18,714
Insurance expenses	<u>11,995</u>	<u>405</u>	<u>13,622</u>	<u>438</u>
	<u>569,816</u>	<u>19,231</u>	<u>594,867</u>	<u>19,152</u>
Post-employment benefits				
Defined contribution plans	11,340	383	11,141	359
Defined benefit plans (Note 17)	<u>3,909</u>	<u>132</u>	<u>4,824</u>	<u>155</u>
	<u>15,249</u>	<u>515</u>	<u>15,965</u>	<u>514</u>
Other employee benefits	<u>43,537</u>	<u>1,469</u>	<u>47,170</u>	<u>1,519</u>
Total employee benefits expense	<u>\$ 628,602</u>	<u>\$ 21,215</u>	<u>\$ 658,002</u>	<u>\$ 21,185</u>
An analysis by function				
Operating costs	\$ 532,647	\$ 17,977	\$ 562,543	\$ 18,112
Operating expenses	<u>95,955</u>	<u>3,238</u>	<u>95,459</u>	<u>3,073</u>
	<u>\$ 628,602</u>	<u>\$ 21,215</u>	<u>\$ 658,002</u>	<u>\$ 21,185</u>

e. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the three months and six months ended June 30, 2020 and 2019, based on estimated annual profit, both the employees' compensation and the remuneration of directors were accrued at the rate of 1%, respectively. The amounts were as follows:

	For the Three Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Employees' compensation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,002</u>	<u>\$ 32</u>
Remuneration of directors	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,002</u>	<u>\$ 32</u>

	For the Six Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Employees' compensation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,251</u>	<u>\$ 72</u>
Remuneration to directors	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,251</u>	<u>\$ 72</u>

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

The employees' compensation and remuneration of directors for 2019 and 2018, which were resolved by the board of directors on March 10, 2020 and March 19, 2019, respectively, were as follows:

	Cash Amount for the Year Ended December 31			
	2019		2018	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Employees' compensation	<u>\$ 17,590</u>	<u>\$ 587</u>	<u>\$ 16,344</u>	<u>\$ 532</u>
Remuneration of directors	<u>\$ 17,590</u>	<u>\$ 587</u>	<u>\$ 16,344</u>	<u>\$ 532</u>

There was no difference between the actual amounts of employees' compensation and remuneration of directors resolved and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

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

21. INCOME TAXES

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

	For the Three Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Current tax				
In respect of the current year	\$ 11,436	\$ 386	\$ 15,087	\$ 486
Income tax on unappropriated earnings	2,254	76	105,265	3,389
Adjustments for prior periods	<u>(60,243)</u>	<u>(2,033)</u>	<u>-</u>	<u>-</u>
	<u>(46,553)</u>	<u>(1,571)</u>	<u>120,352</u>	<u>3,875</u>
Deferred tax				
In respect of the current year	<u>1,118</u>	<u>38</u>	<u>3,749</u>	<u>121</u>
Income tax (benefit) expense recognized in profit or loss	<u>\$ (45,435)</u>	<u>\$ (1,533)</u>	<u>\$ 124,101</u>	<u>\$ 3,996</u>

	For the Six Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Current tax				
In respect of the current year	\$ 11,436	\$ 386	\$ 15,441	\$ 497
Income tax on unappropriated earnings	2,254	76	105,265	3,389
Adjustments for prior periods	<u>(60,243)</u>	<u>(2,033)</u>	<u>-</u>	<u>-</u>
	<u>(46,553)</u>	<u>(1,571)</u>	<u>120,706</u>	<u>3,886</u>
Deferred tax				
In respect of the current year	<u>3,670</u>	<u>124</u>	<u>10,248</u>	<u>330</u>
Income tax (benefit) expense recognized in profit or loss	<u>\$ (42,883)</u>	<u>\$ (1,447)</u>	<u>\$ 130,954</u>	<u>\$ 4,216</u>

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. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

In accordance with Rule No. 10904550440 issued by the Ministry of Finance of Taiwan (MOF), the Group used the losses incurred in the first quarter of 2020 to estimate losses for the first six months of 2020 and this amount is deducted from the Group's unappropriated earnings for 2018. However, for the consolidated financial reporting purpose, income tax expense is reversed to the extent that it is not probable to be repaid subsequently.

In addition, in accordance with Rule No. 10904558730 issued by the MOF, the Group has deducted the amount of dividends distributed in 2020 attributable to the increase in the beginning retained earnings for 2018 as a result of initial adoption of IFRS 9 when calculating the tax on unappropriated earnings for 2018.

b. Income tax assessments

The income tax returns through 2018 of the Company and its subsidiaries have been assessed by the tax authorities.

22. EARNINGS (LOSSES) PER SHARE

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

a. Net profit (loss) for the year

	For the Three Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Earnings (losses) used in the computation of basic/diluted EPS	\$ 103,435	\$ 3,490	\$ 36,963	\$ 1,188
	For the Six Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Earnings (losses) used in the computation of basic/diluted EPS	\$ (283,710)	\$ (9,575)	\$ 127,785	\$ 4,114

- b. Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Weighted-average number of ordinary shares used in the computation of basic earnings (losses) per share	845,056	845,056	845,056	845,056
Effect of potentially dilutive ordinary shares:				
Employees' compensation	<u>-</u>	<u>30</u>	<u>-</u>	<u>295</u>
Weighted-average number of ordinary shares used in the computation of diluted earnings (losses) per share	<u>845,056</u>	<u>845,086</u>	<u>845,056</u>	<u>845,351</u>

If the Group offered to settle the compensation paid to employees in cash or shares, the Group 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.

23. 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 consolidated financial statements approximate their fair values.

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

- 1) Fair value hierarchy

June 30, 2020

	Level 1	Level 2	Level 3	Total
<u>New Taiwan dollars</u>				
Financial assets at FVTPL				
Mutual funds	\$ 22,898	\$ 1,353,132	\$ -	\$ 1,376,030
Domestic listed shares	<u>7,938</u>	<u>-</u>	<u>-</u>	<u>7,938</u>
	<u>\$ 30,836</u>	<u>\$ 1,353,132</u>	<u>\$ -</u>	<u>\$ 1,383,968</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 6,329,559	\$ -	\$ -	\$ 6,329,559
Domestic unlisted shares	-	-	2,041,575	2,041,575
Foreign listed shares	<u>498,275</u>	<u>-</u>	<u>-</u>	<u>498,275</u>
	<u>\$ 6,827,834</u>	<u>\$ -</u>	<u>\$ 2,041,575</u>	<u>\$ 8,869,409</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 385,123</u>	<u>\$ -</u>	<u>\$ 385,123</u>
<u>U.S. dollars (Note 6)</u>				
Financial assets at FVTPL				
Mutual funds	\$ 773	\$ 45,667	\$ -	\$ 46,440
Domestic listed shares	<u>268</u>	<u>-</u>	<u>-</u>	<u>268</u>
	<u>\$ 1,041</u>	<u>\$ 45,667</u>	<u>\$ -</u>	<u>\$ 46,708</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 213,620	\$ -	\$ -	\$ 213,620
Domestic unlisted shares	-	-	68,902	68,902
Foreign listed shares	<u>16,817</u>	<u>-</u>	<u>-</u>	<u>16,817</u>
	<u>\$ 230,437</u>	<u>\$ -</u>	<u>\$ 68,902</u>	<u>\$ 299,339</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 12,998</u>	<u>\$ -</u>	<u>\$ 12,998</u> (Concluded)

