EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

JUNE 30, 2020 AND 2019

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen International Storage and Transport Corporation

Introduction

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

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. 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 explained in Notes 4(3) and 6(6), the financial statements of certain insignificant consolidated subsidiaries and investees accounted for using equity method were not reviewed by independent accountants. Those statements reflect total assets (including investments accounted for using equity method) of NT$937,918 thousand and NT$1,030,736 thousand, constituting 2.77% and 2.93% of the consolidated total assets, and total liabilities of NT$247 thousand and NT$348 thousand, constituting 0.002% and 0.003% of the consolidated total liabilities as at June 30, 2020 and 2019, and total comprehensive income (including share of profit of associates and joint ventures accounted for using equity method) of NT$19,898 thousand, NT$16,140 thousand, NT$33,664 thousand and NT$31,423 thousand, constituting 9.50%, 5.28%, (49.54%) and 4.92% of the consolidated total comprehensive income for the three-month and six-month periods ended June 30, 2020 and 2019, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investees accounted for using equity method been reviewed by independent accountants, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2020 and 2019, and of its consolidated financial performance and its consolidated cash flows for the three-month and six-month periods then ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Lee, Hsiu-Ling　　　　　　　　　　Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

August 13, 2020

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of June 30, 2020 and 2019 are reviewed, not audited)

Assets	Notes	June 30, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%	June 30, 2019 AMOUNT	%
Current assets							
Cash and cash equivalents	6(1)	$ 3,986,802	12	$ 3,624,242	10	$ 3,436,442	10
Financial assets at fair value through profit or loss - current	6(2)	170,179	1	390,047	1	140,049	1
Financial assets at fair value through other comprehensive income - current	6(3)	822,520	2	986,310	3	1,025,116	3
Financial assets at amortised cost - current	6(4)	20,090	-	20,360	-	-	-
Notes receivable, net	6(5)	18,806	-	22,478	-	15,544	-
Accounts receivable, net	6(5)	187,867	1	199,284	1	215,541	1
Accounts receivable, net - related parties	6(5) and 7	471,817	1	746,390	2	795,755	2
Finance lease receivable, net	6(9)	7,739	-	7,623	-	7,507	-
Other receivables		63,644	-	14,577	-	72,381	-
Inventories		46,906	-	49,968	-	48,833	-
Prepayments		29,478	-	23,307	-	27,235	-
Other current assets		576	-	37,229	-	30,703	-
Total Current Assets		5,826,424	17	6,121,815	17	5,815,106	17
Non-current assets							
Financial assets at fair value through other comprehensive income - non-current	6(3)	1,290,651	4	1,339,053	4	1,239,751	4
Financial assets at amortised cost - non-current	6(4) and 8	122,865	-	122,852	-	122,835	-
Investments accounted for using equity method	6(6)	1,000,238	3	1,115,099	3	1,078,767	3
Property, plant and equipment, net	6(7), 7 and 8	23,007,484	68	23,682,974	68	23,910,780	68
Right-of-use assets	6(8)	1,655,964	5	1,723,582	5	1,763,936	5
Investment property, net	6(10)	708,931	2	710,516	2	712,100	2
Intangible assets		6,183	-	8,281	-	8,227	-
Deferred income tax assets		155,010	1	176,006	1	167,477	-
Long-term finance lease receivable, net	6(9)	5,282	-	9,164	-	13,021	-
Other non-current assets		32,530	-	2,460	-	319,309	1
Total Non-current Assets		27,985,138	83	28,889,987	83	29,336,203	83
TOTAL ASSETS		$ 33,811,562	100	$ 35,011,802	100	$ 35,151,309	100

(Continued)

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of June 30, 2020 and 2019 are reviewed, not audited)

		June 30, 2020		December 31, 2019		June 30, 2019	
Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities							
Current contract liabilities	6(19)	$ 10,072	-	$ 9,951	-	$ 9,941	-
Accounts payable		255,661	1	314,447	1	317,402	1
Accounts payable - related parties	7	23,146	-	23,956	-	25,699	-
Other payables	6(11)	551,908	2	210,583	1	605,597	2
Other payables - related parties	6(11) and 7	212,481	1	282,120	1	328,848	1
Current income tax liabilities		39,506	-	50,261	-	71,641	-
Current lease liabilities		133,929	-	131,309	-	127,476	-
Long-term liabilities, current portion	6(12)	2,686,955	8	1,600,867	5	1,652,058	5
Other current liabilities, others		73,414	-	79,956	-	64,011	-
Total Current Liabilities		3,987,072	12	2,703,450	8	3,202,673	9
Non-current liabilities							
Long-term borrowings	6(12)	2,525,086	7	4,305,297	12	4,011,447	11
Deferred income tax liabilities		2,350,089	7	2,323,649	7	2,294,391	7
Non-current lease liabilities		1,558,859	5	1,625,023	5	1,665,726	5
Other non-current liabilities	6(13)(14)	1,105,536	3	1,231,607	3	1,181,362	3
Total Non-current Liabilities		7,539,570	22	9,485,576	27	9,152,926	26
TOTAL LIABILITIES		11,526,642	34	12,189,026	35	12,355,599	35
Equity attributable to owners of the parent							
Capital stock	6(15)						
Common stock		10,671,411	31	10,671,411	31	10,671,411	31
Capital surplus	6(16)						
Capital surplus		4,267,246	13	4,266,977	12	4,266,258	12
Retained earnings	6(17)						
Legal reserve		2,286,736	7	2,207,622	6	2,207,622	6
Unappropriated retained earnings		4,953,737	15	4,987,358	14	4,640,589	13
Other equity interest	6(18)						
Other equity interest		105,790	-	540,589	2	864,241	3
Equity attributable to owners of the parent		22,284,920	66	22,673,957	65	22,650,121	65
Non-controlling interest		-	-	148,819	-	145,589	-
Total equity		22,284,920	66	22,822,776	65	22,795,710	65
Significant contingent liabilities and unrecognised contract commitments	9						
Significant events after the balance sheet date	11						
TOTAL LIABILITIES AND EQUITY		$ 33,811,562	100	$ 35,011,802	100	$ 35,151,309	100

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

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)
(UNAUDITED)

		Three-month periods ended June 30				Six-month periods ended June 30			
		2020		2019		2020		2019	
Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Operating revenue	6(19) and 7	$ 1,704,030	100	$ 1,977,258	100	$ 3,492,829	100	$ 3,895,130	100
Operating costs	6(24) and 7	(1,453,958)	(85)	(1,645,245)	(83)	(2,984,807)	(86)	(3,249,001)	(84)
Gross profit		250,072	15	332,013	17	508,022	14	646,129	16
Operating expenses	6(24) and 7								
Selling expenses		(6,593)	(1)	(6,904)	-	(13,115)	-	(13,801)	-
General and administrative expenses		(50,878)	(3)	(61,394)	(3)	(103,324)	(3)	(116,223)	(3)
Expected credit gain (loss)		77	-	(281)	-	38	-	(281)	-
Total operating expenses		(57,394)	(4)	(68,579)	(3)	(116,401)	(3)	(130,305)	(3)
Operating profit		192,678	11	263,434	14	391,621	11	515,824	13
Non-operating income and expenses									
Interest income	6(20)	11,302	1	24,507	1	29,834	1	52,427	1
Other income	6(21)	78,485	5	84,774	4	85,748	3	89,432	2
Other gains and losses	6(22)	(13,094)	(1)	927	-	(10,849)	-	1,897	-
Finance costs	6(23)	(40,100)	(2)	(66,035)	(3)	(92,015)	(3)	(138,529)	(3)
Share of profit of associates and joint ventures accounted for using equity method	6(6)	25,822	1	21,078	1	45,273	1	43,332	1
Total non-operating income and expenses		62,415	4	65,251	3	57,991	2	48,559	1
Profit before income tax		255,093	15	328,685	17	449,612	13	564,383	14
Income tax expense	6(26)	(49,841)	(3)	(74,339)	(4)	(83,610)	(3)	(116,119)	(3)
Profit for the period		$ 205,252	12	$ 254,346	13	$ 366,002	10	$ 448,264	11
Other comprehensive income, net									
Items that will not be reclassified to profit or loss									
Total unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	6(3)(18)	$ 289,453	17	($ 22,861)	(1)	($ 215,010)	(6)	$ 83,171	2
Items that will be reclassified to profit or loss									
Exchange differences arising on translation of foreign operations		(285,243)	(17)	74,235	3	(218,946)	(6)	106,781	3
Total other comprehensive income (loss) for the period, net		$ 4,210	-	$ 51,374	2	($ 433,956)	(12)	$ 189,952	5
Total comprehensive income (loss) for the period		$ 209,462	12	$ 305,720	15	($ 67,954)	(2)	$ 638,216	16
Profit attributable to:									
Owners of the parent		$ 205,253	12	$ 252,475	13	$ 365,635	10	$ 444,374	11
Non-controlling interest		(1)	-	1,871	-	367	-	3,890	-
		$ 205,252	12	$ 254,346	13	$ 366,002	10	$ 448,264	11
Comprehensive income (loss) attributable to:									
Owners of the parent		$ 209,462	12	$ 303,852	15	($ 69,164)	(2)	$ 634,330	16
Non-controlling interest		-	-	1,868	-	1,210	-	3,886	-
		$ 209,462	12	$ 305,720	15	($ 67,954)	(2)	$ 638,216	16
Earnings per share	6(27)								
Basic earnings per share (in dollars)		$ 0.19		$ 0.24		$ 0.34		$ 0.42	
Diluted earnings per share (in dollars)		$ 0.19		$ 0.24		$ 0.34		$ 0.42	

