



U-MING MARINE TRANSPORT CORP.

2015 Annual Meeting of Shareholders

Date: Wednesday, 10 June 2015

Time: 9:00 a.m. Taipei time

Place: Taipei Hero House's Auditorium (No. 20, Changsha Street, Section 1, Taipei, Taiwan)

Total number of outstanding shares: 858,016,712 shares (100%)

Total shares represented by presence of shareholders: 555,602,979 shares (64.75%)

Attendee Directors: Douglas Tong Hsu, Chang Tsai-Hsiung, Lee Kun-Yen,
Ong Choo Kiat

Attendee Supervisors: Shao Ruey-Huey, Chang Ze-Peng, Peter Hsu

Chairman: Mr. Douglas Tong Hsu, Chairman of the Board of Directors

Recorder: Mr. Simon Peng

Important Resolutions

I. Matters To Be Reported

1. 2014 Business Report
2. 2014 Financial Statements
3. Supervisors' Review Report on 2014 Business and Financial Statements

II. Matters To Be Ratified

1. The 2014 Business Report and Financial Statements

Explanation :

- (1) The supervisor's review report is hereby issued after reviewing the 2014 financial statements (including the business report and the independent auditor's report issued by CPA Shih,Ching-Pin and CAP Li,Chen-Ming of Deloitte & Touche; please refer to Handbook for the 2015 Annual Meeting of Shareholders Page 2~21) without any nonconformity identified.
- (2) Please approve.

Resolved that:

Shareholders who are present represented 555,602,979 votes in total (including electronic votes). 506,308,513 votes (including electronic votes) ratify the motion, accounting to 91.13% of total votes ; 29,209 votes (including electronic votes) against the motion ; 47,581,527 votes (including electronic votes) abstained. The motion is ratified.

2. The Proposal for Distribution of 2014 Profits and Retained Earnings (Cash Dividend NT\$2.2 per share)

Explanatory Notes :

(1) Pursuant to Article 27 of the Articles of Incorporation. Company's 2014 appropriation proposal is as follows:

(1) Calculation of the 2014 earnings available for distribution	Unit: NT\$
The 2014 Net income	2,083,117,326
Less: 10% legal reserve appropriated	208,311,733
Add: Prior years special reserve reversed	858,397,387
Add: Unappropriated Retained earnings of previous year	7,873,431,556
Less: Change from investments in associates and joint ventures accounted for by using equity method	11,235,576
Add: 2014 Actuarial gain (loss) arising from defined benefit plans	41,660,736
Earnings available for distribution	10,637,059,696
Less: Earnings reserved for business needs	8,749,422,930
2014 earning distribution	1,887,636,766

(2) The 2014 earnings distribution as follows:

(a) Dividend	1,155,695,979
(b) Shareholder's bonus	731,940,787
Total (cash dividend NT\$2.2 per share)	1,887,636,766

Note: Employee bonus for an amount of NT\$19,261,600 and remuneration to directors and supervisors for an amount of NT\$19,261,600.

(2) When computing the shareholder tax credit in accordance with Article 66-6 of the Income Tax Act, the earnings of 1998 and thereafter is to be distributed with top priority. When computing the unappropriated

earnings with additional 10% business income tax levied in accordance with Article 66-9 of the Income Tax Act, the earnings of the most recent year should be distributed with top priority according to the itemized identification method.

- (3) The distribution of earnings is calculated to the dollar (round up to the dollar). The total amount of the odd shares will be booked as the other income of the Company. It is proposed that the Board authorized the Chairman to fix the record date of ex-cash dividend after the approved by the year 2015 annual shareholder's meeting.
- (4) This proposal was resolved in the 9th board meeting of the 16th term on March 18, 2015.
- (5) Please approve.

Resolved that:

Shareholders who are present represented 555,602,979 votes in total (including electronic votes). 507,068,583 votes (including electronic votes) ratify the motion, accounting to 91.26% of total votes ; 37,868 votes (including electronic votes) against the motion ; 46,852,798votes (including electronic votes) abstained. The motion is ratified.

III. Matters To Be Discussed

1. To approve the revisions of the “Articles of Incorporation”

Explanatory Notes:

- (1) Proposed to have Article 16 and Article 29 of the Company's “Articles of Incorporation” amended. Please refer to the Article Amendments Table attached.
- (2) Article 16 of the Articles of Incorporation regarding independent directors is applicable for the election of the Board members in 2016.
- (3) The proposal is hereby presented for referendum.

Resolved that:

Shareholders who are present represented 555,602,979 votes in total (including electronic votes). 507,029,047 votes (including electronic votes) ratify the motion, accounting to 91.26% of total votes ; 33,475 votes

(including electronic votes) against the motion ; 46,856,727votes (including electronic votes) abstained. The motion is ratified.