December 31, 2019

	Level 1	Level 2	Level 3	Total
<u>New Taiwan dollars</u>				
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 14,554	\$ -	\$ 14,554
Mutual funds	<u>41,510</u>	<u>1,885,144</u>	<u>-</u>	<u>1,926,654</u>
	<u>\$ 41,510</u>	<u>\$ 1,899,698</u>	<u>\$ -</u>	<u>\$ 1,941,208</u>
Financial assets at FVTOCI				
Equity investments				
Domestic listed shares	\$ 6,402,641	\$ -	\$ -	\$ 6,402,641
Domestic unlisted shares	-	-	2,544,561	2,544,561
Foreign listed shares	<u>721,482</u>	<u>-</u>	<u>-</u>	<u>721,482</u>
	<u>\$ 7,124,123</u>	<u>\$ -</u>	<u>\$ 2,544,561</u>	<u>\$ 9,668,684</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 189,635</u>	<u>\$ -</u>	<u>\$ 189,635</u> (Continued)

	Level 1	Level 2	Level 3	Total
<u>U.S. dollars (Note 6)</u>				
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 485	\$ -	\$ 485
Mutual funds	<u>1,384</u>	<u>62,881</u>	<u>-</u>	<u>64,265</u>
	<u>\$ 1,384</u>	<u>\$ 63,366</u>	<u>\$ -</u>	<u>\$ 64,750</u>
Financial assets at FVTOCI				
Equity investments				
Domestic listed shares	\$ 213,564	\$ -	\$ -	\$ 213,564
Domestic unlisted shares	-	-	84,875	84,875
Foreign listed shares	<u>24,065</u>	<u>-</u>	<u>-</u>	<u>24,065</u>
	<u>\$ 237,629</u>	<u>\$ -</u>	<u>\$ 84,875</u>	<u>\$ 322,504</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 6,325</u>	<u>\$ -</u>	<u>\$ 6,325</u> (Concluded)
<u>June 30, 2019</u>				
	Level 1	Level 2	Level 3	Total
<u>New Taiwan dollars</u>				
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 24,859	\$ -	\$ 24,859
Mutual funds	<u>57,508</u>	<u>1,843,994</u>	<u>-</u>	<u>1,901,502</u>
	<u>\$ 57,508</u>	<u>\$ 1,868,853</u>	<u>\$ -</u>	<u>\$ 1,926,361</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 6,578,918	\$ -	\$ -	\$ 6,578,918
Domestic unlisted shares	-	-	2,521,957	2,521,957
Foreign listed shares	<u>963,184</u>	<u>-</u>	<u>-</u>	<u>963,184</u>
	<u>\$ 7,542,102</u>	<u>\$ -</u>	<u>\$ 2,521,957</u>	<u>\$ 10,064,059</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 200,093</u>	<u>\$ -</u>	<u>\$ 200,093</u>
<u>U.S. dollars (Note 6)</u>				
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 800	\$ -	\$ 800
Mutual funds	<u>1,852</u>	<u>59,369</u>	<u>-</u>	<u>61,221</u>
	<u>\$ 1,852</u>	<u>\$ 60,169</u>	<u>\$ -</u>	<u>\$ 62,021</u> (Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 211,814	\$ -	\$ -	\$ 211,814
Domestic unlisted shares	-	-	81,196	81,196
Foreign listed shares	<u>31,010</u>	<u>-</u>	<u>-</u>	<u>31,010</u>
	<u>\$ 242,824</u>	<u>\$ -</u>	<u>\$ 81,196</u>	<u>\$ 324,020</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 6,442</u>	<u>\$ -</u>	<u>\$ 6,442</u> (Concluded)

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.
Derivatives - interest rate swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward interest rates at the end of the reporting period, discounted at a rate that reflects the credit risk of various counterparties.
Mutual funds	The fair values of the single investments which do not have active market values and the whole investment portfolio were measured based on observable information from the active market.

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

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Financial assets						
FVTPL						
Mandatorily at FVTPL	\$ 1,383,968	\$ 46,708	\$ 1,941,208	\$ 64,750	\$ 1,926,361	\$ 62,021
Financial assets at amortized cost (1)	17,161,001	579,177	17,462,686	582,478	20,462,358	658,801
Financial assets at FVTOCI - equity instruments	8,869,409	299,339	9,668,684	322,504	10,064,059	324,020
Financial liabilities						
FVTPL						
Held for trading	385,123	12,998	189,635	6,325	200,093	6,442
Amortized cost (2)	35,617,264	1,202,067	34,433,306	1,148,542	39,309,315	1,265,593

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, trade receivables (including related parties), other receivables, refundable deposits and long-term receivables.
- 2) The balances include 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 payables (including related parties) and other payables.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, derivative financial instruments, trade receivables, trade payables and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

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

1) Market risk

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

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

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

a) Foreign currency risk

The Group is exposed to foreign currency risk arising from engagement in foreign-currency transactions, investments and borrowings. The Group 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 Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) exposed to foreign currency risk at the end of the reporting period are set out in Note 28.

Sensitivity analysis

The Group was mainly exposed to the USD, AUD, and the HKD.

The following table details the Group's sensitivity to a 10% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. 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. A positive/negative number below indicates an increase/a decrease in pre-tax profit associated with the New Taiwan dollar strengthening 10% against the relevant currency. For a 10% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

USD (i)				
For the Six Months Ended June 30				
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Profit or loss	\$ (4,022)	\$ (136)	\$ (2,428)	\$ (78)

AUD (ii)				
For the Six Months Ended June 30				
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Profit or loss	\$ 65,237	\$ 2,202	\$ 93,567	\$ 3,012

HKD (iii)				
For the Six Months Ended June 30				
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Profit or loss	\$ (1,060)	\$ (36)	\$ (12,482)	\$ (402)

- i. This was mainly attributable to the USD accounts receivables held by the Group.
- ii. This was mainly attributable to the exposure to the Group's AUD denominated bank loans.
- iii. This was mainly attributable to the HKD deposits held by the Group.

b) Interest rate risk

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

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

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Fair value interest rate risk						
Financial assets	\$ 15,392,034	\$ 519,475	\$ 15,653,740	\$ 522,139	\$ 18,494,075	\$ 595,431
Financial liabilities	16,332,850	551,227	14,680,289	489,669	15,979,338	514,467
Cash flow interest rate risk						
Financial assets	355,046	11,983	450,320	15,021	546,642	17,600
Financial liabilities	16,636,846	561,487	18,564,261	619,221	20,393,361	656,579

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

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

Sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax (loss) profit for the six months ended June 30, 2020 and 2019 would increase/decrease by NT\$40,705 thousand (US\$1,374 thousand) and NT\$49,617 thousand (US\$1,597 thousand), respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities and open-end beneficiary certificates. The Group manages this risk by maintaining a portfolio of investments with different risk levels. The Group'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 Group.

