

**CHINESE MARITIME TRANSPORT LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2022 and 2021 (Restated)**

Address: 4F., NO15, Sec. 1, Jinan Rd., Taipei City, Taiwan (R.O.C)
Telephone: (02)2396-3282

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~9
(4) Summary of significant accounting policies	10~13
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	13
(6) Explanation of significant accounts	13~39
(7) Related-party transactions	40~41
(8) Pledged assets	42
(9) Commitments and contingencies	42~43
(10) Losses Due to Major Disasters	43
(11) Subsequent Events	43
(12) Other	43~46
(13) Other disclosures	
(a) Information on significant transactions	47~50
(b) Information on investees	50~51
(c) Information on investment in mainland China	51
(d) Major shareholders	51
(14) Segment information	52



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web home.kpmg/tw

Independent Auditors' Review Report

To the Board of Directors of
CHINESE MARITIME TRANSPORT LTD.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Chinese Maritime Transport Ltd. and its subsidiaries as of March 31, 2022 and 2021 (restated), and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2022 and 2021 (restated), and notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the 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 conducted in accordance with the generally accepted auditing standards 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 stated in Note (4)(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$1,740,055 thousand and \$1,838,216 thousand, constituting 8.74% and 9.93% of the consolidated total assets; and the total liabilities amounting to \$599,902 thousand and \$648,149 thousand, constituting 6.47% and 7.69% of the consolidated total liabilities as of March 31, 2022 and 2021, respectively; as well as the total comprehensive income amounting to \$18,448 thousand and \$21,693 thousand, constituting 2.47% and 1.65% of the absolute value of the consolidated total comprehensive income for the three months ended March 31, 2022 and 2021, respectively.

Furthermore, as stated in Note (6)(e), the other equity accounted investments of Chinese Maritime Transport Ltd. and its subsidiaries in its investee companies of \$609,213 thousand and \$612,640 thousand as of March 31, 2022 and 2021, respectively, and its equity in net earnings on these investee companies of \$1,557 thousand and \$5,824 thousand for the three months ended March 31, 2022 and 2021, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, 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 Chinese Maritime Transport Ltd. and its subsidiaries as of March 31, 2022 and 2021 (restated), and of its consolidated financial performance and consolidated cash flows for the three months ended March 31, 2022 and 2021 (restated) in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

As stated in Note (12)(c)1, Chinese Maritime Transport Ltd. and its subsidiaries reassessed the timing of dividend income recognized in accordance with IFRS 9, and recognized dividends appropriated from investee company, therefore, restated the consolidated financial statements for the three months ended March 31, 2022. Our conclusion is not modified in respect of this matter.

The engagement partners on the reviews resulting in this independent auditors’ review report are Yiu-Kwan Au and Szu-Chuan Chien.

KPMG

Taipei, Taiwan (Republic of China)
May 10, 2022

Notes to Readers

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

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with the generally accepted auditing standards as of March 31, 2022 and 2021

