

■ Customer Advisory-Yang Ming Financial Status Update

24 April, 2017

Dear Valued Customers:

At this juncture in our industry, Yang Ming understands our customers expect carriers to provide not only dependable service, but also a sense of assurance. While Yang Ming also understands our customers have access to opinions and news from a variety of 3rd party sources, we hope our customers will appreciate and continue to rely on our candidness and transparency for the complete facts.

On this occasion, Yang Ming wants to make clear certain developments in our recapitalization plan.

In compliance with the regulations of the Taiwan Stock Exchange and subject to the exchange's pre-approval, Yang Ming has voluntarily suspended the trading of its stock on the exchange from April 20th to May 3rd. This brief pause in trading is a necessary step taken in furtherance of and consistent with Yang Ming's recapitalization plan which was announced in early 2017. For the avoidance of doubt, the suspension is simply a standard procedure that is routinely carried out in the Taiwan Stock Exchange when a company implements a recapitalization as in the case of Yang Ming.

Our recapitalization plan will initially allow Yang Ming to reduce its equity capital, after which infusion of new capital is then obtained from various private and public investors. At the appropriate time, we will also announce the identities of those new investors. During the pause, Yang Ming's outstanding issued shares will be reduced to an approximate 1.4 billion shares, with a new share value anticipated to be about two times the share price prior to April 19th. The recapitalization plan is one of several components of Yang Ming's comprehensive plan to improve the company's financial structure.

Other components of Yang Ming's plan include measures to improve the company's operational efficiency and reduce its cost. Greater emphasis is being placed on increasing the proportion of higher-revenue cargoes. In addition, Yang Ming has effectively revamped its operational flowchart and optimized its financial structure and management. Recent improvements in the shipping sector, along with increased cargo volumes, have helped Yang Ming minimize its business loss for the 4th quarter of 2016 to NTD 1.88 billion (US\$62 million), which is a sharp reduction from its loss in the previous quarter. We remain optimistic for continued improvements into the 1st quarter of 2017.

Through our Customer Advisories, Yang Ming has been transparent in providing our customers with straightforward information about our comprehensive plan to maintain competitiveness. Yang Ming has presented our customers with the details of our recapitalization plans, such as the identities of our recent investors, an update on the level of public investment in our company, and the access Yang Ming has to

NOTICE



■ Customer Advisory-Yang Ming Financial Status Update

24 April, 2017

government-backed funding of US\$1.9 billion.

When customers book their shipments with Yang Ming, we are proud that they have put their trust in us. We are privileged and committed to guarantee the delivery of your shipment.

Thanks and best regards,

Yang Ming Marine Transport Corp.