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 profit for the six months ended June 30, 2020 and 2019 would have increased/decreased by NT\$138,397 thousand (US\$4,671 thousand) and NT\$190,150 thousand (US\$6,122 thousand), as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the six months ended June 30, 2020 and 2019 would increase/decrease by NT\$886,941 thousand (US\$29,934 thousand) and NT\$1,006,406 thousand (US\$32,402 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 a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group because of the failure of the counterparty to discharge its obligation and the financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets and the maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group 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 Group uses other publicly available financial information and its own trading records to rate its major customers.

The Group's concentration of credit risk was related to the top five customers of the Group whose balances of trade receivables are among the top five. The Group's exposure and the credit ratings of its counterparties are continuously monitored. When the counterparties are associates, the Company will consider them as of similar nature with the counterparties. For the six months ended 2020 and 2019, the credit risk concentration was immaterial for any counterparty at any point in time.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2020, December 31, 2019 and June 30, 2019, the Group had available unutilized short-term bank loan facilities of NT\$12,059,836 thousand (US\$407,014 thousand), NT\$13,860,000 thousand (US\$462,308 thousand) and NT\$11,392,632 thousand (US\$366,794 thousand), respectively.

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

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

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table include 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 upon repayment dates.

June 30, 2020

	On Demand or Within 1 Year		1-5 Years		More Than 5 Years	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Non-interest bearing	\$ 2,647,568	\$ 89,354	\$ -	\$ -	\$ -	\$ -
Floating interest rate	2,659,915	89,771	13,819,112	466,389	542,650	18,314
Fixed interest rate	<u>11,984,774</u>	<u>404,481</u>	<u>4,633,917</u>	<u>156,393</u>	-	-
	<u>\$ 17,292,257</u>	<u>\$ 583,606</u>	<u>\$ 18,453,029</u>	<u>\$ 622,782</u>	<u>\$ 542,650</u>	<u>\$ 18,314</u>

December 31, 2019

	On Demand or Within 1 Year		1-5 Years		More Than 5 Years	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Non-interest bearing	\$ 1,188,756	\$ 39,652	\$ -	\$ -	\$ -	\$ -
Floating interest rate	3,436,967	114,642	15,178,749	506,296	776,828	25,912
Fixed interest rate	<u>9,815,295</u>	<u>327,395</u>	<u>5,213,144</u>	<u>173,887</u>	-	-
	<u>\$ 14,441,018</u>	<u>\$ 481,689</u>	<u>\$ 20,391,893</u>	<u>\$ 680,183</u>	<u>\$ 776,828</u>	<u>\$ 25,912</u>

June 30, 2019

	On Demand or Within 1 Year		1-5 Years		More Than 5 Years	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Non-interest bearing	\$ 2,936,616	\$ 94,547	\$ -	\$ -	\$ -	\$ -
Floating interest rate	6,098,861	196,357	14,012,962	451,158	1,429,746	46,032
Fixed interest rate	<u>11,985,217</u>	<u>385,873</u>	<u>4,331,351</u>	<u>139,451</u>	-	-
	<u>\$ 21,020,694</u>	<u>\$ 676,777</u>	<u>\$ 18,344,313</u>	<u>\$ 590,609</u>	<u>\$ 1,429,746</u>	<u>\$ 46,032</u>

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

The amount of floating interest rate instruments of the nonderivative financial assets and liabilities will vary due to the difference between 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 Group's liquidity analysis for its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

June 30, 2020

	On Demand or Within 1 Year		1-5 Years		More Than 5 Years	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
<u>Net settled</u>						
Interest rate swaps	\$ (3,371)	\$ (114)	\$ (23,981)	\$ (809)	\$ -	\$ -
<u>Gross settled</u>						
Cross-currency swaps						
Inflows	\$ 228,885	\$ 7,725	\$ 429,996	\$ 14,512	\$ -	\$ -
Outflows	(258,987)	(8,741)	(460,743)	(15,550)	-	-
	<u>\$ (30,102)</u>	<u>\$ (1,016)</u>	<u>\$ (30,747)</u>	<u>\$ (1,038)</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2019

	On Demand or Within 1 Year		1-5 Years		More Than 5 Years	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
<u>Net settled</u>						
Interest rate swaps	\$ 1,927	\$ 64	\$ 14,914	\$ 497	\$ -	\$ -
<u>Gross settled</u>						
Cross-currency swaps						
Inflows	\$ 243,345	\$ 8,117	\$ 569,396	\$ 18,993	\$ -	\$ -
Outflows	(273,350)	(9,118)	(608,707)	(20,304)	-	-
	<u>\$ (30,005)</u>	<u>\$ (1,001)</u>	<u>\$ (39,311)</u>	<u>\$ (1,311)</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2019

	On Demand or Within 1 Year		1-5 Years		More Than 5 Years	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
<u>Net settled</u>						
Interest rate swaps	\$ 4,895	\$ 158	\$ 58,306	\$ 1,877	\$ -	\$ -
<u>Gross settled</u>						
Cross-currency swaps						
Inflows	\$ 259,339	\$ 8,350	\$ 722,642	\$ 23,266	\$ -	\$ -
Outflows	(290,785)	(9,362)	(773,207)	(24,894)	-	-
	<u>\$ (31,446)</u>	<u>\$ (1,012)</u>	<u>\$ (50,565)</u>	<u>\$ (1,628)</u>	<u>\$ -</u>	<u>\$ -</u>

24. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

Related Party Name	Related Party Category
Asia Cement Corporation (Asia Cement)	Investors that have significant influence over the Group
Winyield Investment Ltd. (Winyield)	Associate
Cape Asia Ltd. (Cape Asia)	Associate
Cape Asia Newbuildings (III) Ltd. (Cape Asia III)	Associate
ITG-Uming Shipping Co., Ltd. (ITG-Uming Shipping)	Associate
Jiangxi Yadong Cement Co., Ltd. (Jiangxi Yadong)	Related party in substance
Hubei Yadong Cement Co., Ltd. (Hubei Yadong)	Related party in substance
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
Da Ju Fiber Co., Ltd. (Da Ju Fiber)	Related party in substance
Opas Fund Segregated Portfolio Company	Related party in substance

b. Operating revenue

Account Items	Related Party Category	For the Three Months Ended June 30			
		2020		2019	
		NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Freight revenue	Investors that have significant influence over the Group				
	Asia Cement	\$ 170,756	\$ 5,763	\$ 187,127	\$ 6,025
	Related party in substance	71,198	2,403	60,532	1,949
	Associates	<u>21,388</u>	<u>722</u>	<u>19,861</u>	<u>639</u>
		<u>\$ 263,342</u>	<u>\$ 8,888</u>	<u>\$ 267,520</u>	<u>\$ 8,613</u>
Account Items	Related Party Category	For the Six Months Ended June 30			
		2020		2019	
		NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Freight revenue	Investors that have significant influence over the Group				
	Asia Cement	\$ 385,386	\$ 13,007	\$ 355,851	\$ 11,457
	Related party in substance	95,487	3,223	107,507	3,461
	Associates	<u>21,388</u>	<u>722</u>	<u>40,100</u>	<u>1,291</u>
		<u>\$ 502,261</u>	<u>\$ 16,952</u>	<u>\$ 503,458</u>	<u>\$ 16,209</u>