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2022, December 31 and March 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets	March 31, 2022 (Restated)		December 31, 2021		March 31, 2021 (Restated)		Liabilities and Equity	March 31, 2022 (Restated)		December 31, 2021		March 31, 2021 (Restated)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets:							Current liabilities:						
1100 Cash and cash equivalents (note (6)(a))	\$ 3,554,713	18	3,057,048	16	3,131,637	17	2100 Short-term borrowings (note (6)(j))	\$ 1,209,690	6	1,459,781	8	1,389,752	8
1110 Current financial assets at fair value through profit or loss (notes (6)(b) and (8))	478,094	2	480,371	3	834,028	4	2130 Current contract liabilities (note (6)(q))	47,277	-	55,217	-	16,093	-
1150 Notes and accounts receivable, net (note (6)(d))	321,661	2	331,386	2	310,972	2	2150 Notes and accounts payable	200,387	1	240,068	1	171,333	1
1180 Accounts receivable due from related parties, net (notes (6)(d) and (7))	10,333	-	14,680	-	6,698	-	2200 Other payables	111,229	1	151,102	1	95,237	1
1470 Other current assets	84,722	-	88,003	-	71,763	-	2216 Dividends payable	529,259	3	-	-	-	-
1476 Other current financial assets (notes (6)(i), (8) and (12))	376,892	2	437,150	2	283,154	2	2230 Current tax liabilities	71,364	-	35,571	-	15,583	-
	<u>4,826,415</u>	<u>24</u>	<u>4,408,638</u>	<u>23</u>	<u>4,638,252</u>	<u>25</u>	2280 Current lease liabilities (note (6)(k))	49,161	-	51,286	-	42,067	-
							2300 Other current liabilities	97,151	-	2,608	-	2,681	-
							2320 Long-term liabilities, current portion (note (6)(j))	<u>1,228,253</u>	<u>7</u>	<u>1,225,824</u>	<u>7</u>	<u>622,021</u>	<u>3</u>
Non-current assets:								<u>3,543,771</u>	<u>18</u>	<u>3,221,457</u>	<u>17</u>	<u>2,354,767</u>	<u>13</u>
1510 Non-current financial assets at fair value through profit or loss (notes (6)(b) and (8))	308,943	2	686,613	4	253,822	2	Non-Current liabilities:						
1517 Non-current financial assets at fair value through other comprehensive income (notes (6)(c) and (8))	1,002,473	5	776,107	4	619,333	4	2530 Bonds payable (note (6)(j))	2,500,000	13	2,500,000	13	2,900,000	16
1550 Investments accounted for using equity method, net (note (6)(e))	609,213	3	587,583	3	612,640	3	2540 Long-term borrowings (note (6)(j))	2,445,661	12	2,118,890	11	2,407,571	13
1600 Property, plant and equipment (notes (6)(f) and (8))	12,812,898	65	12,261,063	65	12,070,627	65	2570 Deferred tax liabilities	606,789	3	606,789	3	606,529	3
1755 Right-of-use assets (note (6)(g))	202,837	1	215,315	1	175,459	1	2580 Non-current lease liabilities (note (6)(k))	148,026	1	169,285	1	127,114	1
1760 Investment property, net (note (6)(h))	34,200	-	33,849	-	34,639	-	2640 Net defined benefit liabilities, non-current	25,893	-	30,714	-	27,983	-
1780 Intangible assets	7,481	-	8,381	-	10,444	-	2670 Other non-current liabilities, others	3,487	-	3,179	-	1,017	-
1840 Deferred tax assets	13,646	-	13,646	-	17,354	-		<u>5,729,856</u>	<u>29</u>	<u>5,428,857</u>	<u>28</u>	<u>6,070,214</u>	<u>33</u>
1900 Other non-current assets	79,852	-	64,755	-	62,045	-	Total liabilities	<u>9,273,627</u>	<u>47</u>	<u>8,650,314</u>	<u>45</u>	<u>8,424,981</u>	<u>46</u>
1980 Other non-current financial assets (notes (6)(i) and (8))	22,480	-	22,461	-	18,635	-	Equity attributable to owners of parent (notes (6)(o) and (12)):						
	<u>15,094,023</u>	<u>76</u>	<u>14,669,773</u>	<u>77</u>	<u>13,874,998</u>	<u>75</u>	3100 Common stock	1,974,846	10	1,974,846	10	1,974,846	11
							3200 Capital surplus	53,411	-	53,411	-	53,411	-
							Retained earnings:						
							3310 Legal reserve	1,779,756	9	1,779,756	10	1,747,570	9
							3320 Special reserve	883,992	5	883,992	5	535,690	3
							3350 Unappropriated retained earnings	<u>6,310,304</u>	<u>31</u>	<u>6,653,375</u>	<u>35</u>	<u>6,533,570</u>	<u>35</u>
								<u>8,974,052</u>	<u>45</u>	<u>9,317,123</u>	<u>50</u>	<u>8,816,830</u>	<u>47</u>
							3400 Other equity interest	(371,078)	(2)	(934,768)	(5)	(810,159)	(4)
							Total equity attributable to owners of parent	<u>10,631,231</u>	<u>53</u>	<u>10,410,612</u>	<u>55</u>	<u>10,034,928</u>	<u>54</u>
							35XX Equity attributable to predecessors' interests under common control	-	-	-	-	30,481	-
							3610 Non-controlling interests	15,580	-	17,485	-	22,860	-
							Total equity	<u>10,646,811</u>	<u>53</u>	<u>10,428,097</u>	<u>55</u>	<u>10,088,269</u>	<u>54</u>
Total assets	<u>\$ 19,920,438</u>	<u>100</u>	<u>19,078,411</u>	<u>100</u>	<u>18,513,250</u>	<u>100</u>	Total liabilities and equity	<u>\$ 19,920,438</u>	<u>100</u>	<u>19,078,411</u>	<u>100</u>	<u>18,513,250</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
**REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING
STANDARDS**