2. To approve the amendment to the “Rules of directors and supervisors Election”

Explanatory Notes:

- (1) Proposed to have Article 3 and Article 6 of the Company’s “Rules for the Election of Directors and Supervisors” amended. Please refer to the Article Amendments Table attached.
- (2) This proposal was resolved in the 9th board meeting of the 16th term on March 18, 2015.
- (3) The proposal is hereby presented for referendum.

Resolved that:

Shareholders who are present represented 555,602,979 votes in total (including electronic votes). 507,029,047 votes (including electronic votes) ratify the motion, accounting to 91.26% of total votes ; 37,454 votes (including electronic votes) against the motion ; 46,856,748votes (including electronic votes) abstained. The motion is ratified.

3. To approve the amendment to the company bylaws on “Procedures for the Acquisition and Disposal of Assets”

Explanatory Notes:

- (1) Proposed to have the Company’s “Procedures for the acquisition and disposal of assets” amended in response to the Company’s actual operations. Please refer to the Article Amendments Table attached.
- (2) This proposal was resolved in the 9th board meeting of the 16th term on March 18, 2015.
- (3) The proposal is hereby presented for referendum.

Resolved that:

Shareholders who are present represented 555,602,979 votes in total

(including electronic votes). 507,022,500 votes (including electronic votes) ratify the motion, accounting to 91.26% of total votes ; 38,022 votes (including electronic votes) against the motion ; 46,858,727votes (including electronic votes) abstained. The motion is ratified.

4. To approve the amendment to the company bylaws on “Procedures for Lending of Capital to Others”

Explanatory Notes:

- (1) Proposed to have the Company’s “Procedures for Lending of Capital to Others” amended in response to the Company’s actual operations. Please refer to the Article Amendments Table attached.
- (2) This proposal was resolved in the 9th board meeting of the 16th term on March 18, 2015.
- (3) The proposal is hereby presented for referendum.

Resolved that:

Shareholders who are present represented 555,602,979 votes in total (including electronic votes). 507,011,429 votes (including electronic votes) ratify the motion, accounting to 91.25% of total votes ; 39,022 votes (including electronic votes) against the motion ; 46,868,798votes (including electronic votes) abstained. The motion is ratified.

5. Release from the non-competition restriction on directors in accordance with Article 209 of the Company Law.

Explanatory Notes:

- (1) It is to be handled in accordance with Article 209 Paragraph 1 of the Company Act “Directors act on behalf of themselves or others within the business scope of the Company shall explain the material contents of their behavior in the shareholders’ meeting for approval.”
- (2) Mr. Jeff Hsu, the director of the Company, is also the director of Taiwan Global Energy Maritime Co., Ltd., therefore, a proposal is to be presented in the shareholders’ meeting to have the non-compete clause lifted in accordance with Article 209 of the Company Act.
- (3) This proposal was resolved in the 7th board meeting of the 16th term on

August 11, 2014.

(4) The proposal is hereby presented for referendum.

Resolved that:

Shareholders who are present represented 555,602,979 votes in total (including electronic votes). 473,293,299 votes (including electronic votes) ratify the motion, accounting to 85.19% of total votes ; 5,923,164 votes (including electronic votes) against the motion ; 74,702,786votes (including electronic votes) abstained. The motion is ratified.

IV. Extempore Motion: None

V. Motion to Adjourn

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

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

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U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

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

(Concluded)

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

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

U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

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

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U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

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

(Concluded)

U-MING MARINE TRANSPORT CORPORATION

BALANCE SHEETS

DECEMBER 31, 2014 AND 2013

(In Thousands of New Taiwan Dollars)