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

Account Items	Related Party Category	For the Three Months Ended June 30			
		2020		2019	
		NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Freight costs	Related party in substance Associates	\$ 19,224	\$ 649	\$ 2,140	\$ 69
		-	-	28,293	911
		<u>\$ 19,224</u>	<u>\$ 649</u>	<u>\$ 30,433</u>	<u>\$ 980</u>
Account Items	Related Party Category	For the Six Months Ended June 30			
		2020		2019	
		NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Freight costs	Related party in substance Associates	\$ 21,314	\$ 719	\$ 4,079	\$ 131
		-	-	53,531	1,723
		<u>\$ 21,314</u>	<u>\$ 719</u>	<u>\$ 57,610</u>	<u>\$ 1,854</u>

The Group engages substantive related parties to provide ship material and repair services to the Group, and the relevant expenses are recognized as freight costs. Freight costs also include charter freight paid to substantive related parties of the Group.

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

Account Item	Related Party Category/Name	June 30, 2020		December 31, 2019		June 30, 2019	
		NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Trade receivables from related parties	Investors that have significant influence over the Group						
	Asia Cement	\$ 50,237	\$ 1,696	\$ 63,349	\$ 2,113	\$ 7,602	\$ 245
	Related parties in substance						
	FENC	12,962	437	-	-	-	-
	Jiangxi Yadong Associates	-	-	44,539	1,486	677	22
		-	-	-	-	138	4
		<u>\$ 63,199</u>	<u>\$ 2,133</u>	<u>\$ 107,888</u>	<u>\$ 3,599</u>	<u>\$ 8,417</u>	<u>\$ 271</u>
Other receivables	Associates						
	ITG-Uming Shipping	<u>\$ 28,445</u>	<u>\$ 960</u>	<u>\$ 28,781</u>	<u>\$ 960</u>	<u>\$ -</u>	<u>\$ -</u>

The outstanding trade receivables from related parties are unsecured. No impairment loss was recognized for trade receivables from related parties for the six months ended June 30, 2020 and 2019.

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

Account Items	Related Party Category/Name	June 30, 2020		December 31, 2019		June 30, 2019	
		NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Trade payables - related parties	Related party in substance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393</u>	<u>\$ 13</u>	<u>\$ 725</u>	<u>\$ 23</u>

f. Prepayments

Account Items	Related Party Category/Name	June 30, 2020		December 31, 2019		June 30, 2019	
		NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Prepaid expenses	Related party in substance Asia Engineering	<u>\$ 3,723</u>	<u>\$ 126</u>	<u>\$ 34,252</u>	<u>\$ 1,142</u>	<u>\$ 11,170</u>	<u>\$ 360</u>

g. Acquisitions of financial assets

For the six months ended June 30, 2020: None.

For the six months ended June 30, 2019:

Related Party Category	Account Item	Number of Shares (In Thousands)	Underlying Asset	Acquisition Price	
				NT\$	US\$ (Note 6)
Related party in substance	Financial assets at FVTPL - current	-	Opas Fund Segregated Portfolio Tranche	\$ 620	\$ 20

The nature of transactions between the Group and OPAS Fund Company, relates to the acquisition or disposal of overseas funds of the OPAS Fund Segregated Portfolio Tranche through OPAS Fund Company's platform. The decisions about the overseas fund portfolio were made and managed by the investment committee composed of investors including the Group.

h. Disposal of financial assets

For the three months ended June 30, 2020: None.

For the three months ended June 30, 2019

Related Party Category	Account Item	Number of Shares (In Thousands)	Underlying Assets	Disposal Price		Gain (Loss) on Disposal	
				NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Related party in substance	Financial assets at FVTPL - current	29	Opas Fund Segregated Portfolio Tranche	\$ 915,143	\$ 29,464	\$ 31,507	\$ 1,014

For the six months ended June 30, 2020

Related Party Category	Account Item	Number of Shares (In Thousands)	Underlying Assets	Disposal Price		Gain (Loss) on Disposal	
				NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Related party in substance	Financial assets at FVTPL - current	14	Opas Fund Segregated Portfolio Tranche	\$ 540,018	\$ 18,225	\$ 9,815	\$ 331

For the six months ended June 30, 2019

Related Party Category	Account Item	Number of Shares (In Thousands)	Underlying Assets	Disposal Price		Gain (Loss) on Disposal	
				NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Related party in substance	Financial assets at FVTPL - current	29	Opas Fund Segregated Portfolio Tranche	\$ 915,143	\$ 29,464	\$ 31,507	\$ 1,014

i. Loans to related parties

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

j. Endorsements and guarantees

Related Party Category/Name	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Associates						
Amount						
endorsed	<u>\$ 80,371</u>	<u>\$ 2,712</u>	<u>\$ 89,191</u>	<u>\$ 2,975</u>	<u>\$ 100,557</u>	<u>\$ 3,238</u>
Amount utilized	<u>\$ 80,371</u>	<u>\$ 2,712</u>	<u>\$ 89,191</u>	<u>\$ 2,975</u>	<u>\$ 100,557</u>	<u>\$ 3,238</u>
Liabilities						
recognized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Related parties in substance						
Amount						
endorsed	<u>\$ 116,280</u>	<u>\$ 3,924</u>	<u>\$ 116,280</u>	<u>\$ 3,879</u>	<u>\$ 116,280</u>	<u>\$ 3,744</u>
Amount utilized	<u>\$ 19,380</u>	<u>\$ 654</u>	<u>\$ 41,861</u>	<u>\$ 1,396</u>	<u>\$ 37,985</u>	<u>\$ 1,223</u>
Liabilities						
recognized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

k. Others

Account Item	Related Party Category	June 30, 2020		December 31, 2019		June 30, 2019	
		NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Temporary receipts (classified as other current liabilities)	Investors that have significant influence over the Group Asia Cement (Note 1)	<u>\$ 15,000</u>	<u>\$ 506</u>	<u>\$ 15,000</u>	<u>\$ 500</u>	<u>\$ 15,000</u>	<u>\$ 483</u>

Account Item	Related Party Category	For the Three Months Ended June 30			
		2020		2019	
		NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Rent expense	Investors that have significant influence over the Group	\$ -	\$ -	\$ 82	\$ 3
	Related party in substance Yuan Ding (Note 2)	<u>5,014</u>	<u>169</u>	<u>5,014</u>	<u>161</u>
		<u>\$ 5,014</u>	<u>\$ 169</u>	<u>\$ 5,096</u>	<u>\$ 164</u>
Other revenue	Related party in substance FENC (Note 3)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Account Item	Related Party Category	For the Six Months Ended June 30			
		2020		2019	
		NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Rent expense	Investors that have significant influence over the Group	\$ -	\$ -	\$ 247	\$ 8
	Related party in substance Yuan Ding (Note 2)	<u>10,027</u>	<u>338</u>	<u>10,027</u>	<u>323</u>
		<u>\$ 10,027</u>	<u>\$ 338</u>	<u>\$ 10,274</u>	<u>\$ 331</u>
Other revenue	Related party in substance FENC (Note 3)	<u>\$ 6,970</u>	<u>\$ 235</u>	<u>\$ 6,150</u>	<u>\$ 198</u>

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

Note 2: Refundable deposits for the lease were NT\$4,573 thousand (US\$154 thousand) as of June 30, 2020, December 31, 2019 and June 30, 2019.