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except earnings per share)

		For the three months ended March 31			
		2022 (Restated)		2021 (Restated)	
		Amount	%	Amount	%
4000	Operating Revenues (notes (6)(q), (7) and (14))				
4621	Freight revenue-vessel chartering	\$ 565,933	56	377,464	48
4622	Freight revenue-container hauling and logistics	424,100	42	407,410	51
4623	Freight revenue-airline agent and others	<u>16,642</u>	<u>2</u>	<u>8,433</u>	<u>1</u>
		<u>1,006,675</u>	<u>100</u>	<u>793,307</u>	<u>100</u>
5000	Operating costs (notes (6) (m), (s) and (12))				
5621	Freight cost-vessel chartering	368,905	37	312,282	39
5622	Freight cost-container hauling and logistics	338,287	33	339,850	43
5623	Freight cost-airline agent and others	<u>16,615</u>	<u>2</u>	<u>7,079</u>	<u>1</u>
		<u>723,807</u>	<u>72</u>	<u>659,211</u>	<u>83</u>
5900	Gross profit	<u>282,868</u>	<u>28</u>	<u>134,096</u>	<u>17</u>
	Operating expenses:				
6000	Operating expenses (notes (6)(m), (s), (7) and (12))	116,320	11	102,546	13
6450	Expected credit losses (reversal gains) (note (6)(d))	<u>9</u>	<u>-</u>	<u>(78)</u>	<u>-</u>
		<u>116,329</u>	<u>11</u>	<u>102,468</u>	<u>13</u>
6900	Net operating income	<u>166,539</u>	<u>17</u>	<u>31,628</u>	<u>4</u>
	Non-operating income and expenses:				
7010	Other income (notes (6)(c), (l) and (12))	53,933	6	9,256	1
7050	Finance costs (note (6)(r))	(24,429)	(2)	(30,117)	(4)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (note (6)(e))	1,557	-	5,824	1
7100	Interest income	1,338	-	4,314	1
7210	Gains on disposals of property, plant and equipment, net (note (6)(f))	127	-	91	-
7230	Foreign exchange gains (losses), net	215	-	(6,724)	(1)
7235	Gains on financial assets at fair value through profit or loss (note (6)(b))	21,002	1	207,075	26
7590	Miscellaneous disbursements	<u>(36)</u>	<u>-</u>	<u>(99)</u>	<u>-</u>
		<u>53,707</u>	<u>5</u>	<u>189,620</u>	<u>24</u>
7900	Profit from continuing operation before tax	220,246	22	221,248	28
7950	Less: Income tax expenses (note (6)(n))	<u>35,963</u>	<u>4</u>	<u>4,784</u>	<u>1</u>
	Profit	<u>184,283</u>	<u>18</u>	<u>216,464</u>	<u>27</u>
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note (6)(c))	226,366	22	(74,188)	(9)
	Total other comprehensive income that may not be reclassified to profit or loss	<u>226,366</u>	<u>22</u>	<u>(74,188)</u>	<u>(9)</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation	317,251	32	137,302	17
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, items that may be reclassified to profit or loss	<u>20,073</u>	<u>2</u>	<u>1,195</u>	<u>-</u>
	Total other comprehensive income that may be reclassified subsequently to profit or loss	<u>337,324</u>	<u>34</u>	<u>138,497</u>	<u>17</u>
8300	Other comprehensive income	<u>563,690</u>	<u>56</u>	<u>64,309</u>	<u>8</u>
	Total comprehensive income	<u>\$ 747,973</u>	<u>74</u>	<u>280,773</u>	<u>35</u>
	Profit, attributable to:				
	Owners of parent	\$ 186,188	18	220,685	27
	Predecessors' interests under common control	-	-	(2,412)	-
	Non-controlling interests	<u>(1,905)</u>	<u>-</u>	<u>(1,809)</u>	<u>-</u>
		<u>\$ 184,283</u>	<u>18</u>	<u>216,464</u>	<u>27</u>
	Comprehensive income attributable to:				
	Owners of parent	\$ 749,878	74	284,994	35
	Predecessors' interests under common control	-	-	(2,412)	-
	Non-controlling interests	<u>(1,905)</u>	<u>-</u>	<u>(1,809)</u>	<u>-</u>
		<u>\$ 747,973</u>	<u>74</u>	<u>280,773</u>	<u>35</u>
	Earnings per share (note (6)(p) and (12))				
9750	Basic net income per share (NT dollars)	<u>\$ 0.94</u>		<u>1.12</u>	
9850	Diluted net income per share (NT dollars)	<u>\$ 0.94</u>		<u>1.12</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Total other equity interest						
	Share capital		Retained earnings				Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Equity attributable to predecessors' interests under common control	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total							
Balance at January 1, 2021 (Restated)	\$ 1,974,846	53,411	1,747,570	535,690	6,322,409	8,605,669	(1,154,720)	270,728	(883,992)	9,749,934	-	-	9,749,934
Retrospective adjustment of equity attributable to predecessors' interests under common control	-	-	-	-	-	-	-	-	-	-	32,893	24,669	57,562
Adjusted balance at January 1, 2021 (Restated)	1,974,846	53,411	1,747,570	535,690	6,322,409	8,605,669	(1,154,720)	270,728	(883,992)	9,749,934	32,893	24,669	9,807,496
Net income for the three months ended March 31, 2021	-	-	-	-	220,685	220,685	-	-	-	220,685	(2,412)	(1,809)	216,464
Other comprehensive income for the three months ended March 31, 2021	-	-	-	-	(9,524)	(9,524)	138,497	(64,664)	73,833	64,309	-	-	64,309
Total comprehensive income for the three months ended March 31, 2021	-	-	-	-	211,161	211,161	138,497	(64,664)	73,833	284,994	(2,412)	(1,809)	280,773
Balance at March 31, 2021 (Restated)	\$ 1,974,846	53,411	1,747,570	535,690	6,533,570	8,816,830	(1,016,223)	206,064	(810,159)	10,034,928	30,481	22,860	10,088,269
Balance at January 1, 2022	\$ 1,974,846	53,411	1,779,756	883,992	6,653,375	9,317,123	(1,308,389)	373,621	(934,768)	10,410,612	-	17,485	10,428,097
Net income for the three months ended March 31, 2022 (Restated)	-	-	-	-	186,188	186,188	-	-	-	186,188	-	(1,905)	184,283
Other comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	-	337,324	226,366	563,690	563,690	-	-	563,690
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	186,188	186,188	337,324	226,366	563,690	749,878	-	(1,905)	747,973
Appropriation and distribution of retained earnings:													
Cash dividends of ordinary share	-	-	-	-	(529,259)	(529,259)	-	-	-	(529,259)	-	-	(529,259)
Balance at March 31, 2022 (Restated)	\$ 1,974,846	53,411	1,779,756	883,992	6,310,304	8,974,052	(971,065)	599,987	(371,078)	10,631,231	-	15,580	10,646,811