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

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Equity attributable to owners of the parent								
				Retained earnings		Other equity interest				
	Notes	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences arising on translation of foreign operation	Total unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
2019										
Balance at January 1, 2019		$ 10,671,411	$ 4,265,942	$ 2,121,238	$ 4,656,098	$ 118,930	$ 555,355	$ 22,388,974	$ 141,703	$ 22,530,677
Profit for the period		-	-	-	444,374	-	-	444,374	3,890	448,264
Other comprehensive income (loss) for the period	6(18)	-	-	-	-	106,785	83,171	189,956	(4)	189,952
Total comprehensive income for the period		-	-	-	444,374	106,785	83,171	634,330	3,886	638,216
Appropriation of 2018 earnings	6(17)									
Legal reserve		-	-	86,384	(86,384)	-	-	-	-	-
Cash dividends		-	-	-	(373,499)	-	-	(373,499)	-	(373,499)
Changes in equity of associates and joint ventures accounted for using equity method	6(6)	-	324	-	-	-	-	324	-	324
Other changes in capital surplus		-	(8)	-	-	-	-	(8)	-	(8)
Balance at June 30, 2019		$ 10,671,411	$ 4,266,258	$ 2,207,622	$ 4,640,589	$ 225,715	$ 638,526	$ 22,650,121	$ 145,589	$ 22,795,710
2020										
Balance at January 1, 2020		$ 10,671,411	$ 4,266,977	$ 2,207,622	$ 4,987,358	($ 161,406)	$ 701,995	$ 22,673,957	$ 148,819	$ 22,822,776
Profit for the period		-	-	-	365,635	-	-	365,635	367	366,002
Other comprehensive income (loss) for the period	6(18)	-	-	-	-	(219,789)	(215,010)	(434,799)	843	(433,956)
Total comprehensive income (loss) for the period		-	-	-	365,635	(219,789)	(215,010)	(69,164)	1,210	(67,954)
Appropriation of 2019 earnings	6(17)									
Legal reserve		-	-	79,114	(79,114)	-	-	-	-	-
Cash dividends		-	-	-	(320,142)	-	-	(320,142)	-	(320,142)
Changes in equity of associates and joint ventures accounted for using equity method	6(6)	-	289	-	-	-	-	289	-	289
Other changes in capital surplus		-	(20)	-	-	-	-	(20)	-	(20)
Changes in non-controlling interests		-	-	-	-	-	-	-	(150,029)	(150,029)
Balance at June 30, 2020		$ 10,671,411	$ 4,267,246	$ 2,286,736	$ 4,953,737	($ 381,195)	$ 486,985	$ 22,284,920	$ -	$ 22,284,920

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

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Six-month periods ended June 30 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 449,612	$ 564,383
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	1,114,464	1,121,879
Amortisation	6(24)	2,224	2,081
Expected credit (gain) loss		(38)	281
(Gain) loss on financial assets at fair value through profit or loss	6(2)	(132)	5
Interest expense	6(23)	91,913	138,428
Interest income	6(20)	(29,829)	(52,422)
Dividend income	6(21)	(53,329)	(48,989)
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(45,273)	(43,332)
Loss on disposal of property, plant and equipment	6(22)	4,144	2,112
Gain on lease modification	6(8)	(7)	-
Other income	6(8)	(767)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair value through profit or loss		220,000	(40,000)
Notes receivable, net		3,672	(21)
Accounts receivable, net		11,671	(2,385)
Accounts receivable, net - related parties		274,357	75,602
Other receivables		(327)	9,754
Inventories		3,062	(3,639)
Prepayments		(6,171)	(291)
Other current assets		36,653	(19,212)
Changes in operating liabilities			
Current contract liabilities		121	162
Accounts payable		(58,786)	(7,608)
Accounts payable - related parties		(810)	183
Other payables		21,592	27,652
Other payables - related parties		(1,550)	(1,624)
Other current liabilities, others		(6,542)	(8,910)
Other non-current liabilities		(125,099)	(42,808)
Cash inflow generated from operations		1,904,825	1,671,281
Interest received		34,446	54,270
Interest paid		(91,807)	(138,774)
Income tax paid		(46,971)	(83,919)
Net cash flows from operating activities		1,800,493	1,502,858

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EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Six-month periods ended June 30 2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income	7	($ 2,975)	($ 95,760)
Acquisition of financial assets at amortised cost	6(4)	-	(13)
Proceeds from disposal of financial assets at amortised cost	6(4)	257	-
Proceeds from disposal of investments accounted for using equity method	6(6) and 7	150,910	-
Acquisition of property, plant and equipment (including prepayments for equipment)	6(28)	(708,330)	(967,827)
Proceeds from disposal of property, plant and equipment		1,600	3,395
Acquisition of intangible assets		(126)	(5,471)
Cash received from finance lease receivable		3,766	3,717
Dividends received		7,224	35,371
Net cash flows used in investing activities		(547,674)	(1,026,588)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings	6(29)	195,218	-
Repayment of long-term borrowings	6(29)	(801,707)	(830,000)
Increase in guarantee deposits received	6(29)	-	410
Decrease in guarantee deposits received	6(29)	(972)	-
Repayment of lease liabilities	6(29)	(64,154)	(62,942)
Change in non-controlling interests		(150,029)	-
Other financing activities		(20)	(8)
Net cash flows used in financing activities		(821,664)	(892,540)
Effect of exchange rate changes		(68,595)	34,932
Net increase (decrease) in cash and cash equivalents		362,560	(381,338)
Cash and cash equivalents at beginning of period		3,624,242	3,817,780
Cash and cash equivalents at end of period		$ 3,986,802	$ 3,436,442

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

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(UNAUDITED)

1. HISTORY AND ORGANISATION

(1) Incorporated in 1973, Evergreen International Storage and Transport Corporation (the “Company”) was initially operated under the name of “Everglory Transport Corporation”. In July 1986, the Company was renamed as “Evergreen Transport Corporation”. Shares of the Company have been traded on the Taiwan Stock Exchange since 1990. In September 2001, the Company was renamed again and is currently known as “Evergreen International Storage and Transport Corporation”. The Company is principally engaged in container trucking, operation of container distribution centers, ship chartering, operation of gasoline station and passenger transportation.

The Company merged with Evergreen Container Terminal Corporation and Uniglory Marine Corporation on March 31, 2002 and November 1, 2002, respectively. On May 1, 2003, the Company merged with Evervoyage Transportation Corporation, a subsidiary of the Company, which was conducted in accordance with the Business Mergers and Acquisitions Law.

(2) Gaining Enterprise S.A. (GESA) was incorporated in Panama on December 16, 1993 and is primarily engaged in ship trading, transportation and chartering, operation and investments of container yards, leases and investments of overseas container terminals and marine transportation related business.

(3) Shun An Enterprise Corporation (SAEC) was initially incorporated on November 10, 2008, and is primarily engaged in management consulting and employment agency.

(4) The Company and its subsidiaries are collectively referred herein as the “Group”.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised by the Board of Directors on August 13, 2020.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, 'Disclosure initiative-definition of material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7,'Interest rate benchmark reform'	January 1, 2020
Amendment to IFRS 16, 'Covid-19-related rent concessions'	June 1, 2020

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment:

Amendment to IFRS 16, 'Covid-19-related rent concessions'

This amendment provides a practical expedient for lessees from assessing whether a rent concession related to COVID-19, and that meets all of the following conditions, is a lease modification:

(a) Changes in lease payments result in the revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and

(c) There is no substantive change to other terms and conditions of the lease.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
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 International Accounting Standards Board

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	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
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRSs 2018–2020 cycle	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%) June 30, 2020	Ownership(%) December 31, 2019	Description
The Company	SAEC	Management consulting and employment agency	100.00	100.00	Note 1
The Company	GESA	Ship trading, transportation and chartering, operation and investments of container yards, leases and investments of overseas container terminals and marine transportation related business	100.00	100.00	
GESA	Hazel Investment (Netherlands) N.V.(HINV)	Investments	-	70.00	Note 2
HINV	Hazel Estate B.V.	Investments	-	100.00	Note 3

Name of investor	Name of subsidiary	Main business activities	Ownership(%) June 30, 2019	Description
The Company	SAEC	Management consulting and employment agency	100.00	Note 1
The Company	GESA	Ship trading, transportation and chartering, operation and investments of container yards, leases and investments of overseas container terminals and marine transportation related business	100.00	
GESA	Hazel Investment (Netherlands) N.V.(HINV)	Investments	70.00	
HINV	Hazel Estate B.V.	Investments	100.00	

Note 1: The financial statements of the entity as of and for the six-month periods ended June 30, 2020 and 2019 were not reviewed by the independent accountants as the entity did not

meet the definition of a significant subsidiary.

Note 2: On February 25, 2020, the shareholders of the second-tier subsidiary, Hazel Investment (Netherlands) N.V., resolved to conduct the accelerated liquidation, and returned the share capital of $350,067 and $150,029 to GESA and non-controlling interest, respectively, on the same date in accordance with the local regulations, which resulted in a decrease in the non-controlling interest by $150,029. The liquidation was completed on June 30, 2020.

Note 3: On February 25, 2020, the shareholders of the third-tier subsidiary, Hazel Estate B.V., resolved to conduct the accelerated liquidation, and returned the share capital of $501,579 to Hazel Investment (Netherlands) N.V. on the same date in accordance with the local regulations. The liquidation was completed on June 25, 2020.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) <u>Foreign currency translations</u>

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) <u>Cash equivalents</u>

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) <u>Financial assets at fair value through profit or loss</u>

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(8) <u>Financial assets at fair value through other comprehensive income</u>

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flow from the financial asset expire.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor)－finance leases/ operating leases

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as ‘lease receivables’ at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as ‘unearned finance income of finance lease’.

(b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor’s net investment in the finance lease.

(c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

The perpetual inventory system is adopted for inventory recognition. Inventories are stated at cost. The cost is determined using the moving weighted average method. At the end of period, inventories are evaluated at the lower of cost or net realisable value, and the individual item approach is used in the comparison of cost and net realisable value. The calculation of net realisable value is based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses.

(15) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 % or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group’s share of its associates’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred constructive obligations or made payments on behalf of the associate.

C. When changes in an associate’s equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group’s ownership percentage of the associate, the Group recognises change in ownership interest in the associate in ‘capital surplus’ in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group’s ownership percentage of the associate but maintains significant influence on the associate, then ‘capital surplus’ and ‘investments accounted for using equity method’ shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group’s ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Asset	Useful Life
Land improvements	3 - 25 years
Buildings	15 - 55 years
Machinery	3 - 15 years
Loading/unloading equipment	5 - 20 years
Transportation equipment	4 - 10 years
Ships	23 - 29 years
Office equipment	3 - 6 years
Leasehold improvements	2 - 10 years
Other equipment	2 - 50 years

The significant components of buildings include hydroelectric facilities and buildings, which are depreciated over 15 to 55 years.

(17) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset’s useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 3~55 years.

(19) Intangible assets

Computer software is amortised on a straight-line basis over its estimated useful life of 3 years.

(20) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(21) Borrowings

A. Borrowings comprise bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(22) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(26) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

G. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(27) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

(29) Revenue recognition

A. Sales of goods

The Group sells oil. Revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, and the transition price taking into account of business tax, returns, rebates and discounts. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

B. Sales of services

The Group provides passenger transportation, container transportation and container yard services. Revenue is recognised based on the actual service provided up to the end of the reporting period as a proportion of the total services to be provided.

C. Leasing service

The Group follows the guidance of IFRS 16 “Leases” to recognise revenue from the leasing of ships and containers. Leases are required to be classified as either finance lease or operating lease according to the extent of transition of risks and rewards of ownership. Revenue is recognised through the period of leases.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Group’s Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group’s accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; the information is addressed below:

(1) Critical judgements in applying the Group’s accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of tangible assets

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

As of June 30, 2020, the carrying amount of property, plant and equipment was $23,007,484; the carrying amount of right-of-use assets was $1,655,964.