Note 3: Remuneration of directors.

1. Compensation of key management personnel

	For the Three Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Short-term employee benefits	\$ 5,213	\$ 176	\$ 7,011	\$ 226
Post-employment benefits	<u>714</u>	<u>24</u>	<u>785</u>	<u>25</u>
	<u>\$ 5,927</u>	<u>\$ 200</u>	<u>\$ 7,796</u>	<u>\$ 251</u>
	For the Six Months Ended June 30			
	2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Short-term employee benefits	\$ 12,230	\$ 413	\$ 16,737	\$ 539
Post-employment benefits	<u>1,428</u>	<u>48</u>	<u>1,570</u>	<u>50</u>
	<u>\$ 13,658</u>	<u>\$ 461</u>	<u>\$ 18,307</u>	<u>\$ 589</u>

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

25. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Property, plant and equipment (transportation)	\$ 24,932,936	\$ 841,476	\$ 25,904,644	\$ 864,064	\$ 27,495,215	\$ 885,229
Financial assets at FVTOCI - current	2,598,542	87,700	2,299,483	76,701	2,392,156	77,017
Pledged deposits (classified as Financial assets at amortized cost - current)	91,853	3,100	-	-	-	-
Pledged deposits (classified as refundable deposits)	<u>65,093</u>	<u>2,197</u>	<u>55,292</u>	<u>1,844</u>	<u>42,764</u>	<u>1,377</u>
	<u>\$ 27,688,424</u>	<u>\$ 934,473</u>	<u>\$ 28,259,419</u>	<u>\$ 942,609</u>	<u>\$ 29,930,135</u>	<u>\$ 963,623</u>

26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Significant commitments

- 1) The 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) In January 2018, U-Ming Singapore signed a 25-year Contract of Affreightment (COA) on iron ore shipment with Vale International SA, and entered into a shipbuilding contract with Qingdao Beihai Shipbuilding Heavy Industry Co., Ltd to construct 2 bulk carriers for US\$143,700 thousand. As of June 30, 2020, U-Ming Singapore has paid US\$50,750 thousand, and the contract obligations would begin to be fulfilled after the completion of shipbuilding.
- 3) U-Ming Hong Kong entered into shipbuilding contract with Oshima Shipbuilding Co., Ltd. to construct 2 bulks carries. The total contract amount was US\$72,400 thousand. As of June 30, 2020, U-Ming Hong Kong has paid US\$7,240 thousand, and the contract obligations would begin to be fulfilled after the completion of shipbuilding.

b. Contingencies

The Group had financial guarantees given to banks in respect of banking facilities to associates and related parties in substance. Refer to Note 24 (j) for the details.

27. OTHER ITEMS

The impact of the COVID-19 pandemic results in a decline in operating revenue from January to June 2020 compared with the same period last year. The delayed transport demand resulted from the pandemic is expected to slow because of the market freight rise, and the group expects that operations will gradually return to normal. The Group assesses that there are no doubts about continued operations, asset impairment, and financing risks at this stage.

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2020

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,678	29.630 (USD:NTD)	\$ 49,733
USD	403	7.0795 (USD:RMB)	11,946
HKD	2,773	0.1290 (HKD:USD)	<u>10,602</u>
			<u>\$ 72,281</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	130,336	0.1290 (HKD:USD)	<u>\$ 498,276</u>

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of NTD)
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 724	29.630 (USD:NTD)	\$ 21,461
AUD	32,081	0.6863 (AUD:USD)	<u>652,369</u>
			<u>\$ 673,830</u>
Non-monetary items			
Derivative instruments			
AUD	31,803	0.6863 (AUD:USD)	<u>\$ 56,152</u> (Concluded)

December 31, 2019

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,903	29.980 (USD:NTD)	\$ 57,043
USD	427	6.9762 (USD:RMB)	12,804
HKD	11,620	0.1284 (HKD:USD)	<u>44,724</u>
			<u>\$ 114,571</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	187,447	0.1284 (HKD:USD)	\$ 721,482
Derivative financial assets			
AUD	22,271	0.7006 (AUD:USD)	<u>6,309</u>
			<u>\$ 727,791</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,664	29.980 (USD:NTD)	\$ 49,890
AUD	37,561	0.7006 (AUD:USD)	<u>788,976</u>
			<u>\$ 838,866</u>
Non-monetary items			
Derivative financial liabilities			
AUD	15,009	0.7006 (AUD:USD)	<u>\$ 59,992</u>

June 30, 2019

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,346	31.060 (USD:NTD)	\$ 41,815
USD	478	6.8747 (USD:RMB)	14,861
HKD	31,385	0.1280 (HKD:USD)	<u>124,816</u>
			<u>\$ 181,492</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	242,188	0.1280 (HKD:USD)	<u>\$ 963,184</u>
Derivative instruments			
AUD	24,745	0.7017 (AUD:USD)	<u>\$ 8,001</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,043	31.060 (USD:NTD)	\$ 32,400
AUD	42,930	0.7017 (AUD:USD)	<u>935,666</u>
			<u>\$ 968,066</u>
Non-monetary items			
Derivative instruments			
AUD	18,011	0.7017 (AUD:USD)	<u>\$ 74,534</u>

For the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019, realized and unrealized foreign exchange gains (losses) were NT\$(74,916) thousand (US\$(2,529) thousand), NT\$16,946 thousand (US\$545 thousand), NT\$8 thousand (US\$0 thousand) and NT\$6,660 thousand (US\$214 thousand), respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

29. 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, associates and joint ventures). (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. (None)

- 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 4)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
 - 9) Trading in derivative instruments. (Notes 8 and 23)
 - 10) Intercompany relationships and significant intercompany transactions. (Table 6)
- b. Information on investees. (Table 7)
- c. 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) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses. (Table 6)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

30. SEGMENT INFORMATION

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

a. Segment revenues and results

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

	Segment Revenues				Segment Profits			
	For the Six Months Ended June 30				For the Six Months Ended June 30			
	2020		2019		2020		2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Marine transportation	\$ 3,483,761	\$ 117,575	\$ 4,189,456	\$ 134,883	\$ (207,284)	\$ (6,996)	\$ 183,230	\$ 5,899
Investment	35,260	1,190	59,414	1,913	29,145	983	59,241	1,908
	<u>\$ 3,519,021</u>	<u>\$ 118,765</u>	<u>\$ 4,248,870</u>	<u>\$ 136,796</u>	<u>(178,139)</u>	<u>(6,013)</u>	<u>242,471</u>	<u>7,807</u>
Non-operating income and expenses					<u>(148,454)</u>	<u>(5,009)</u>	<u>16,268</u>	<u>523</u>
(Loss) profit before income tax					<u>\$ (326,593)</u>	<u>\$ (11,022)</u>	<u>\$ 258,739</u>	<u>\$ 8,330</u>

Reporting income is generated from transactions with external parties. There are no inter-segment transactions for the six months ended June 30, 2020 and 2019, respectively.