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2022 (Restated)	2021 (Restated)
Cash flows from (used in) operating activities:		
Profit before tax	\$ 220,246	221,248
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	223,693	221,245
Expected credit loss (reversal gain)	9	(78)
Net gain on financial assets at fair value through profit or loss	(21,002)	(207,075)
Interest expense	24,429	30,117
Interest income	(1,338)	(4,314)
Dividend income	(48,507)	(5,880)
Share of profit of associates and joint ventures accounted for using equity method	(1,557)	(5,824)
Net gain on disposal of property, plant and equipment	(127)	(91)
Others	-	(261)
Total adjustments to reconcile profit (loss)	<u>175,600</u>	<u>27,839</u>
Changes in operating assets:		
Decrease (increase) in notes and accounts receivable (including related parties)	14,063	(19,797)
Decrease in other current assets	75,766	139
Increase in other current financial assets	<u>(11,628)</u>	<u>(16,604)</u>
	<u>78,201</u>	<u>(36,262)</u>
Changes in operating liabilities:		
(Decrease) increase in notes and accounts payable	(39,681)	5,220
Decrease in current contract liabilities	(7,940)	(18,043)
Increase (decrease) in other current liabilities	53,316	(32,564)
Decrease in net defined benefit liabilities	<u>(4,821)</u>	<u>(3,721)</u>
	<u>874</u>	<u>(49,108)</u>
Total changes in operating assets and liabilities	<u>79,075</u>	<u>(85,370)</u>
Total adjustments	<u>254,675</u>	<u>(57,531)</u>
Cash inflow generated from operations	474,921	163,717
Interest received	829	4,574
Interest paid	(23,230)	(42,763)
Income taxes (paid) refund	<u>(183)</u>	<u>34</u>
Net cash flows from operating activities	<u>452,337</u>	<u>125,562</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	494,955
Acquisition of financial assets at fair value through profit or loss	-	(37,170)
Proceeds from disposal of financial assets at fair value through profit or loss	400,949	-
Acquisition of property, plant and equipment	(489,797)	(20,641)
Proceeds from disposal of property, plant and equipment	517	161
Increase in other non-current assets	(15,097)	(25,426)
Decrease in other current financial assets	120,900	72,439
Increase in other non-current financial assets	<u>(19)</u>	<u>(11)</u>
Net cash flows from investing activities	<u>17,453</u>	<u>484,307</u>
Cash flows used in financing activities:		
(Decrease) increase in short-term borrowings	(250,091)	1,194,812
Repayments of bonds	-	(2,300,000)
Proceeds from long-term borrowings	420,315	-
Repayments of long-term borrowings	(196,473)	(198,915)
Payment of lease liabilities	(23,384)	(22,202)
Others	<u>308</u>	<u>349</u>
Net cash flows used in financing activities	<u>(49,325)</u>	<u>(1,325,956)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>77,200</u>	<u>33,709</u>
Net increase (decrease) in cash and cash equivalents	497,665	(682,378)
Cash and cash equivalents at beginning of period	<u>3,057,048</u>	<u>3,814,015</u>
Cash and cash equivalents at end of period	<u>\$ 3,554,713</u>	<u>3,131,637</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share Information and Unless Otherwise Specified)

