

## ■ Yang Ming reiterates its financial recovery plan

23 January, 2017

Dear Valued Customers:

This advisory will update you further on Yang Ming's most recent efforts to maintain competitiveness in the market.

Since the announcement of the Taiwanese government's massive US\$ 1.9 billion assistance program for the country's shipping industry, Yang Ming has been proceeding with its own plans to improve on its competitiveness. Led by its management team, Yang Ming has instituted a recapitalization plan aimed to provide immediate benefits to its balance sheets and improve on its liquidity.

In a December 22, 2016 shareholders' meeting, the shareholders voted to approve a stock consolidation plan. This move was designed to pare down accumulated loss. Additionally, it was announced at the meeting that Yang Ming would receive injection of fresh capital from new investors. The first stage of this injection of capital will be from various government and private entities, including banks and financial institutions. Yang Ming will issue new stock to these investors, and with the new capital Yang Ming expects immediate benefits to its balance sheets. With this strong showing of government support, it is also expected to help enhance additional private sector investment in Yang Ming.

It is also anticipated that the recapitalization plan will result in a larger percentage of government owned and controlled interest in Yang Ming, well beyond the current approximate 33.3% held by the Ministry of Transportation and Communications of Taiwan ["MOTC"].

The management team of Yang Ming management has been instrumental in crafting and putting the recapitalization plan in motion. Yang Ming's largest shareholder [MOTC] has also been a strong supporter of the recapitalization plan. The MOTC has been a solid advocate of the recapitalization plan and of Yang Ming before the Taiwanese Congress.

As we head into the new year, Yang Ming assures its customers that it will remain absolutely committed to finding solutions to stay competitive in the industry. While the predictions for 2017 appear to show some improvements for carriers, Yang Ming remains prepared to take any measure necessary to maintain its competitiveness, without sacrificing its dedication to its customers. Yang Ming will continue to take a conservative approach in its actions, but Yang Ming is fully aware of and prepared to exercise on its option to draw on the US\$ 1.9 billion in government-backed funding should circumstances in the market arise requiring for such assistance.

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Customers and vendors can rest assured that Yang Ming is not in default of any obligations and any suggestions otherwise are patently false. As it has been repeated in early advisories, Yang Ming has never approached its creditors with any demands to restructure any part of its debt, and Yang Ming does not have any intentions to do so going forward. Yang Ming has never failed to deliver in difficult times, even in the wake of the largest carrier bankruptcy.

To our valued customer, we sincerely thank you for continued support. Yang Ming remains dedicated to ensure that the delivery of your shipment is guaranteed.

Thanks and best regards,

Yang Ming Marine Transport Corp.