ASSETS	2014		2013	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 18,154	-	\$ 105,775	-
Financial assets at fair value through profit or loss - current	729,131	1	50,612	-
Available-for-sale financial assets - current	1,770,751	3	1,933,975	4
Trade receivables from unrelated parties	17,019	-	23,286	-
Trade receivables from related parties	97,961	-	152,209	-
Other receivables	29,579	-	32,384	-
Fuel inventory	50,815	-	37,726	-
Other current assets	74,101	-	48,280	-
Total current assets	<u>2,787,511</u>	<u>4</u>	<u>2,384,247</u>	<u>4</u>
NON-CURRENT ASSETS				
Financial assets measured at cost - non-current	892,943	1	344,296	1
Investments accounted for using equity method	1,173,015	93	53,119,939	94
Property, plant and equipment	25,972,794	2	425,986	1
Deferred tax assets	138,709	-	49,624	-
Refundable deposits	33,684	-	32,683	-
Total non-current assets	<u>59,254,549</u>	<u>96</u>	<u>24,600,575</u>	<u>96</u>
TOTAL	<u>\$ 62,042,060</u>	<u>100</u>	<u>\$ 56,356,775</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 6,180,000	10	\$ 5,440,000	10
Short-term bills payable	2,139,086	3	2,138,569	4
Financial liabilities at fair value through profit or loss - current	-	-	23,136	-
Trade payables	38,325	-	24,531	-
Other payables from unrelated parties	436,933	1	365,471	1
Other payables from related parties	14,564,258	23	13,715,331	24
Current tax liabilities	508,922	1	202,187	-
Current portion of long-term borrowings	1,000,000	2	-	-
Other current liabilities	18,689	-	101,830	-
Total current liabilities	<u>24,886,213</u>	<u>40</u>	<u>22,011,055</u>	<u>39</u>
NON-CURRENT LIABILITIES				
Bonds payable	1,992,136	3	1,991,852	4
Bank loans	6,074,288	10	6,059,714	11
Deferred tax liabilities	553,640	1	513,423	1
Deferred revenue - non-current	877	-	1,235	-
Accrued pension liabilities	243,355	-	277,598	-
Total non-current liabilities	<u>8,864,296</u>	<u>14</u>	<u>8,843,822</u>	<u>16</u>
Total liabilities	<u>33,750,509</u>	<u>54</u>	<u>30,854,877</u>	<u>55</u>
EQUITY				
Common share capital	8,580,167	14	8,580,167	15
Capital surplus	225,368	-	225,384	-
Retained earnings				
Legal reserve	6,769,696	11	6,613,006	12
Special reserve	1,195,583	2	3,553,170	6
Unappropriated earnings	9,986,974	16	7,388,568	13
Total retained earnings	<u>17,952,253</u>	<u>29</u>	<u>17,554,744</u>	<u>31</u>
Other equity	1,533,763	3	(858,397)	(1)
Total equity	<u>28,291,551</u>	<u>46</u>	<u>25,501,898</u>	<u>45</u>
TOTAL	<u>\$ 62,042,060</u>	<u>100</u>	<u>\$ 56,356,775</u>	<u>100</u>

U-MING MARINE TRANSPORT CORPORATION

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

	2014		2013	
	Amount	%	Amount	%
FREIGHT REVENUE	\$ 1,251,285	100	\$ 1,486,971	100
FREIGHT COST	<u>1,139,291</u>	<u>91</u>	<u>1,310,922</u>	<u>88</u>
GROSS PROFIT	111,994	9	176,049	12
OPERATING EXPENSES	<u>233,644</u>	<u>19</u>	<u>214,434</u>	<u>15</u>
LOSS FROM OPERATIONS	(<u>121,650</u>)	(<u>10</u>)	(<u>38,385</u>)	(<u>3</u>)
NON-OPERATING INCOME AND EXPENSES				
Share of the profit or loss of associates and joint ventures	2,228,556	178	1,609,553	108
Net loss on foreign currency exchange	(877,893)	(70)	(343,751)	(23)
Valuation gain on financial instruments, net	701,655	56	237,702	16
Dividend income	315,922	25	161,881	11
Gain on sale of investment, net	305,236	24	154,101	11
Financial costs	(275,214)	(22)	(266,466)	(18)
Gain on disposal of properties, plant and equipment	35,149	3	48,381	3
Interest income	499	-	304	-
Other income	33,994	3	33,835	2
Other gains and losses	(<u>5,274</u>)	<u>-</u>	(<u>843</u>)	<u>-</u>
Total non-operating income and expenses	<u>2,462,630</u>	<u>197</u>	<u>1,634,697</u>	<u>110</u>
PROFIT BEFORE INCOME TAX	2,340,980	187	1,596,312	107
INCOME TAX EXPENSE	<u>257,863</u>	<u>21</u>	<u>29,403</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>2,083,117</u>	<u>166</u>	<u>1,566,909</u>	<u>105</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences on translating foreign operations	2,981,330	238	1,201,825	81
Unrealized (loss) gain on available-for-sale financial assets	(163,224)	(13)	146,476	10
Actuarial gain (loss) arising from defined benefit plans	(3,043)	-	47	-
Share of the other comprehensive income (loss) of associates and joint ventures	(<u>381,242</u>)	(<u>30</u>)	<u>333,182</u>	<u>22</u>
Other comprehensive income for the year, net of income tax	<u>2,433,821</u>	<u>195</u>	<u>1,681,530</u>	<u>113</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,516,938</u>	<u>361</u>	<u>\$ 3,248,439</u>	<u>218</u>
EARNINGS PER SHARE				
Basic	<u>\$ 2.43</u>		<u>\$ 1.83</u>	
Diluted	<u>\$ 2.43</u>		<u>\$ 1.82</u>	