B. Financial assets—fair value measurement of unlisted stocks without active market

The fair value of unlisted stocks held by the Group that are not traded in an active market is determined considering fair value assessment of other companies of the same type, market conditions and other economic indicators existing on balance sheet date. Any changes in these judgements and estimates will impact the fair value measurement of these unlisted stocks. Please refer to Note 12(3) for the financial instruments fair value information.

As of June 30, 2020, the carrying amount of unlisted stocks without active market was $335,241.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2020	December 31, 2019	June 30, 2019
Cash on hand and petty cash	$ 2,486	$ 2,278	$ 2,440
Checking accounts and demand deposits	64,066	55,560	57,949
Time deposits	3,920,250	3,566,404	3,376,053
	$ 3,986,802	$ 3,624,242	$ 3,436,442

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

Items	June 30, 2020	December 31, 2019	June 30, 2019
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ 170,000	$ 390,000	$ 140,000
Valuation adjustment	179	47	49
	$ 170,179	$ 390,047	$ 140,049

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 158	$ 80

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 493	$ 194

B. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	June 30, 2020	December 31, 2019	June 30, 2019
Current items:			
Equity instruments			
Listed stocks	$ 907,882	$ 904,907	$ 904,907
Valuation adjustment	(85,362)	81,403	120,209
Total	$ 822,520	$ 986,310	$ 1,025,116
Non-current items:			
Equity instruments			
Listed stocks	$ 513,610	$ 513,610	$ 513,610
Unlisted stocks	204,694	204,851	207,824
Subtotal	718,304	718,461	721,434
Valuation adjustment	572,347	620,592	518,317
Total	$ 1,290,651	$ 1,339,053	$ 1,239,751

A. The Group has elected to classify investments in listed and unlisted companies that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $2,113,171, $2,325,363 and $2,264,867 as at June 30, 2020, December 31, 2019 and June 30, 2019, respectively.

B. As at November 19, 2018 and July 16, 2019, the Group received the liquidating distributions amounting to $7,967 and $42, respectively, following the dissolution and liquidation of the investee, Green Peninsula Agencies Sdn. Bhd. (GPA), on August 31, 2018. Deregistration of GPA was completed on September 13, 2019.

C. On June 29, 2015, the shareholders during their meeting approved to dissolve and liquidate the investee, Evergreen International Engineering Corp., and the liquidation was completed on October 28, 2019. The Group received the liquidating distributions amounting to $2,453, and gain on liquidation of $158 was transferred to retained earnings.

D. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 289,453	($ 22,861)
Dividend income recognised in profit or loss		
Held at end of period	$ 50,678	$ 48,989

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	($ 215,010)	$ 83,171
Dividend income recognised in profit or loss		
Held at end of period	$ 53,329	$ 48,989

(4) Financial assets at amortised cost

Items	June 30, 2020	December 31, 2019	June 30, 2019
Current items:			
Time deposits	$ 20,090	$ 20,360	$ -
Non-current items:			
Pledged time deposits	$ 122,865	$ 122,852	$ 122,835

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Interest income	$ 289	$ 324

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Interest income	$ 661	$ 650

B. As at June 30, 2020, December 31, 2019 and June 30, 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $142,955, $143,212 and $122,835, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(5) Notes and accounts receivable

	June 30, 2020	December 31, 2019	June 30, 2019
Notes receivable	$ 18,806	$ 22,478	$ 15,544
Accounts receivable - non-related parties	$ 188,284	$ 199,955	$ 216,368
Accounts receivable - related parties	472,033	746,390	795,755
Less: Allowance for bad debts	(633)	(671)	(827)
	$ 659,684	$ 945,674	$ 1,011,296

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	June 30, 2020	
	Accounts receivable	Notes receivable
Without past due	$ 625,983	$ 18,806
Up to 3 months past due	34,207	-
Over 3 months past due	127	-
	$ 660,317	$ 18,806

	December 31, 2019	
	Accounts receivable	Notes receivable
Without past due	$ 890,298	$ 22,478
Up to 3 months past due	55,967	-
Over 3 months past due	80	-
	$ 946,345	$ 22,478

	June 30, 2019	
	Accounts receivable	Notes receivable
Without past due	$ 965,574	$ 15,544
Up to 3 months past due	46,418	-
Over 3 months past due	131	-
	$ 1,012,123	$ 15,544

The above ageing analysis was based on the number of days past due.

B. As of June 30, 2020, December 31, 2019, June 30, 2019 and January 1, 2019, the balances of receivables (including notes receivable) from contracts with customers amounted to $407,287, $447,174, $466,019 and $567,689, respectively.

C. As at June 30, 2020, December 31, 2019 and June 30, 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable were $18,806, $22,478 and $15,544; $659,684, $945,674 and $1,011,296, respectively.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Investments accounted for using equity method

	2020	2019
At January 1	$ 1,115,099	$ 1,075,332
Disposal of investments accounted for using equity method	(150,910)	-
Share of profit or loss of investments accounted for using equity method	45,273	43,332
Earnings distribution of investments accounted for using equity method	(7,269)	(40,939)
Changes in capital surplus	348	390
Changes in other equity items	(2,303)	652
At June 30	$ 1,000,238	$ 1,078,767

	June 30, 2020	December 31, 2019	June 30, 2019
Associates :			
United Stevedoring Corp.	$ 30,639	$ 32,254	$ 30,526
Ever Reward Logistics Corp.	19,823	21,423	19,070
Taipei Port Container Terminal Corp.	881,046	1,002,263	977,351
Qingdao Evergreen Container Storage and Transportation Corp.	68,730	59,159	51,820
	$ 1,000,238	$ 1,115,099	$ 1,078,767

A. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of June 30, 2020, December 31, 2019 and June 30, 2019, the carrying amount of the Group's individually immaterial associates amounted to $1,000,238, $1,115,099 and $1,078,767, respectively.

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Profit for the period from continuing operations	$ 151,900	$ 109,926
Other comprehensive income (loss) - net of tax	-	-
Total comprehensive income	$ 151,900	$ 109,926

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Profit for the period from continuing operations	$ 261,002	$ 230,347
Other comprehensive income (loss) - net of tax	-	-
Total comprehensive income	$ 261,002	$ 230,347

B. Investment income (loss) accounted for using equity method was based on the financial statements of the investee companies for the corresponding periods which are not audited by independent accountants.

C. The Company acquired 6.81% equity interests in Taipei Port Container Terminal Corporation (Taipei Port) for $352,123, equivalent to 35,421 thousand shares at a price of $9.9410 (in dollars) per share, from the third-tier subsidiary, Hazel Estate B.V. on February 25, 2020.

D. The Company's original comprehensive shareholding ratio in Taipei Port was 20%. As a result of Taipei Port increasing its capital several times and reserving certain shares for employees, the Company's comprehensive shareholding ratio in Taipei Port decreased to 19.49%. To integrate the investment structures, the Board of Directors of the third-tier subsidiary, Hazel Estate B.V., resolved to dispose 9.73% of equity interests of Taipei Port in November 2019, which were not fully subscribed by the Company. Consequently, the Company's direct shareholding ratio in Taipei Port was increased from 9.76% to 16.57%. The Company's influence over the Taipei Port has no impact arising from the decrease of shareholding ratio based on the Company's assessment; therefore, Taipei Port is still assessed under equity method.

E. The Group holds 15% shareholding ratio of Qingdao Evergreen Container Storage and Transportation Corp. (QECT) and uses the equity method despite having less than 20% shareholding ratio because the Group has a significant number of directors and significant influence over QECT.

(7) Property, plant and equipment

	2020											
	Land	Land improvements	Buildings	Machinery	Loading/ unloading equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Other equipment	Construction in progress	Total
At January 1												
Cost	$ 8,532,166	$ 71,962	$ 983,294	$ 19,507	$ 2,165,571	$ 17,762,148	$ 12,255,106	$ 15,513	$ 68,850	$ 606,921	$ 43,211	$ 42,524,249
Accumulated depreciation	-	(36,661)	(880,913)	(17,037)	(1,350,593)	(6,638,029)	(9,350,617)	(14,343)	(51,140)	(501,942)	-	(18,841,275)
	$ 8,532,166	$ 35,301	$ 102,381	$ 2,470	$ 814,978	$ 11,124,119	$ 2,904,489	$ 1,170	$ 17,710	$ 104,979	$ 43,211	$ 23,682,974
Opening net book amount	$ 8,532,166	$ 35,301	$ 102,381	$ 2,470	$ 814,978	$ 11,124,119	$ 2,904,489	$ 1,170	$ 17,710	$ 104,979	$ 43,211	$ 23,682,974
Additions	-	1,355	1,185	104	4,886	493,686	17,161	125	-	3,871	85,441	607,814
Disposals	-	-	-	-	-	(5,744)	-	-	-	-	-	(5,744)
Reclassifications	-	794	-	-	-	1,831	-	-	-	1,575	-	4,200
Depreciation charge	-	(4,221)	(5,385)	(349)	(42,992)	(702,332)	(267,522)	(237)	(3,792)	(17,049)	-	(1,043,879)
Effect of exchange rate changes	-	-	-	-	-	(191,006)	(46,875)	-	-	-	-	(237,881)
Closing net book amount	$ 8,532,166	$ 33,229	$ 98,181	$ 2,225	$ 776,872	$ 10,720,554	$ 2,607,253	$ 1,058	$ 13,918	$ 93,376	$ 128,652	$ 23,007,484
At June 30												
Cost	$ 8,532,166	$ 74,111	$ 984,479	$ 19,611	$ 2,170,457	$ 17,939,716	$ 12,074,669	$ 15,409	$ 68,850	$ 608,169	$ 128,652	$ 42,616,289
Accumulated depreciation	-	(40,882)	(886,298)	(17,386)	(1,393,585)	(7,219,162)	(9,467,416)	(14,351)	(54,932)	(514,793)	-	(19,608,805)
	$ 8,532,166	$ 33,229	$ 98,181	$ 2,225	$ 776,872	$ 10,720,554	$ 2,607,253	$ 1,058	$ 13,918	$ 93,376	$ 128,652	$ 23,007,484

1. The Group has provided a negative pledge to the loan granting banks for the credits used to purchase the above transportation equipment.

2. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

	2019											
	Land	Land improvements	Buildings	Machinery	Loading/ unloading equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Other equipment	Construction in progress	Total
At January 1												
Cost	$ 8,532,166	$ 69,784	$ 979,989	$ 18,327	$ 1,686,804	$ 16,268,582	$ 14,774,956	$ 15,769	$ 68,850	$ 579,032	$ 34,265	$ 43,028,524
Accumulated depreciation	-	(28,088)	(869,405)	(16,466)	(1,296,862)	(5,437,248)	(11,087,055)	(14,275)	(43,477)	(474,744)	-	(19,267,620)
	$ 8,532,166	$ 41,696	$ 110,584	$ 1,861	$ 389,942	$ 10,831,334	$ 3,687,901	$ 1,494	$ 25,373	$ 104,288	$ 34,265	$ 23,760,904
Opening net book amount	$ 8,532,166	$ 41,696	$ 110,584	$ 1,861	$ 389,942	$ 10,831,334	$ 3,687,901	$ 1,494	$ 25,373	$ 104,288	$ 34,265	$ 23,760,904
Additions	-	1,263	2,260	115	5,347	976,658	27,517	125	-	5,316	7,393	1,025,994
Disposals	-	-	-	-	-	(5,395)	-	-	-	(112)	-	(5,507)
Reclassifications	-	-	-	-	48,166	531	-	-	-	594	-	49,291
Depreciation charge	-	(4,631)	(5,689)	(275)	(31,326)	(660,044)	(329,984)	(222)	(3,832)	(16,323)	-	(1,052,326)
Effect of exchange rate changes	-	-	-	-	-	99,758	32,666	-	-	-	-	132,424
Closing net book amount	$ 8,532,166	$ 38,328	$ 107,155	$ 1,701	$ 412,129	$ 11,242,842	$ 3,418,100	$ 1,397	$ 21,541	$ 93,763	$ 41,658	$ 23,910,780
At June 30												
Cost	$ 8,532,166	$ 71,047	$ 982,249	$ 18,442	$ 1,732,432	$ 17,372,874	$ 14,930,286	$ 15,724	$ 68,850	$ 581,285	$ 41,658	$ 44,347,013
Accumulated depreciation	-	(32,719)	(875,094)	(16,741)	(1,320,303)	(6,130,032)	(11,512,186)	(14,327)	(47,309)	(487,522)	-	(20,436,233)
	$ 8,532,166	$ 38,328	$ 107,155	$ 1,701	$ 412,129	$ 11,242,842	$ 3,418,100	$ 1,397	$ 21,541	$ 93,763	$ 41,658	$ 23,910,780

The Group has provided a negative pledge to the loan granting banks for the credits used to purchase the above transportation equipment.

(8) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings and other equipment. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. Short-term leases with a lease term of 12 months or less comprise a portion of land. Low-value assets comprise other equipment.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
	Carrying amount	Carrying amount	Carrying amount
Land	$ 1,360,315	$ 1,415,698	$ 1,449,424
Buildings	274,702	286,099	292,353
Other equipment	20,947	21,785	22,159
	$ 1,655,964	$ 1,723,582	$ 1,763,936

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
	Depreciation charge	Depreciation charge
Land	$ 28,382	$ 27,966
Buildings	5,699	5,603
Other equipment	419	411
	$ 34,500	$ 33,980

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
	Depreciation charge	Depreciation charge
Land	$ 56,765	$ 55,937
Buildings	11,397	11,206
Other equipment	838	821
	$ 69,000	$ 67,964

D. For the three-month and six-month periods ended June 30, 2020 and 2019, the additions to right-of-use assets were $0, $0, $2,371 and $0, respectively.

E. The information on income and expense accounts relating to lease contracts is as follows:

	Three-month period ended June 30, 2020		Three-month period ended June 30, 2019	
Items affecting profit or loss				
Interest expense on lease liabilities	$	7,542	$	7,972
Expense on short-term lease contracts		-		275
Expense on leases of low-value assets		39		12
Gain on sublease of right-of-use assets		46		71
Gain on lease modification		-		-

	Six-month period ended June 30, 2020		Six-month period ended June 30, 2019	
Items affecting profit or loss				
Interest expense on lease liabilities	$	15,222	$	16,081
Expense on short-term lease contracts		-		275
Expense on leases of low-value assets		79		24
Gain on sublease of right-of-use assets		99		149
Gain on lease modification		7		-

F. For the six-month periods ended June 30, 2020 and 2019, the Group's total cash outflow for leases were $79,455 and $79,322, respectively.

G. The Group's lease contracts that contain variable lease payment terms are for land, buildings and other equipment. Various lease payments are adjusted mainly based on the agreed prices.

H. In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

I. The Group has applied the practical expedient to "Covid-19-related rent concessions", and recognised the gain from changes in lease payments arising from the rent concessions amounting to $767 by increasing other income for the six-month period ended June 30, 2020.

(9) Leasing arrangements – lessor

A. The Group leases various assets including land, buildings, ships and transportation equipment. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The Group subleases a portion of abovementioned land and buildings under a finance lease. Information on profit or loss in relation to lease contracts is as follows:

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Finance income from the net investment in the finance lease	$ 46	$ 71

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Finance income from the net investment in the finance lease	$ 99	$ 149

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	June 30, 2020
2020/7/1~12/31	$ 3,931
2021	7,862
2022	1,377
Total	$ 13,170

	December 31, 2019
2020	$ 7,796
2021	7,862
2022	1,377
Total	$ 17,035

	June 30, 2019
2019/7/1~12/31	$ 3,866
2020	7,796
2021	7,862
2022	1,377
Total	$ 20,901

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	June 30, 2020	
	Current	Non-current
Undiscounted lease payments	$ 7,862	$ 5,308
Unearned finance income	(123)	(26)
Net investment in the lease	$ 7,739	$ 5,282

	December 31, 2019	
	Current	Non-current
Undiscounted lease payments	$ 7,796	$ 9,239
Unearned finance income	(173)	(75)
Net investment in the lease	$ 7,623	$ 9,164

	June 30, 2019	
	Current	Non-current
Undiscounted lease payments	$ 7,731	$ 13,170
Unearned finance income	(224)	(149)
Net investment in the lease	$ 7,507	$ 13,021

E. Gain arising from operating lease agreements for the three-month and six-month periods ended June 30, 2020 and 2019 are as follows:

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Rental income	$ 774,657	$ 880,348
Rental income arising from variable lease payments	$ 1,109	$ 894

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Rental income	$ 1,546,471	$ 1,733,449
Rental income arising from variable lease payments	$ 2,219	$ 2,219

F. The maturity analysis of the lease payments under the operating leases is as follows:

	June 30, 2020
2020/7/1~12/31	$ 1,677,608
2021	2,257,177
2022	725,084
2023	234,983
2024	49,809
2025	247
Total	$ 4,944,908

	December 31, 2019
2020	$ 2,835,491
2021	2,295,807
2022	735,143
2023	237,634
2024	50,749
2025	247
Total	$ 6,155,071

	June 30, 2019
2019/7/1~12/31	$ 1,638,891
2020	2,925,942
2021	2,331,138
2022	650,604
2023	136,254
2024	26,069
Total	$ 7,708,898

(10) Investment property

A. Changes in investment property:

	2020		
	Land	Buildings	Total
At January 1			
Cost	$ 639,583	$ 168,768	$ 808,351
Accumulated depreciation	-	(97,835)	(97,835)
	$ 639,583	$ 70,933	$ 710,516
Opening net book amount	$ 639,583	$ 70,933	$ 710,516
Depreciation charge	-	(1,585)	(1,585)
Closing net book amount	$ 639,583	$ 69,348	$ 708,931
At June 30			
Cost	$ 639,583	$ 168,768	$ 808,351
Accumulated depreciation	-	(99,420)	(99,420)
	$ 639,583	$ 69,348	$ 708,931

	2019		
	Land	Buildings	Total
At January 1			
Cost	$ 639,583	$ 168,768	$ 808,351
Accumulated depreciation	-	(94,662)	(94,662)
	$ 639,583	$ 74,106	$ 713,689
Opening net book amount	$ 639,583	$ 74,106	$ 713,689
Depreciation charge	-	(1,589)	(1,589)
Closing net book amount	$ 639,583	$ 72,517	$ 712,100
At June 30			
Cost	$ 639,583	$ 168,768	$ 808,351
Accumulated depreciation	-	(96,251)	(96,251)
	$ 639,583	$ 72,517	$ 712,100

B. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three-month period ended June 30, 2020		Three-month period ended June 30, 2019	
Rental income from investment property	$	13,085	$	13,085
Direct operating expenses arising from the investment property that generated rental income during the period	$	1,702	$	1,663

	Six-month period ended June 30, 2020		Six-month period ended June 30, 2019	
Rental income from investment property	$	26,170	$	26,035
Direct operating expenses arising from the investment property that generated rental income during the period	$	3,397	$	3,383

C. The fair value of the investment property held by the Group as at June 30, 2020, December 31, 2019 and June 30, 2019 was $2,855,538, $2,470,882 and $2,467,672, respectively, which was valued by the Group. Valuations were made using the income approach which is categorised within Level 3 in the fair value hierarchy. Key assumptions are as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Gross margin	87.020%	87.150%	87.087%
Discount rate	1.595%	1.845%	1.845%

(11) Other payables (including related parties)

	June 30, 2020		December 31, 2019		June 30, 2019	
Payable on equipment	$	208,189	$	274,435	$	324,846
Dividends payable		320,142		-		373,499
Others		236,058		218,268		236,100
	$	764,389	$	492,703	$	934,445

(12) Long-term borrowings

Type of borrowings	June 30, 2020	December 31, 2019	June 30, 2019
Unsecured bank borrowings	$ 5,197,239	$ 5,913,003	$ 5,673,020
Secured bank borrowings	19,200	-	-
Less: Arrangement fees	(4,398)	(6,839)	(9,515)
	5,212,041	5,906,164	5,663,505
Less: Current portion	(2,686,955)	(1,600,867)	(1,652,058)
	$ 2,525,086	$ 4,305,297	$ 4,011,447
Expiry year	2020~2037	2020~2026	2020~2024
Interest rate range	0.97856%~3.6995%	1.16811%~4.1300%	1.1751%~4.1300%

Please refer to Note 8 for details of the collaterals pledged for the above long-term borrowings.

(13) Other non-current liabilities

	June 30, 2020	December 31, 2019	June 30, 2019
Accrued pension obligations	$ 1,085,010	$ 1,210,109	$ 1,160,046
Guarantee deposits received	20,526	21,498	21,316
	$ 1,105,536	$ 1,231,607	$ 1,181,362

(14) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 9% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March. The foreign subsidiary paid the pension directly to the retired employees when they have their own defined benefit pension plan.

(b) For the aforementioned pension plan, the Group recognised pension costs of $14,471, 16,772, $28,943 and $33,543 for the three-month and six-month periods ended June 30, 2020 and

2019, respectively.

(c) Expected contributions and paid to the defined benefit pension plans of the Company amount to $94,509 and will be made within one year after June 30, 2020.

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on not less than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

C. The pension costs under the defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2020 and 2019 were $23,431, $25,528, $45,541 and $49,879, respectively.

(15) Capital stock

A. As of June 30, 2020, the Company's authorised capital was $11,000,000, consisting of 1,100,000 thousand shares of ordinary stock, and the paid-in capital was $10,671,411 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. The Company has the same weighted average number of ordinary shares outstanding at the beginning and ending of the six-month periods ended June 30, 2020 and 2019.