(1) Company history

CHINESE MARITIME TRANSPORT LTD. (the “Company”), previously named Associated Transport Inc., was incorporated as a company limited by shares on January 31, 1978, in the Republic of China. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE). The consolidated financial statements of the Company as of and for the three months ended March 31, 2022 comprise the Company and its subsidiaries (together refined to as the “Group”). The main activities of the Group are bulk-carrier transportation through its 100%-owned overseas subsidiaries; domestic container hauling, vessel transportation, warehousing, and related business; and acting as the general sales agent for Saudi Arabian Airlines. The Group also owns investment companies to engage in the business of investment. Based on the organization of the Group and distribution of duties, the Company leads and invests in the business in the Group related to transportation. Please refer to note (4)(b) for related information.

The Company had acquired 40% ownership of Associated Group Motors Corp.(AGM) with the cash considerations of \$32,800 on April 1, 2021. The percentage of ownership of AGM held by the Group had increased to 70%, thereby the Group had obtained the control of AGM. The transaction was accounted for as a business reorganization under common control in compliance with the Accounting Research and Development Foundation's IFRS Question and Answers. When presenting comparative consolidated financial statements, the Group presented them as if AGM had always been combined and the consolidated financial statements were restated retrospectively. Please refer to note (12)(b) for related information.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on May 10, 2022.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies used in the financial statements are consistent with the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2021.

(b) Basis of consolidation

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2022	December 31, 2021	March 31, 2021 (Restated)	
The Company	Chinese Maritime Transport (S) Pte. Ltd. (CMTS)	Investment holding of ship-owning companies	0.34	0.34	0.34	
"	Chinese Maritime Transport (Hong Kong), Limited (CMTHK)	Investment holding of ship-owning companies	100	100	100	
"	Chinese Maritime Transport International Pte. Ltd. (CMTI)	Investment holding of ship-owning companies	100	100	-	Note 6
"	CMT Logistics Co., Ltd. (CMTL)	Warehouse management	100	100	100	Note 3
"	Hope Investment Ltd. (HIL)	Investment	100	100	100	
"	AGM Investment Ltd. (AGMI)	Investment	100	100	100	
"	Mo Hsin Investment Ltd. (MHI)	Investment	100	100	100	
"	Associated Transport Inc. (ATI)	Container trucking	100	100	100	
"	CMT Travel Service Ltd. (TRV)	Travel	100	100	100	Note 3
"	United Nan Hai Petroleum Inc. (UNH)	Gasoline international trade	-	-	100	Note 1
"	United Nan Hai Development Inc. (NHD)	Investment	-	-	-	Note 2
"	Associated Group Motors Corp. (AGM)	Automobile and its part manufacturing	70	70	30	Note 4, Note 5
"	Huang Yuen Transport Ltd. (HYT)	Container trucking	71.43	71.43	-	Note 9
CMTS	China Fortune Shipping Pte. Ltd. (CFR)	Bulk-carrier transportation	100	100	100	