Segment revenue represents the revenue earned by each segment. The amounts are provided to the management as a basis for resource allocation to segments and to evaluate segment performance.

b. Segment total assets and liabilities

	June 30, 2020		December 31, 2019		June 30, 2019	
	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)
Segment assets						
Marine transportation	\$ 50,253,911	\$ 1,696,048	\$ 52,283,544	\$ 1,743,947	\$ 57,327,575	\$ 1,845,705
Investment	6,745,036	227,643	7,062,243	235,565	7,245,958	233,289
Others	<u>2,955,809</u>	<u>99,758</u>	<u>2,913,190</u>	<u>97,171</u>	<u>2,845,308</u>	<u>91,607</u>
Consolidated total assets	<u>\$ 59,954,756</u>	<u>\$ 2,023,449</u>	<u>\$ 62,258,977</u>	<u>\$ 2,076,683</u>	<u>\$ 67,418,841</u>	<u>\$ 2,170,601</u>
Segment liabilities						
Marine transportation	\$ 36,339,746	\$ 1,226,451	\$ 35,406,908	\$ 1,181,018	\$ 40,331,794	\$ 1,298,512
Investment	<u>340,795</u>	<u>11,502</u>	<u>7,510</u>	<u>250</u>	<u>597</u>	<u>20</u>
Consolidated total liabilities	<u>\$ 36,680,541</u>	<u>\$ 1,237,953</u>	<u>\$ 35,414,418</u>	<u>\$ 1,181,268</u>	<u>\$ 40,332,391</u>	<u>\$ 1,298,532</u>

TABLE 1

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars and U.S. Dollars, Note 6)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note b)	Ending Balance (Note b)	Actual Amount Borrowed (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	Winyield	Long-term receivables - related parties	Y	\$ 796,587 (US\$ 26,884)	\$ 755,105 (US\$ 25,484)	\$ 710,660 (US\$ 23,985) (Note c)	-	Short-term financing	\$ -	Purchasing equipment of transportation and operational revolving fund	\$ -	-	\$ -	30% of net worth of subsidiary \$9,450,712 (US\$318,958)	40% of net worth of subsidiary \$12,600,949 (US\$425,277)
		Eagle	Other receivable - related parties	Y	29,630 (US\$ 1,000)	29,630 (US\$ 1,000)	23,704 (US\$ 800)	0.308%- 0.841%	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary \$9,450,712 (US\$318,958)	40% of net worth of subsidiary \$12,600,949 (US\$425,277)
		Cape Asia (III)	Long-term receivables - related parties	Y	108,151 (US\$ 3,650)	88,891 (US\$ 3,000)	88,593 (US\$ 2,990)	-	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary \$9,450,712 (US\$318,958)	40% of net worth of subsidiary \$12,600,949 (US\$425,277)
		Cape Asia	Long-term receivables - related parties	Y	2,963 (US\$ 100)	2,963 (US\$ 100)	2,963 (US\$ 100)	-	Short-term financing	-	Operational revolving fund	-	-	-	30% of net worth of subsidiary \$9,450,712 (US\$318,958)	40% of net worth of subsidiary \$12,600,949 (US\$425,277)
2	U-Ming Hong Kong	ITG-U-Ming Shipping	Other receivables - related parties	Y	43,556 (US\$ 1,470)	43,556 (US\$ 1,470)	28,445 (US\$ 960)	-	Short-term financing	-	Short-term financing	-	-	-	30% of net worth of subsidiary \$2,497,585 (US\$84,292)	40% of net worth of subsidiary \$3,330,113 (US\$112,390)

Note a: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate of US\$1=NT\$29.63 as of June 30, 2020.

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\$79,041 thousand (US\$2,668 thousand) offset against long-term receivables - related parties.

TABLE 2

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars and U.S. Dollars, Note 6)

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 Amount Borrowed (Note a)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Amount to Net Equity in Latest Financial Statement	Aggregate Endorsement/ Guarantee Limit (Notes 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 \$11,637,108 (US\$392,747)	\$ 7,270,199 (US\$ 245,366)	\$ 6,704,599 (US\$ 226,277)	\$ 6,704,599 (US\$ 226,277)	\$ -	28.81%	100% of net worth of the Company \$23,274,215 (US\$785,495)	Y	-	-
		U-Ming Hong Kong	A subsidiary	50% of net worth of the Company \$11,637,108 (US\$392,747)	657,786 (US\$ 22,200)	643,564 (US\$ 21,720)	643,564 (US\$ 21,720)	-	2.77%	Net worth of the Company \$23,274,215 (US\$785,495)	Y	-	-
1	U-Ming Singapore	Winyield	An investee accounted for using the equity method by subsidiary	50% of net worth of the subsidiary \$15,751,186 (US\$531,596)	88,149 (US\$ 2,975)	80,371 (US\$ 2,712)	80,371 (US\$ 2,712)	-	0.26%	100% of net worth of the subsidiary \$31,502,372 (US\$1,063,192)	-	-	-
2	Yue-Li	Da Ju Fiber	The subsidiary is its supervisor	50% of net worth of the subsidiary \$1,534,113 (US\$51,776)	116,280 (US\$ 3,924)	116,280 (US\$ 3,924)	19,380 (US\$ 654)	-	0.63%	100% of net worth of the subsidiary \$3,068,227 (US\$103,551)	-	-	-

Note a: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate of US\$1=NT\$29.63 as of June 30, 2020.