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(17) Retained earnings

	2020	2019
At January 1	$ 4,987,358	$ 4,656,098
Profit for the period	365,635	444,374
Appropriation, release and distribution	(399,256)	(459,883)
At June 30	$ 4,953,737	$ 4,640,589

A. Under the Company's Articles of Incorporation, any profit made by the Company for each fiscal year shall, after deduction of tax, be applied first towards making up any losses incurred by the Company in previous years, then 10% of the balance thereof shall be retained as the legal reserve, and set aside the special reserve in compliance with regulations, together with the accumulated unallocated profit of the previous period, shall be allocated pursuant to the proposal made by the Board of Directors and adopted by the shareholders at their meeting.

B. The Company's dividend policy is summarised below:

Stockholders' dividends shall be distributed in cash dividends and stock dividends, with the cash dividend comprising at least 10% of the total amount of distribution.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Sheng-Fa-Si Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. The appropriation of earnings and distribution of capital reserve of years 2019 and 2018 had been resolved at the stockholders' meeting on June 22, 2020 and June 27, 2019, respectively. Details are summarised below:

	2019		2018	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 79,114		$ 86,384	
Cash dividends	320,142	$ 0.30	373,499	$ 0.35
	$ 399,256		$ 459,883	

In accordance with Jing-Shang-Zi Letter No. 10802432410 of Ministry of Economic Affairs, R.O.C, dated January 9, 2020, the legal surplus of the earnings distribution is based on profit for the year plus the amount of unappropriated retained earnings other than profit for the year. The information about the appropriation of earnings resolved at the stockholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(18) Other equity items

	2020		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	$ 701,995	($ 161,406)	$ 540,589
Revaluation-gross	(215,010)	-	(215,010)
Currency translation:			
- Group	-	(219,789)	(219,789)
At June 30	$ 486,985	($ 381,195)	$ 105,790

	2019		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	$ 555,355	$ 118,930	$ 674,285
Revaluation-gross	83,171	-	83,171
Currency translation:			
- Group	-	106,785	106,785
At June 30	$ 638,526	$ 225,715	$ 864,241

(19) Operating revenue

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Revenue from contracts with customers	$ 915,179	$ 1,082,931
Rental income	788,851	894,327
	$ 1,704,030	$ 1,977,258

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Revenue from contracts with customers	$ 1,917,969	$ 2,133,427
Rental income	1,574,860	1,761,703
	$ 3,492,829	$ 3,895,130

A. Revenue can be disaggregated by the following major product lines, geographical regions and transfer of goods and services over time and at a point in time:

Three-month period ended June 30, 2020	Inland Transportation	Container Terminals	International Marine Transportation	Gasoline Station	Others	Total
Revenue from contracts with customers						
Taiwan						
At a point in time	$ -	$ -	$ -	$ 78,205	$ -	$ 78,205
Over time	371,683	140,758	324,386	-	-	836,827
Asia						
Over time	-	2	145	-	-	147
	371,683	140,760	324,531	78,205	-	915,179
Rental income						
Taiwan	4,498	2,286	293,696	-	13,579	314,059
America	-	-	401,336	-	-	401,336
Europe	-	-	73,456	-	-	73,456
	4,498	2,286	768,488	-	13,579	788,851
	$ 376,181	$ 143,046	$ 1,093,019	$ 78,205	$ 13,579	$ 1,704,030

Three-month period ended June 30, 2019	Inland Transportation	Container Terminals	International Marine Transportation	Gasoline Station	Others	Total
Revenue from contracts with customers						
Taiwan						
At a point in time	$ -	$ -	$ -	$ 131,002	$ -	$ 131,002
Over time	468,796	147,002	335,974	-	-	951,772
Asia						
Over time	-	4	153	-	-	157
	468,796	147,006	336,127	131,002	-	1,082,931
Rental income						
Taiwan	4,665	3,494	380,888	-	13,562	402,609
America	-	-	420,377	-	-	420,377
Europe	-	-	71,341	-	-	71,341
	4,665	3,494	872,606	-	13,562	894,327
	$ 473,461	$ 150,500	$ 1,208,733	$ 131,002	$ 13,562	$ 1,977,258

Six-month period ended June 30, 2020	Inland Transportation	Container Terminals	International Marine Transportation	Gasoline Station	Others	Total
Revenue from contracts with customers						
Taiwan						
At a point in time	$ -	$ -	$ -	$ 184,298	$ -	$ 184,298
Over time	808,029	278,616	646,158	-	-	1,732,803
Asia						
Over time	-	7	861	-	-	868
	808,029	278,623	647,019	184,298	-	1,917,969
Rental income						
Taiwan	9,156	4,805	587,515	-	27,198	628,674
America	-	-	798,762	-	-	798,762
Europe	-	-	147,424	-	-	147,424
	9,156	4,805	1,533,701	-	27,198	1,574,860
	$ 817,185	$ 283,428	$ 2,180,720	$ 184,298	$ 27,198	$ 3,492,829

Six-month period ended June 30, 2019	Inland Transportation	Container Terminals	International Marine Transportation	Gasoline Station	Others	Total
Revenue from contracts with customers						
Taiwan						
At a point in time	$ -	$ -	$ -	$ 253,547	$ -	$ 253,547
Over time	929,701	288,661	661,066	-	-	1,879,428
Asia						
Over time	-	8	444	-	-	452
	929,701	288,669	661,510	253,547	-	2,133,427
Rental income						
Taiwan	9,245	6,950	761,078	-	26,943	804,216
America	-	-	817,792	-	-	817,792
Europe	-	-	139,695	-	-	139,695
	9,245	6,950	1,718,565	-	26,943	1,761,703
	$ 938,946	$ 295,619	$ 2,380,075	$ 253,547	$ 26,943	$ 3,895,130

B. Contract liabilities

(a) The Group has recognised the following revenue-related contract liabilities:

	June 30, 2020	December 31, 2019	June 30, 2019	January 1, 2019
Contract liabilities – Deferred revenue from passenger transportation, oil sales, and inland container transportation	$ 10,072	$ 9,951	$ 9,941	$ 9,779

(b) The contract liability balance at the beginning of the period was eliminated during the period

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Revenue from passenger transportation, oil sales, and inland container transportation	$ 218	$ 397

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Revenue from passenger transportation, oil sales, and inland container transportation	$ 963	$ 1,329

(20) Interest income

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Interest income from bank deposits	$ 10,965	$ 24,110
Interest income from financial assets at amortised cost	289	324
Imputed rate of interest for deposits	2	2
Interest income from finance lease receivable	46	71
Other interest income	-	-
	$ 11,302	$ 24,507

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Interest income from bank deposits	$ 29,067	$ 51,623
Interest income from financial assets at amortised cost	661	650
Imputed rate of interest for deposits	5	5
Interest income from finance lease receivable	99	149
Other interest income	2	-
	$ 29,834	$ 52,427

(21) Other income

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Dividend income	$ 50,678	$ 48,989
Other income - others	27,807	35,785
	$ 78,485	$ 84,774

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Dividend income	$ 53,329	$ 48,989
Other income - others	32,419	40,443
	$ 85,748	$ 89,432

(22) Other gains and losses

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Losses on disposal of property, plant and equipment	($ 2,733)	($ 1,601)
Net currency exchange (losses) gains	(10,365)	2,680
Gains on financial assets at fair value through profit or loss	158	80
Other losses	(154)	(232)
	($ 13,094)	$ 927

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Losses on disposal of property, plant and equipment	($ 4,144)	($ 2,112)
Net currency exchange (losses) gains	(7,051)	4,061
Gains on financial assets at fair value through profit or loss	493	194
Other losses	(147)	(246)
	($ 10,849)	$ 1,897

(23) Finance costs

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Interest expense:		
Interest expense on bank borrowings	$ 32,507	$ 58,011
Imputed rate of interest for deposits	51	52
Interest expense on lease liabilities	7,542	7,972
	$ 40,100	$ 66,035

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Interest expense:		
Interest expense on bank borrowings	$ 76,691	$ 122,347
Imputed rate of interest for deposits	102	101
Interest expense on lease liabilities	15,222	16,081
	$ 92,015	$ 138,529

(24) Expenses by nature

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Cost of sales and related fees	$ 339,989	$ 429,402
Employee benefit expense	365,700	395,330
Depreciation	556,201	567,580
Amortisation	1,116	1,059
Transportation expense	149,139	181,574
Vessels operation expense	80,305	109,141
Other expenses	18,902	29,738
Operating costs and operating expenses	$ 1,511,352	$ 1,713,824

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Cost of sales and related fees	$ 726,512	$ 843,835
Employee benefit expense	735,478	786,511
Depreciation	1,114,464	1,121,879
Amortisation	2,224	2,081
Transportation expense	325,158	368,381
Vessels operation expense	158,238	203,530
Other expenses	39,134	53,089
Operating costs and operating expenses	$ 3,101,208	$ 3,379,306

(25) Employee benefit expense

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Wages and salaries	$ 292,803	$ 316,929
Labor and health insurance fees	20,846	20,816
Pension cost	23,431	25,528
Directors' remuneration	1,703	1,652
Other personnel expenses	26,917	30,405
	$ 365,700	$ 395,330

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Wages and salaries	$ 590,639	$ 632,258
Labor and health insurance fees	41,402	41,312
Pension cost	45,541	49,879
Directors' remuneration	3,421	3,322
Other personnel expenses	54,475	59,740
	$ 735,478	$ 786,511

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the three-month and six-month periods ended June 30, 2020 and 2019, employees' compensation was accrued at $3,750, $3,750, $7,500 and $7,500, respectively.

The employees' compensation was estimated on the basis of the Company's Articles of Incorporation and consideration of legal reserve with distributable profit of current period for the six-month period ended June 30, 2020.

Employees’ compensation and directors’ remuneration of 2019 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2019 financial statements.

Information about employees’ compensation and directors’ remuneration of the Company as resolved by the Board of Directors will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Current tax:		
Current tax on profits for the period	$ 15,144	$ 24,758
Tax on unappropriated earnings	19,744	24,327
Prior year income tax (over) underestimation	(118)	-
Deferred tax:		
Origination and reversal of temporary differences	15,071	25,254
Income tax expense	$ 49,841	$ 74,339

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Current tax:		
Current tax on profits for the period	$ 19,801	$ 47,443
Tax on unappropriated earnings	19,744	24,327
Prior year income tax (over) underestimation	(118)	-
Deferred tax:		
Origination and reversal of temporary differences	44,183	44,349
Income tax expense	$ 83,610	$ 116,119

(b) The income tax charged/ (credited) to equity during the period is as follows:

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Changes in equity of associates and joint ventures accounted for using equity method	$ 29	$ 33

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Changes in equity of associates and joint ventures accounted for using equity method	$ 59	$ 66

B. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.