U-MING MARINE TRANSPORT CORPORATION

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

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

U-MING MARINE TRANSPORT CORPORATION

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

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,340,980	\$ 1,596,312
Adjustments for:		
Share of the profit of associates and joint ventures	(2,228,556)	(1,609,553)
Unrealized loss on foreign currency exchange	846,959	328,383
Dividend income	(315,922)	(161,881)
Finance costs	275,214	266,466
Depreciation expenses	141,024	155,057
Gain on disposal of property, plant and equipment, net	(35,149)	(48,381)
Interest income	(499)	(304)
Changes in operating assets and liabilities		
Financial assets held for trading	(678,519)	(50,612)
Trade receivables	60,515	(47,976)
Other receivables	2,627	(8,199)
Fuel inventory	(13,089)	23,882
Other current assets	(37,339)	(19,673)
Financial liabilities held for trading	(23,136)	(187,090)
Trade payables	13,794	(1,118)
Other payables	70,993	(33,389)
Other current liabilities	(83,141)	72,689
Accrued pension liabilities	(<u>37,286</u>)	(<u>17,279</u>)
Cash generated from operations	299,470	257,334
Interest received	677	99
Dividends received	315,922	161,881
Interest paid	(262,681)	(256,028)
Income tax paid	(<u>31</u>)	(<u>59,187</u>)
Net cash generated from operating activities	<u>353,357</u>	<u>104,099</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received from associates	1,086,975	822,695
Increase in prepayment for equipment	(1,042,441)	-
Acquisition of associates	(553,400)	-
Proceeds from disposal of property, plant and equipment	162,624	231,219
Purchase of property, plant and equipment	(134,517)	(63,178)
(Increase) decrease in refundable deposits	(<u>1,001</u>)	<u>1,257</u>
Net cash used in investing activities	(<u>481,760</u>)	<u>991,993</u>

(Continued)

U-MING MARINE TRANSPORT CORPORATION

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

	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	3,629,574	1,959,978
Repayments of long-term borrowings	(2,335,000)	(3,150,000)
Dividends paid to owners of the Company	(1,716,050)	(2,145,046)
Proceeds from short-term borrowings	460,000	1,190,000
Proceeds from short-term bills payable	517	210,088
Increase in other payables from related parties	<u>-</u>	<u>894,150</u>
Net cash generated from financing activities	<u>39,041</u>	<u>(1,040,830)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,741</u>	<u>567</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(87,621)	55,829
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>105,775</u>	<u>49,946</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 18,154</u>	<u>\$ 105,775</u>

(Concluded)

Amendments Table of “Articles of Incorporation”

No.	After amendment	Before amendment	Remark
Article 16	<p>The Company has <u>9~13 directors</u> and 3 supervisors who are competent shareholders elected in the shareholders’ meeting. The total order shares of the Company held by all directors and supervisors are to be processed in accordance with the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.”</p> <p><u>The number of directors referred to above shall include at least two independent directors that is not less than one fifth of the board of directors.</u></p> <p><u>Directors and supervisors are elected among the shareholders by nomination system in accordance with Article 192-1 of the Company Act. Votes casted for the election of independent directors, non-independent directors, and supervisors are counted and elected separately.</u></p>	<p>The Company has <u>9 directors</u> and 3 supervisors who are competent shareholders elected in the shareholders’ meeting. The total order shares of the Company held by all directors and supervisors are to be processed in accordance with the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.”</p>	<p>The number of directors is amended for the sake of maintaining flexibility for future growth with independent directors appointed. The requirement of Paragraph 2 is added.</p> <p>In response to the implementation of electronic voting, the Company’s election of directors and supervisors is to be processed in accordance with the nomination system. The requirement of Paragraph 3 is added.</p>
Article 29	<p>The Company’s Articles of Incorporation was stipulated on June 22, 1968 and was in effect after the resolution reached in the general shareholders’ meeting and the approval of the competent authorities received. The amendments of the Articles of Incorporation will be in effect after being resolved in the shareholders’ meeting.</p> <p>Omitted. The 45th amendment was completed on June 10, 2015.</p>	<p>The Company’s Articles of Incorporation was stipulated on June 22, 1968 and was in effect after the resolution reached in the general shareholders’ meeting and the approval of the competent authorities received. The amendments of the Articles of Incorporation will be in effect after being resolved in the shareholders’ meeting.</p> <p>Omitted. The 44th amendment was completed on June 14, 2012.</p>	<p>The date of the current amendment made is stated accordingly.</p>