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 AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2020
(In Thousands of New Taiwan Dollars and U.S. Dollars, Note 6)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020						Note			Limit
				Shares/Units (In Thousands)	Carrying Value		Percentage of Ownership (%)	Fair Value (Note c)		Shares Pledged as Collateral (In Thousands) (Note b)	Value of Pledged or Mortgaged Assets		
					NT\$	US\$ (Note 6)		NT\$	US\$ (Note 6)		NT\$	US\$ (Note 6)	
U-Ming Marine Transport Corporation	<u>Common stocks</u> 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	\$ 874,922	\$ 29,528	2	\$ 874,922	\$ 29,528	-	\$ -	\$ -	-
	Far Eastern New Century Corporation	The chairman is the same	Same as above	31,180	869,935	29,360	1	869,935	29,360	10,000	279,000	9,416	(Note a)
	Asia Cement Corporation	The major stockholder	Same as above	1,793	78,174	2,638	-	78,174	2,638	1,500	65,400	2,207	(Note a)
	Far EasTone Telecommunications Co., Ltd.	The chairman is the same	Same as above	331	22,508	760	-	22,508	760	-	-	-	-
	Oriental Union Chemical Corp.,	The chairman is the same	Same as above	99	1,661	56	-	1,661	56	-	-	-	-
	Far Eastern Department Stores Ltd.	The chairman is the same	Same as above	4	110	4	-	110	4	-	-	-	-
	Yue Yuan Investment Corporation	An investee accounted for using the equity method by major stockholder	Financial assets at fair value through other comprehensive income - non-current	91,487	870,655	29,384	18	870,655	29,384	-	-	-	-
Yue-Li	<u>Common stocks</u> 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	1,633,792	55,140	4	1,633,792	55,140	94,166	1,045,241	35,277	(Note a)
	Asia Cement Corporation	The major stockholder of the parent company	Same as above	13,240	577,268	19,483	-	577,268	19,483	10,600	462,160	15,598	(Note a)
	Oriental Union Chemical Corp.	The chairman of the parent company is the same	Same as above	4,862	81,678	2,757	1	81,678	2,757	2,000	33,600	1,134	(Note a)
	CSBC Corporation, Taiwan	The subsidiary is its director	Same as above	2,652	61,536	2,077	1	61,536	2,077	-	-	-	-
	Far Eastern Department Stores Ltd.	The chairman of the parent company is the same	Same as above	1,769	44,048	1,486	-	44,048	1,486	-	-	-	-
	Far Eastern New Century Corporation	The chairman of the parent company is the same	Same as above	1,516	42,291	1,427	-	42,291	1,427	-	-	-	-
	Far EasTone Telecommunications Co., Ltd.	The chairman of the parent company is the same	Same as above	2	125	4	-	125	4	-	-	-	-
	Everest Textile Co., Ltd.	The chairman of the parent company is its director	Same as above	5	56	2	-	56	2	-	-	-	-
	Da Ju Fiber Co., Ltd.	The subsidiary is its supervisor	Financial assets at fair value through other comprehensive income - non-current	27,573	813,988	27,472	19	813,988	27,472	-	-	-	-
	Phison Electronics Corp.	None	Financial assets at fair value through profit or loss - current	27	7,938	268	-	7,938	268	-	-	-	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020						Note			Limit
				Shares/Units (In Thousands)	Carrying Value		Percentage of Ownership (%)	Fair Value (Note c)		Shares Pledged as Collateral (In Thousands) (Note b)	Value of Pledged or Mortgaged Assets		
					NT\$	US\$ (Note 6)		NT\$	US\$ (Note 6)		NT\$	US\$ (Note 6)	
Yue-Tung	<u>Common stocks</u> 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	\$ 1,449,379	\$ 48,916	4	\$ 1,449,379	\$ 48,916	11,282	\$ 125,235	\$ 4,227	(Note a)
	Asia Cement Corporation	The major stockholder of the parent company	Same as above	7,628	332,601	11,225	-	332,601	11,225	7,585	330,706	11,161	(Note a)
	Far Eastern New Century Corporation	The chairman of the parent company is the same	Same as above	8,057	224,795	7,587	-	224,795	7,587	8,000	223,200	7,533	(Note a)
	Far EasTone Telecommunications Co., Ltd.	The chairman of the parent company is the same	Same as above	510	34,680	1,170	-	34,680	1,170	500	34,000	1,147	(Note a)
	Ding Shen Investment Co., Ltd.	The subsidiary is its director	Financial assets at fair value through other comprehensive income - non-current	39,600	266,171	8,983	18	266,171	8,983	-	-	-	-
	Yue Yuan Investment Corporation	An investee accounted for using equity method by major stockholder of the parent company	Same as above	9,537	90,761	3,063	2	90,761	3,063	-	-	-	-
U-Ming Singapore	<u>Beneficiary certificates</u> Opas Fund Segregated Portfolio Tranche A	Related party in substance	Financial assets at fair value through profit or loss - current	27	924,973	31,217	-	924,973	31,217	-	-	-	-
	Hutchison Port Holdings Trust	None	Same as above	8,050	22,898	773	-	22,898	773	-	-	-	-
U-Ming Hong Kong	<u>Beneficiary certificates</u> Opas Fund Segregated Portfolio Tranche A	Related party in substance	Financial assets at fair value through profit or loss - current	1	25,658	866	-	25,658	866	-	-	-	-
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Same as above	8	402,501	13,584	-	402,501	13,584	-	-	-	-
Falcon	<u>Common stocks</u> Asia Cement (China) Holdings Corporation	The major stockholder of parent company is the same	Financial assets at fair value through other comprehensive income - current	16,701	485,218	16,376	-	485,218	16,376	-	-	-	-
	China Sanshui Cement Group Ltd.	The major stockholder of parent company is the same	Same as above	1,691	13,057	441	-	13,057	441	-	-	-	-
	<u>Bonds</u> Lloyds Bank Plc Bond	None	Financial assets at amortized cost - current	-	1,023	35	-	1,023	35	-	-	-	-
	BNP Paribas Bond	None	Same as above	-	567	19	-	567	19	-	-	-	-
	Societe Generale Bond	None	Same as above	-	575	19	-	575	19	-	-	-	-
	Standard Chartered Bond	None	Same as above	-	393	13	-	393	13	-	-	-	-
	Lloyds Bank Plc Bond	None	Financial assets at amortized cost - non-current	-	93,926	3,170	-	93,926	3,170	-	-	-	-
	BNP Paribas Bond	None	Same as above	-	62,389	2,106	-	62,389	2,106	-	-	-	-
	Societe Generale Bond	None	Same as above	-	61,751	2,084	-	61,751	2,084	-	-	-	-
Standard Chartered Bond	None	Same as above	-	18,381	620	-	18,381	620	-	-	-	-	

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 June 30, 2020; (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\$29.63 as of June 30, 2020.

(Concluded)

TABLE 4

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars and U.S. Dollars, Note 6)**

Company Name	Related Party	Relationship	Transaction Details					Abnormal Transaction		Note/Accounts (Payable) or Receivable			Note
			Purchase/ (Sale)	Amount		% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% to Total	
				NT\$	US\$ (Note 6)					NT\$	US\$ (Note 6)		
U-Ming Marine Transport Corporation	Asia Cement	The major shareholder	Sales	\$ (269,516)	\$ (9,096)	(50)	Upon completion of loading, within a month	ad hoc basis	ad hoc basis	\$ 33,384	\$ 1,127	69	-
U-Ming Singapore	Asia Cement	The major shareholder of the parent company	Sales	(115,870)	(3,911)	(4)	Upon completion of loading, within 8 days	ad hoc basis	ad hoc basis	16,853	569	7	-

Note: The foreign-currency amounts of payables and receivables were translated into New Taiwan dollars at the prevailing exchange rate of US\$1=NT\$29.63 as of June 30, 2020; the foreign-currency amount of profit and loss items were translated into New Taiwan dollars at the average exchange rate of US\$1=NT\$30.001 for the six months ended June 30, 2020.

TABLE 5

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2020
(In Thousands of New Taiwan Dollars and U.S. Dollars, Note 6)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
U-Ming Singapore	Winyield	An investee accounted for using the equity method by a subsidiary	Long-term receivable - related parties \$631,619 (US\$21,317)	-	\$ -	-	\$ -	\$ -

Note: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate of US\$1=NT\$29.63 as of June 30, 2020.