(27) Earnings per share

	Three-month period ended June 30, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 205,253	1,067,141	$ 0.19
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	205,253	1,067,141	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	275	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 205,253	1,067,416	$ 0.19

	Three-month period ended June 30, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 252,475	1,067,141	$ 0.24
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	252,475	1,067,141	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	263	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 252,475	1,067,404	$ 0.24

	Six-month period ended June 30, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 365,635	1,067,141	$ 0.34
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	365,635	1,067,141	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,128	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 365,635	1,068,269	$ 0.34

	Six-month period ended June 30, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 444,374	1,067,141	$ 0.42
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	444,374	1,067,141	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,015	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 444,374	1,068,156	$ 0.42

(28) Supplemental cash flow information

Investing activities with partial cash payments:

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Acquisition of property, plant and equipment (including prepayments for equipment)	$ 642,084	$ 1,241,378
Add : Opening balance of payable on equipment	274,435	51,295
Less : Ending balance of payable on equipment	(208,189)	(324,846)
Cash paid during the period	$ 708,330	$ 967,827

(29) Changes in liabilities from financing activities

	2020			
	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ 5,906,164	$ 1,756,332	$ 21,498	$ 7,683,994
Changes in cash flow from financing activities	(606,489)	(64,154)	(972)	(671,615)
Interest paid	-	(15,222)	-	(15,222)
Impact of changes in foreign exchange rate	(89,991)	-	-	(89,991)
Changes in other non-cash items	2,357	15,832	-	18,189
At June 30	$ 5,212,041	$ 1,692,788	$ 20,526	$ 6,925,355

	2019			
	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ 6,429,757	$ 1,856,296	$ 20,906	$ 8,306,959
Changes in cash flow from financing activities	(830,000)	(62,942)	410	(892,532)
Interest paid	-	(16,081)	-	(16,081)
Impact of changes in foreign exchange rate	61,315	-	-	61,315
Changes in other non-cash items	2,433	15,929	-	18,362
At June 30	$ 5,663,505	$ 1,793,202	$ 21,316	$ 7,478,023

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Evergreen Marine Corp.	The entities which have significant influence to the Group
Ever Reward Logistics Corp.	Associate
Taipei Port Container Terminal Corp.	Associate
United Stevedoring Corp.	Associate
Evergreen International Corp.	Other related parties
Taiwan Terminal Services Co., Ltd.	Other related parties
EVA Airways Corp.	Other related parties
Evergreen Security Corp.	Other related parties
Evergreen Steel Corp.	Other related parties
UNI Airways Corp.	Other related parties
Ever Accord Construction Corp.	Other related parties
Evergreen Airline Service Corp.	Other related parties
Evergreen Aviation Technologies Corp.	Other related parties
Evergreen Sky Catering Corp.	Other related parties
Evergreen Air Cargo Services Corp.	Other related parties
Evergreen Aviation Precision Corp.	Other related parties (Merged with Evergreen Aviation Technologies Corp. as at February 28, 2019)
Chang Yung-Fa Foundation	Other related parties
Chang Yung-Fa Charity Foundation	Other related parties
Peony Investment S.A.	Other related parties
Evergreen International S.A.	Other related parties
Evergreen Heavy Industrial Corp. (Malaysia) BERHAD	Other related parties
All directors, general manager and vice presidents	Key management of the Group

(2) Significant related party transactions and balances

A. Operating revenue

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
The entities which have significant influence to the Group		
Evergreen Marine Corp.	$ 346,387	$ 438,455
Associates	49,739	52,633
Other related parties		
Evergreen International Corp.	364,286	412,058
Evergreen International S.A.	401,336	420,377
Others	42,552	87,405
	$ 1,204,300	$ 1,410,928

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
The entities which have significant influence to the Group		
Evergreen Marine Corp.	$ 700,601	$ 889,869
Associates	100,542	106,507
Other related parties		
Evergreen International Corp.	769,509	816,407
Evergreen International S.A.	798,762	817,792
Others	116,335	168,672
	$ 2,485,749	$ 2,799,247

The terms on the above transactions with the related parties are not materially different from those with non-related parties.

B. Purchases of goods

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
The entities which have significant influence to the Group	$ 26,330	$ 28,262
Associates	762	1,147
Other related parties	20,379	17,435
	$ 47,471	$ 46,844

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
The entities which have significant influence to the Group	$ 53,478	$ 56,449
Associates	1,455	2,123
Other related parties	38,571	36,521
	$ 93,504	$ 95,093

The terms on the above transactions with the related parties are not materially different from those with non-related parties.

C. Receivables from related parties

	June 30, 2020	December 31, 2019	June 30, 2019
Accounts receivable:			
The entities which have significant influence to the Group	$ 17,924	$ 25,685	$ 25,512
Associates	18,704	18,104	17,598
Other related parties			
Evergreen International Corp.	149,485	156,893	162,259
Evergreen International S.A.	270,125	516,982	560,228
Others	15,795	28,726	30,158
	472,033	746,390	795,755
Allowance for bad debts	(216)	-	-
Subtotal	471,817	746,390	795,755
Other receivables:			
Associates	3,880	5	4,774
Other related parties			
Evergreen International S.A.	-	4,054	-
Others	5,823	1,396	6,125
Subtotal	9,703	5,455	10,899
Total	$ 481,520	$ 751,845	$ 806,654

D. Payables to related parties

	June 30, 2020	December 31, 2019	June 30, 2019
Accounts payable:			
The entities which have significant influence to the Group	$ 22,888	$ 23,681	$ 25,354
Associates	229	275	331
Other related parties	29	-	14
Subtotal	23,146	23,956	25,699
Other payables:			
The entities which have significant influence to the Group	42	-	76
Associates	-	23	-
Other related parties			
Evergreen Heavy Industrial Corp. (Malaysia) BERHAD	175,576	268,194	318,904
Other	36,863	13,903	9,868
Subtotal	212,481	282,120	328,848
Total	$ 235,627	$ 306,076	$ 354,547

E. Property transactions

(a) Acquisition of property, plant and equipment (including prepayments for equipment)

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
The entities which have significant influence to the Group	$ -	$ -
Other related parties		
Evergreen Heavy Industrial Corp. (Malaysia) BERHAD	283,789	485,423
Others	68,580	-
	$ 352,369	$ 485,423

		Six-month period ended June 30, 2020		Six-month period ended June 30, 2019
The entities which have significant influence to the Group	$	114	$	117
Other related parties				
Evergreen Heavy Industrial Corp. (Malaysia) BERHAD		493,686		976,658
Others		68,580		12,010
	$	562,380	$	988,785

(b) Acquisition of financial assets:

The Group did not acquire financial assets for the three-month and six-month periods ended June 30, 2020.

	Accounts	No. of shares	Objects		Three-month period ended June 30, 2019
Other related parties					
EVA Airways Corp.	Financial assets at fair value through other comprehensive income	7,366,166	EVA Airways Corp.	$	95,760

	Accounts	No. of shares	Objects		Six-month period ended June 30, 2019
Other related parties					
EVA Airways Corp.	Financial assets at fair value through other comprehensive income	7,366,166	EVA Airways Corp.	$	95,760

(c) Disposal of financial assets:

	Accounts	No. of shares	Objects	Three-month period ended June 30, 2020	
				Proceeds	Gain/(loss)
Other related parties					
Evergreen International S.A.	Investments accounted for using equity method	-	Taipei Port Container Terminal Corp.	$ -	$ -

	Accounts	No. of shares	Objects	Six-month period ended June 30, 2020	
				Proceeds	Gain/(loss)
Other related parties					
Evergreen International S.A.	Investments accounted for using equity method	15,180,582	Taipei Port Container Terminal Corp.	$ 150,910	$ -

The Group did not dispose financial assets for the three-month and six-month periods ended June 30, 2019.

The prices on the above transactions are in accordance with market prices and the results of agreements.

F. Lease transactions－lessee

(a) The Group leases land and buildings from the entities which have significant influence to the Group, associates and other related parties. Rental contracts are typically made for periods of 3 to 5 years. Rents are paid at the beginning or the end of each month.

(b) Acquisition of right-of-use assets

On January 1, 2019 (the date of initial application of IFRS 16), the Group increased right-of-use assets by $47,094.

(c) Lease liabilities

(i) Outstanding balance:

	June 30, 2020	December 31, 2019	June 30, 2019
The entities which have significant influence to the Group	$ 7,626	$ 10,134	$ 12,626
Associates	8,574	10,011	11,439
Other related parties	17,710	18,130	18,546
	$ 33,910	$ 38,275	$ 42,611

(ii) Interest expense:

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
The entities which have significant influence to the Group	$ 28	$ 45
Associates	29	39
Other related parties	80	83
	$ 137	$ 167

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
The entities which have significant influence to the Group	$ 60	$ 94
Associates	61	80
Other related parties	160	167
	$ 281	$ 341

G. Due to contributions to society for charity activities, the Group donated $110, $110, $221 and $221 to Chang Yung-Fa Foundation and Chang Yung-Fa Charity Foundation both for the three-month and six-month periods ended June 30, 2020 and 2019, respectively.

(3) Key management compensation

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2019
Short-term employee benefits	$ 4,012	$ 3,916
Post-employment benefits	113	119
	$ 4,125	$ 4,035

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Short-term employee benefits	$ 8,008	$ 7,856
Post-employment benefits	226	238
	$ 8,234	$ 8,094

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value			
Pledged assets	June 30, 2020	December 31, 2019	June 30, 2019	Purpose
Financial assets at amortised cost - non-current	$ 122,865	$ 122,852	$ 122,835	To purchase supplies and materials and execute contracts etc.
Property, plant and equipment - Land	827,915	-	-	Long-term borrowings
	$ 950,780	$ 122,852	$ 122,835	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

(a) To meet operational needs, the Group signed a construction contract amounting to $2,449,300 with the contractor on March 27, 2020 to build the Dayuan Logistics Industrial Park. Capital expenditure contracted for as of June 30, 2020 but not yet incurred amounted to $2,405,213.

(b) To meet operational needs, the Group signed a container building contract amounting to USD 10,217 thousand with a container manufacturer on April 28, 2020. Capital expenditure contracted for as of June 30, 2020 but not yet incurred amounted to USD 9,326 thousand.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

To meet operational needs, the Group signed a container building contract amounting to USD 12,051 thousand with a container manufacturer on July 9, 2020.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares to maintain an optimal capital.