TABLE 6

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars and U.S. Dollars, Note 6)**

Number	Company Name	Counterparty	Relationship (Note)	Transactions Details				
				Account	Amount (New Taiwan Dollars)	Amount (U.S. Dollars, Note 6)	Trading Terms	Percentage to Consolidated Total Operating Revenues or Total Assets
0	U-Ming Marine Transport Corporation	U-Ming Singapore	1	Freight revenue	\$ 167,603	\$ 5,657	-	5
			1	Other revenue	13,972	472	-	-
			1	Other receivables	14,216	480	-	-
		Yue-Li	1	Other receivables	64,500	2,177	-	-
		Yue-Tung	1	Other receivables	66,660	2,250	-	-
1	U-Ming Singapore	U-Ming Marine Transport Corporation	2	Accounts receivables	12,452	420	-	-
		Yue-Li	3	Temporary payments	23,643	798	-	-
		Yue-Tung	3	Temporary payments	18,844	636	-	-
		Eagle	3	Other receivables	23,726	801	-	-
2	U-Ming Hong Kong	U-Ming Singapore	3	Freight revenue	56,284	1,900	-	2
3	Eagle	Falcon	3	Freight revenue	10,807	365	-	-
4	U-Ming Xiamen	U-Ming Singapore	3	Freight revenue	31,591	1,066	-	1

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

TABLE 7

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars and U.S. Dollars, Note 6)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount				As of June 30, 2020				Net Income (Loss) of the Investee		Share of Profits (Loss)		Note
				June 30, 2020		December 31, 2019		Number of Shares (In Thousands)	Percentage of Ownership	Carrying Amount		NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)	
				NT\$	US\$ (Note 6)	NT\$	US\$ (Note 6)			NT\$	US\$ (Note 6)					
U-Ming Marine Transport Corporation	U-Ming Singapore	Singapore	Transport	\$ 2,649,382	\$ 89,416	\$ 2,649,382	\$ 89,416	150,146	100	\$ 31,502,372	\$ 1,063,192	\$ (423,098)	\$ (14,279)	\$ (423,098)	\$ (14,279)	A subsidiary
	U-Ming Hong Kong	Hong Kong	Transport	121,923	4,115	121,923	4,115	27,000	100	8,325,283	280,975	185,999	6,277	185,999	6,277	A subsidiary
	Yue-Li	Taipei	Investment	1,500,000	50,624	1,500,000	50,624	150,000	68	2,091,927	70,602	3,050	103	2,079	70	A subsidiary
	Yue-Tung	Taipei	Investment	1,360,400	45,913	1,360,400	45,913	136,040	74	1,935,096	65,309	9,947	336	7,314	247	A subsidiary
	Global Energy Maritime Co., Ltd.	Taipei	Transport	2,004,000	67,634	2,004,000	67,634	205,410	40	2,037,289	68,758	144,273	4,869	57,709	1,948	An investee accounted for using equity method
Yue-Tung	Yue Ding Enterprise Corporation	Taipei	Bulk and retail sale of decorations and commodity	186,080	6,280	186,080	6,280	28,758	25	452,659	15,277	44,678	1,508	Not applicable	Not applicable	An investee accounted for using equity method
	Ding Ding Consultation Corporation	Taipei	Consultant	50,000	1,687	50,000	1,687	2,167	40	70,657	2,385	18,565	627	Not applicable	Not applicable	An investee accounted for using equity method
U-Ming Singapore	Cape Asia (III)	Marshall Islands	Transport	2	-	2	-	-	17	76,562	2,584	(26,693)	(901)	Not applicable	Not applicable	An investee accounted for using equity method
	Cape Asia	Hong Kong	Transport	3	-	3	-	-	17	116	4	97	3	Not applicable	Not applicable	An investee accounted for using equity method
	Winyield	Hong Kong	Transport	-	-	-	-	-	50	-	-	11,366	384	Not applicable	Not applicable	An investee accounted for using equity method
	Eagle	British Virgin Islands	Transport	-	-	-	-	-	100	90,079	3,040	6,353	214	Not applicable	Not applicable	An indirect subsidiary
	Falcon	British Virgin Islands	Investment	661,080	22,311	661,080	22,311	-	100	1,037,005	34,998	33,406	1,127	Not applicable	Not applicable	An indirect subsidiary
	Yue-Li	Taipei	Investment	700,000	23,625	700,000	23,625	70,000	32	976,300	32,950	3,050	103	Not applicable	Not applicable	A subsidiary
	Yue-Tung	Taipei	Investment	489,600	16,524	489,600	16,524	48,960	26	696,429	23,504	9,947	336	Not applicable	Not applicable	A subsidiary
U-Ming Hong Kong	OSPL	Marshall Islands	Transport	474,692	16,021	474,692	16,021	-	100	1,824,019	61,560	113,314	3,824	Not applicable	Not applicable	An indirect subsidiary
	ITG-Uming Shipping	Hong Kong	Transport	19	1	19	1	5	49	39,690	1,340	22,456	758	Not applicable	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC (SP Tranche One)	Cayman Islands	Investment	122,860	4,146	122,860	4,146	4	25	119,559	4,035	480	16	Not applicable	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC (SP Tranche Three)	Cayman Islands	Investment	119,920	4,047	119,920	4,047	4	25	116,507	3,932	(5,168)	(174)	Not applicable	Not applicable	An investee accounted for using equity method
Falcon	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	1,624	55	1,624	55	-	33	1,467	50	31	1	Not applicable	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC	Cayman Islands	Investment	491	17	491	17	-	33	489	17	(1)	-	Not applicable	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\$29.63 as of June 30, 2020; the foreign currency amount of profit and loss items were translated into New Taiwan dollars at an average exchange rate of US\$1=NT\$30.001 for the six months ended June 30, 2020.

TABLE 8

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars and U.S. Dollars, Note 6)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of June 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note b)	Carrying Amount as of June 30, 2020	Accumulated Repatriation of Investment Income as of June 30, 2020
					Outward	Inward						
U-Ming Xiamen	Transport	\$ 29,579 (US\$ 1,000)	(Note a)	\$ 29,579 (US\$ 1,000)	\$ -	\$ -	\$ 29,579 (US\$ 1,000)	\$ 5,227 (US\$ 176)	100	\$ 5,227 (US\$ 176)	\$ 41,436 (US\$ 1,398)	\$ -
ITG-Uming Xiamen	Transport	45,684 (US\$ 1,568)	(Note a)	45,684 (US\$ 1,568)	-	-	45,684 (US\$ 1,568)	6,160 (US\$ 208)	49	3,023 (US\$ 102)	40,814 (US\$ 1,377)	-

Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2020	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)	\$13,964,529 (US\$471,298)

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 financial statements not reviewed by an accountant.

TABLE 9**U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
FOR THE SIX MONTHS ENDED JUNE 30, 2020**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Asia Cement Corporation	331,701,152	39.25

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.