(2) Financial instruments

A. Financial instruments by category

	June 30, 2020	December 31, 2019	June 30, 2019
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 170,179	$ 390,047	$ 140,049
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	$ 2,113,171	$ 2,325,363	$ 2,264,867
Financial assets at amortised cost			
Cash and cash equivalents	$ 3,986,802	$ 3,624,242	$ 3,436,442
Financial assets at amortised cost	142,955	143,212	122,835
Notes receivable	18,806	22,478	15,544
Accounts receivable	659,684	945,674	1,011,296
Finance lease receivable	13,021	16,787	20,528
Other receivables	63,644	14,577	72,381
Refundable deposits	1,380	1,380	1,380
	$ 4,886,292	$ 4,768,350	$ 4,680,406

	June 30, 2020	December 31, 2019	June 30, 2019
Financial liabilities			
Financial liabilities at amortised cost			
Accounts payable	$ 278,807	$ 338,403	$ 343,101
Other payables	764,389	492,703	934,445
Long-term borrowings (including current portion)	5,212,041	5,906,164	5,663,505
Guarantee deposits received	20,526	21,498	21,316
	$ 6,275,763	$ 6,758,768	$ 6,962,367
Lease liabilities	$ 1,692,788	$ 1,756,332	$ 1,793,202

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by the Group under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other subsidiaries' functional currency: USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 1,746	29.4600	$ 51,435
Financial liabilities			
Monetary items			
USD:NTD	$ 720	29.4600	$ 21,211
JPY:NTD	7,685	0.2734	2,101

	December 31, 2019		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 1,803	30.0130	$ 54,105
Financial liabilities			
Monetary items			
USD:NTD	$ 720	30.0130	$ 21,609

	June 30, 2019		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 3,172	31.0505	$ 98,506
Financial liabilities			
None			

iv. Total exchange gain or loss including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2020 and 2019 amounted to ($10,365), $2,680, ($7,051) and $4,061, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Six-month period ended June 30, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 514	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 212	$ -
JPY:NTD	1%	21	-

	Six-month period ended June 30, 2019		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 985	$ -
Financial liabilities			
None			

Price risk

i. The Group's equity securities and open-end funds, which are exposed to price risk, are included in financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage the price risk of its investments in equity securities, the Group diversifies its investment portfolio.

ii. The Group primarily invests in equity securities issued by domestic and foreign companies and open-end funds. The prices of these equity securities are affected by the uncertainty of the future value of the investment targets. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2020 and 2019 would have increased/decreased by $17,018 and $14,005, respectively, as a result of gains/losses on equity securities measured at fair value through profit or loss. Other comprehensive income would have increased/decreased by \$211,317 and \$226,487, respectively, as a result of gains/losses on equity securities measured at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the six-month periods ended June 30, 2020 and 2019, the Group's borrowings at variable rates were denominated in NTD and USD.

ii. The Group's borrowings are measured at amortised cost. The interest rates on the borrowings are periodically adjusted, which expose the Group to the risk of future changes in market interest rates.

iii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, after-tax profit for the six-month periods ended June 30, 2020 and 2019 would have increased/decreased by \$28,205 and \$30,548, respectively. This is primarily because of changes in interest rate expenses from floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients of counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.

ii. The Group manages its credit risk from a consolidated perspective. Each entity assesses the credit quality of the customers, taking into account their financial position, past experience and other factors before setting terms and conditions for payment and delivery of goods and services.

iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

iv. If the default rate of an investment target exceeds 0.03%, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments; and

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. The accounts receivable of the customers are segmented according to the characteristics of the operating unit, and expected credit losses are estimated based on provision matrices and default rates, using a simplified approach.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As of June 30, 2020, December 31, 2019 and June 30, 2019, the Group has no written-off financial assets that are still under recourse procedures.

viii. The Group used the forecastability of overall economic information to adjust historical and timely information to assess the default possibility of accounts receivable. As of June 30, 2020, December 31, 2019 and June 30, 2019 the provision matrix is as follows:

	Without past due	Up to 3 months past due	Over 3 months past due	Total
At June 30, 2020				
Expected loss rate	0.03%~0.09%	0.72%~76.73%	100%	
Total book value	$ 625,983	$ 34,207	$ 127	$ 660,317
Loss allowance	$ 283	$ 223	$ 127	$ 633

	Without past due	Up to 3 months past due	Over 3 months past due	Total
At December 31, 2019				
Expected loss rate	0.03%~0.09%	0.70%~77.86%	100%	
Total book value	$ 890,298	$ 55,967	$ 80	$ 946,345
Loss allowance	$ 201	$ 390	$ 80	$ 671

	Without past due	Up to 3 months past due	Over 3 months past due	Total
At June 30, 2019				
Expected loss rate	0.03%~0.06%	0.24%~71.61%	100%	
Total book value	$ 965,574	$ 46,418	$ 131	$ 1,012,123
Loss allowance	$ 200	$ 496	$ 131	$ 827

ix. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2020
	Accounts receivable
At January 1	($ 671)
Reversal of impairment	38
At June 30	($ 633)

	2019
	Accounts receivable
At January 1	($ 546)
Provision for impairment	(281)
At June 30	($ 827)

(c)Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group's treasury department. The Group's treasury department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The Group invested in interest bearing deposits, time deposits and securities with residual capital. Those instruments have appropriate maturity dates and sufficient liquidity to provide sufficient capital movement. The Group has no significant liquidity risk because the Group's holding capital at the balance sheet date is higher than accrued liability for the coming year.

iii. The Group has the following undrawn borrowing facilities:

	June 30, 2020	December 31, 2019	June 30, 2019
Floating rate	$ 2,552,800	$ 174,075	$ -

iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. As of June 30, 2020, December 31, 2019 and June 30, 2019, accounts payable and other payables would expire within one year. As of June 30, 2020, December 31, 2019 and June 30, 2019, lease liabilities and long-term borrowings are analysed based on the remaining period. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities :

June 30, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease liabilities	$ 162,665	$ 159,807	$ 446,554	$ 1,115,706	$ 1,884,732
Long-term borrowings (including current portion)	$ 2,804,920	$ 874,900	$ 1,530,102	$ 243,066	$ 5,452,988

Non-derivative financial liabilities :

December 31, 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease liabilities	$ 161,175	$ 161,820	$ 450,805	$ 1,189,674	$ 1,963,474
Long-term borrowings (including current portion)	$ 1,777,715	$ 2,425,887	$ 1,837,113	$ 250,152	$ 6,290,867

Non-derivative financial liabilities :

June 30, 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease liabilities	$ 157,995	$ 159,775	$ 450,756	$ 1,244,179	$ 2,012,705
Long-term borrowings (including current portion)	$ 1,847,306	$ 2,819,557	$ 1,261,639	$ 144,089	$ 6,072,591

(3) Fair value information

A. Details of the fair value of the Group's investment property measured at cost are provided in Note 6(10).

B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and beneficiary certificates are included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

C. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, finance lease receivable, other receivables, refundable deposits, accounts payable, other payables, lease liabilities, loan and guarantee deposits received) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

June 30, 2020	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets measured at fair value through profit or loss				
Beneficiary certificates	$ 170,179	$ -	$ -	$ 170,179
Financial asset measured at fair value through other comprehensive income				
Equity securities	1,777,930	-	335,241	2,113,171
	$ 1,948,109	$ -	$ 335,241	$ 2,283,350

December 31, 2019	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets measured at fair value through profit or loss				
Beneficiary certificates	$ 390,047	$ -	$ -	$ 390,047
Financial asset measured at fair value through other comprehensive income				
Equity securities	2,003,194	-	322,169	2,325,363
	$ 2,393,241	$ -	$ 322,169	$ 2,715,410

June 30, 2019	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets measured at fair value through profit or loss				
Beneficiary certificates	$ 140,049	$ -	$ -	$ 140,049
Financial asset measured at fair value through other comprehensive income				
Equity securities	1,942,105	-	322,762	2,264,867
	$ 2,082,154	$ -	$ 322,762	$ 2,404,916

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund
Market quoted price	Closing price	Net asset value

ii. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)9.

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

iv. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the six-month periods ended June 30, 2020 and 2019, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the six-month periods ended June 30, 2020 and 2019:

	Equity securities	
	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Opening net book amount	$ 322,169	$ 277,155
Gains and losses recognised in other comprehensive income	13,229	45,519
Effect of exchange rate changes	(157)	88
Closing net book amount	$ 335,241	$ 322,762

G. For the six-month periods ended June 30, 2020 and 2019, there was no transfer into or out from Level 3.

H. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value. Investment property is valuated regularly by the Group's financial segment based on the valuation methods and assumptions announced by the Financial Supervisory Commission, Securities and Futures Bureau or through outsourced appraisal performed by the external valuer.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2020		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non - derivative equity instrument:						
Unlisted shares	$	335,241	Market comparable companies	Price to book ratio multiple	0.42~1.42	The higher the multiple, the higher the fair value.
				Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.

	Fair value at December 31, 2019		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non - derivative equity instrument:						
Unlisted shares	$	322,169	Market comparable companies	Price to earnings ratio multiple	8.00	The higher the multiple, the higher the fair value.
				Price to book ratio multiple	1.10~1.31	The higher the multiple, the higher the fair value.
				Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.

	Fair value at June 30, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non - derivative equity instrument:					
Unlisted shares	$ 322,762	Market comparable companies	Price to earnings ratio multiple	5.65	The higher the multiple, the higher the fair value.
			Price to book ratio multiple	1.08~1.42	The higher the multiple, the higher the fair value.
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			June 30, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple, discount for lack of marketability	±1%	$ -	$ -	$ 3,352	$ 3,352

			December 31, 2019			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio multiple, price to book ratio multiple, discount for lack of marketability	±1%	$ -	$ -	$ 3,222	$ 3,222

			June 30, 2019			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio multiple, price to book ratio multiple, discount for lack of marketability	±1%	$ -	$ -	$ 3,228	$ 3,228

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Please refer to table 1.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Aggregate purchases or sales of the same securities reaching NT$300 million or 20% of the Company's paid-in capital or more: None.

E. Acquisition of real estate reaching $300 million or 20% of the Company's paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of the Company's paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of the Company's paid-in capital or more: Please refer to table 3.

H. Receivables from related parties reaching $100 million or 20% of the Company's paid-in capital or more: Please refer to table 4.

I. Derivative financial instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas.：None.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. SEGMENT INFORMATION

(1) General information

The Group has included several operating segments with similar economic characteristics and meeting the requirements as reportable segments and have included other operating segments that do not meet the quantitative thresholds as other segments. Products for sale and types of services of every reportable segment are summarised as follows:

(a) Inland transportation is the business of carrying cargo and passengers.

(b) Container terminals are the business of container and cargo loading.

(c) International marine transportation is the business of container terminals and leased ships and containers.

(d) Gasoline station is the business of different kinds of petroleum products sold.

(e) Other businesses are those not classified from (a) to (d).

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Six-month period ended June 30, 2020						
	Inland Transportation	Container Terminals	International Marine Transportation	Gasoline Station	Others	Adjustments and Write- off	Total
Revenue from outside the Group	$ 817,185	$ 283,428	$ 2,180,720	$ 184,298	$ 27,198	$ -	$ 3,492,829
Operating profit	$ 14,637	$ 18,875	$ 330,278	$ 5,238	$ 22,593	$ -	$ 391,621
Identifiable assets	$ 1,441,022	$ 8,101,234	$ 15,252,078	$ 40,716	$ 574,662	$ -	$ 25,409,712

	Six-month period ended June 30, 2019						
	Inland Transportation	Container Terminals	International Marine Transportation	Gasoline Station	Others	Adjustments and Write- off	Total
Revenue from outside the Group	$ 938,946	$ 295,619	$ 2,380,075	$ 253,547	$ 26,943	$ -	$ 3,895,130
Operating profit	$ 42,655	$ 36,666	$ 409,036	$ 5,141	$ 22,326	$ -	$ 515,824
Identifiable assets	$ 1,476,732	$ 8,068,577	$ 16,553,337	$ 62,734	$ 551,592	$ -	$ 26,712,972

(3) Reconciliation for segment income (loss)

A reconciliation of reportable segment profit or loss to the profit before tax and discontinued operations for the six-month periods ended June 30, 2020 and 2019 is provided as follows:

	Six-month period ended June 30, 2020	Six-month period ended June 30, 2019
Reportable segments operating profit and loss	$ 369,028	$ 493,498
Other segments operating profit and loss	22,593	22,326
Total segments	391,621	515,824
Total non-operating income and expenses	57,991	48,559
Profit before tax	$ 449,612	$ 564,383

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
Provision of endorsements and guarantees to others
Six-month period ended June 30, 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 1

Number (Note 1)	Endorser / guarantor	Party being endorsed / guaranteed		Ceiling on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount during the six-month period ended June 30, 2020	Outstanding endorsement/ guarantee amount at June 30, 2020	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser / guarantor company (%)	Ceiling on total amount of endorsements / gurantees provided (Note 3)	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Evergreen International Storage and Transport Corporation	Gaining Enterprise S.A.	2	$ 33,427,380	$ 6,721,505	$ 6,721,505	$ 4,637,240	$ -	30.16	$ 33,427,380	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Group or subsidiaries are as follows：
(1) The Company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
(4) The endorser/guarantor company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Under the Company’s “Procedures for Provision of Endorsements and Guarantees” No.13, the Company’s total guarantees and endorsements to others should not exceed 150% of the Company’s net asset value, and total guarantees and endorsements provided for a single party should not exceed 30% of the Company’s net asset value. The Company’s endorsements and guarantees provided toward its subsidiaries are not restricted by the above, but should not exceed 150% of the Company’s net asset value. The calculation is shown below:
The net assets based on latest financial report 22,284,920 thousand dollars × 150% ＝ 33,427,380 thousand dollars
The net assets based on latest financial report 22,284,920 thousand dollars × 30% ＝6,685,476 thousand dollars

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 2

Securities held by	Type and name of marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2020				Footnote
				Number of shares or units	Book value	Ownership (%)	Fair value	
Evergreen International Storage and Transport Corporation	Beneficiary certificate							
	Yuanta De- Li Money Market Fund	None	Financial assets at fair value through profit or loss - current	4,576,099.30	$ 75,093	-	$ 75,093	
	FSITC Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	976,522.50	15,041	-	15,041	
	FSITC Money Market Fund	None	Financial assets at fair value through profit or loss - current	445,851.37	80,045	-	80,045	
	Equity securities							
	Evergreen Marine Corp.	Major institutional stockholder of the Company	Financial assets at fair value through other comprehensive income - current	25,254,111	271,482	0.52	271,482	
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - current	48,957,013	548,318	1.01	548,318	
	Central Reinsurance Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	51,228,414	955,410	8.68	955,410	
	Ever Accord Construction Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	9,163,277	100,350	15.27	100,350	
	UNI Airways Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	15,236,188	220,350	4.17	220,350	
	Taiwan Terminal Services Co., Ltd.	Subsidiary of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	1,200,000	3,414	12.00	3,414	
	Universal Venture Fund Inc.	None	Financial assets at fair value through other comprehensive income - non-current	348,909	2,736	2.98	2,736	
Shun An Enterprise Corporation	Evergreen Marine Corp.	Major institutional stockholder of the Company	Financial assets at fair value through other comprehensive income - current	253,000	2,720	0.01	2,720	
Gaining Enterprise S.A.	Greenpen Properties Sdn. Bhd.	None	Financial assets at fair value through other comprehensive income - non-current	950,000	8,391	19.00	8,391	

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of the Company's paid-in capital or more

Six-month period ended June 30, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 3

Purchaser / seller	Counterparty	Relationship with the Counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases/ Sales	Amount	Percentage of total purchases / sales (%)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)(%)	
Evergreen International Storage and Transport Corporation	Evergreen International Corp.	Major institutional stockholder of the Company	Operating revenues	$ 769,509	37.40	30~60 Days	$ -	-	Accounts Receivable $ 149,485	36.55	
	Evergreen Marine Corp.	Major institutional stockholder of the Company	Operating revenues	211,698	10.29	30~60 Days	-	-	Accounts Receivable 17,924	4.38	
Gaining Enterprise S.A.	Evergreen Marine Corp.	Major institutional stockholder of the Company	Operating revenues	488,903	34.07	30 Days	-	-	-	-	
	Evergreen International S.A.	The main stockholder of the major institutional stockholder of the Company	Operating revenues	798,762	55.66	120 Days	-	-	Accounts Receivable 270,125	100.00	

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Receivables from related parties reaching NT$100 million or 20% of the Company's paid-in capital or more

June 30, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 4

Creditor	Counterparty	Relationship with the Company	Balance as at June 30, 2020	Turnover rate (times)	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Evergreen International Storage and Transport Corporation	Evergreen International Corp.	Major institutional stockholder of the Company	$ 149,485	10.05	$ -	-	$ 120,744	$ -
Gaining Enterprise S.A.	Evergreen International S.A.	The main stockholder of the major institutional stockholder of the Company	270,125	4.06	-	-	-	-

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Six-month period ended June 30, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 5

Number (Note 1)	Company name	Counterparty	Relationship with the Company (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Evergreen International Storage and Transport Corporation	Hazel Estate B.V.	1	Investments accounted for using equity method	$ 352,123	Note 4	1.04

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1)Parent company is '0'.
(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1)Parent company to subsidiary.
(2)Subsidiary to parent company.
(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Terms are approximately the same as for general transactions.

Note 5: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Information on investees (not including investees in Mainland China)

Six-month period ended June 30, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 6

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2020			Net income (loss) of the investee during the six-month period ended June 30, 2020	Investment income (loss) recognised by the Company during the six-month period ended June 30, 2020	Footnote
				Balance as at June 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Evergreen International Storage and Transport Corporation	Gaining Enterprise S.A.	Republic of Panama	1.Ship trading, transportation and chartering 2.Operation and investments of container yards 3.Leases and investments of overseas container terminals 4.Marine transportation related business	$ 4,977,435	$ 4,977,435	1,570,000	100.00	$ 11,548,988	$ 196,292	$ 196,292	Subsidiary of the Company (Note 2)
〃	Shun An Enterprise Corp.	Taiwan	Management consulting and employment agency	30,000	30,000	2,500,000	100.00	36,801	1,537	1,537	Subsidiary of the Company (Note 2)
〃	Ever Reward Logistics Corp.	Taiwan	International trading, packing, forwarding agency, storage and warehousing, information administration	22,777	22,777	740,000	30.00	19,823	7,601	2,280	Investee of the Company accounted for using equity method
〃	Taipei Port Container Terminal Corp.	Taiwan	Container distribution and cargo stevedoring	859,742	507,619	86,183,263	16.57	881,046	173,982	26,971	Investee of the Company accounted for using equity method
Gaining Enterprise S.A.	Hazel Investment (Netherlands) N.V.	Curacao	Investments	-	345,346	-	-	-	1,223	856	Indirect subsidiary of the Company (Note 1) (Note 2)
Hazel Investment (Netherlands) N.V.	Hazel Estate B.V.	Netherlands	Investments	-	487,549	-	-	-	1,377	1,377	Indirect subsidiary of the Company (Note 1) (Note 2)

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Information on investees (not including investees in Mainland China)

Six-month period ended June 30, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 6

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of June 30, 2020			Net income (loss) of the investee during the six-month period ended June 30, 2020	Investment income (loss) recognised by the Company during the six-month period ended June 30, 2020	Footnote
				Balance as at June 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Hazel Estate B.V.	Taipei Port Container Terminal Corp.	Taiwan	Container distribution and cargo stevedoring	$ -	$ 506,019	-	-	$ -	$ 173,982	$ 2,876	Investee of the Company’s indirect subsidiary accounted for using equity method
Shun An Enterprise Corporation	United Stevedoring Corp.	Taiwan	Cargo and labor service stevedoring	25,000	25,000	2,500,000	50.00	30,639	3,546	1,773	Investee of the Company’s subsidiary accounted for using equity method

Note 1：Initial investments amount was denominated in foreign currency, and converted to NTD based on spot rate on balance sheet date.

Note 2：The investment is a consolidated entity. The transaction was eliminated when the consolidated financial statements were prepared.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Information on investments in Mainland China- basic information

Six-month period ended June 30, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 7

Investee in Mainland China	Main business activities	Paid-in Capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan during the six-month period ended June 30, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2020	Net income (loss) of the investee during the six-month period ended June 30, 2020	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company during the six-month period ended June 30, 2020 (Note 2)	Book value of investments in Mainland China as of June 30, 2020	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Qingdao Evergreen Container Storage & Transportation Co.,Ltd.	1. Main businesses: Inland container transportation, storage, loading, discharging, repair, cleaning and related activities. 2. Impact on operations of the Company: Increase investment income.	$ 176,817	2	$ -	$ -	$ -	$ -	$ 75,873	15.00	$ 11,373	$ 68,730	$ -	Investment Income (loss) Note 2 (2) B

Name of the company	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2020	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Evergreen International Storage and Transport Corporation	$ -	$ 103,110	$ 13,370,952

Note 1: Investment methods are classified into the following three categories:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.：Gaining Enterprise S.A.

(3) Others.

Note 2: In the ‘Investment income (loss) recognised by the Company for the six-month period ended June 30, 2020’ column:

(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A. The financial statements that are reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B. The financial statements that are reviewed and attested by R.O.C. parent company’s CPA.

C. Others.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Major shareholders information

June 30, 2020

Table 8

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Evergreen Marine Corp.	430,692,189	40.35
Evergreen International Corp.	90,220,968	8.45

Note 1: Information on the above table is based on the calculation provided by the Taiwan Depository & Clearing Corporation for stockholders holding greater than 5% of ordinary shares and special shares who have completed the process of registration and book-entry delivery issued in dematerialized form (including treasury shares) on the last business day of the current quarter. There may be a discrepancy between the number of shares recorded on the Company's consolidated financial statements and its dematerialized securities due to the difference in basis of preparation and calculation.

Note 2: According the above information, the delivery of shares to the trust by shareholders is disclosed by the individual trustee who opened the trust account. In accordance with the Securities Exchange Act, shareholders who acquire more than 10% of shareholding have to disclose their insider ownerships, including their own shares held, delivery to the trust and shares that have the right to make decisions on trust property, etc. Information on insider ownership declaration is available at the Market Observation Post System website of the Taiwan Stock Exchange.