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2022	December 31, 2021	March 31, 2021 (Restated)	
CMTS	China Enterprise Shipping Pte. Ltd. (CEP)	Bulk-carrier transportation	100	100	100	
CMTHK	China Prosperity Shipping Ltd. (CPS)	Bulk-carrier transportation	100	100	100	
"	China Peace Shipping Ltd. (CPC)	Bulk-carrier transportation	100	100	100	
"	China Progress Shipping Ltd. (CPG)	Bulk-carrier transportation	100	100	100	
"	China Pioneer Shipping Ltd. (CPN)	Bulk-carrier transportation	100	100	100	
"	China Pride Shipping Ltd. (CPD)	Bulk-carrier transportation	100	100	100	
"	CMT Chartering Ltd. (CCL)	Bulk-chartering services	100	100	100	
"	China Triumph Shipping Ltd. (CTU)	Bulk-carrier transportation	100	100	100	
"	China Trade Shipping Ltd. (CTD)	Bulk-carrier transportation	100	100	100	
"	China Harmony Shipping Ltd. (CHM)	Bulk-carrier transportation	100	100	100	
"	China Honour Shipping Ltd. (CHN)	Bulk-carrier transportation	100	100	100	
"	CMT Investment Co., Limited (CHI)	Investment	100	100	100	
"	Chinese Maritime Transport Ship Management (Hong Kong) Limited (CIM)	Investment management	100	100	100	
"	CMTS	Investment holding of ship-owning companies	-	-	99.66	Note 8
CMTI	CMTS	Investment holding of ship-owning companies	99.66	99.66	-	Note 8
"	China Champion Shipping Pte. Ltd. (CCMP)	Bulk-carrier transportation	100	100	-	Note 6
"	China Venture Shipping Pte. Ltd. (CVTR)	Bulk-carrier transportation	100	100	-	Note 6
"	China Ace Shipping Pte. Ltd. (CACE)	Bulk-carrier transportation	100	100	-	Note 7
"	China Vista Shipping Pte. Ltd. (CVST)	Bulk-carrier transportation	100	100	-	Note 7
ATI	Chang Shun Transport Ltd. (CST)	Container trucking	100	100	100	
"	Huang Yuen Transport Ltd. (HYT)	Container trucking	28.57	28.57	100	Note 9
"	Mao Hwa Transport Ltd. (MHT)	Container trucking	100	100	100	

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2022	December 31, 2021	March 31, 2021 (Restated)	
ATI	Prosperity Transport Ltd. (APT)	Container trucking	100	100	100	
"	Pioneer Transport Ltd. (PTL)	Container trucking	100	100	100	

Note 1: Subsidiary incorporated in April 2013; and the liquidation procedures has been completed in May 2021.

Note 2: Subsidiary incorporated in December 2015; and the liquidation procedures has been completed in February 2021.

Note 3: Non-significant subsidiary, its financial statements have not been reviewed.

Note 4: Subsidiary was reorganized under a business reorganization under common control and included in the consolidated financial statements as of December 31, 2020, after the consolidated financial statements were restated, its financial statements for the three months ended March 31, 2020 has not been reviewed.

Note 5: The Company had acquired 40% ownership of AGM with the cash considerations of \$32,800 on April 1, 2021. The percentage of ownership of AGM held by the Group had increased to 70%, thereby the Group had obtained the control of AGM. The transaction was accounted for as a business reorganization under common control, when presenting comparative consolidated financial statement, the Group presented it as if AGM had always been combined and the consolidated financial statements were restated retrospectively.

Note 6: Subsidiary incorporated in May 2021.

Note 7: Subsidiary incorporated in October 2021.

Note 8: The Company had reorganized in September 2021 to transfer the share of subsidiary CMTS from subsidiary CMTHK to subsidiary CMTI.

Note 9: The Company and subsidiary ATI had a total 100% ownership on HYT. The Company had acquired 71.43% ownership of HYT with the cash capital increase in the fourth quarter of 2021.

(c) Employee benefits

The pension cost for an interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at the time of realization or liquidation and recognized directly in equity or other comprehensive income as tax expense.

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Business combination

The Group did not account for business combinations using the acquisition method but using the book-value method. When presenting comparative consolidated financial statements, the Group presented them as if it had always been combined and the consolidated financial statements were restated retrospectively. Please refer to note (12)(c) for related information.

The Group's purchase of a subsidiary was reorganized under a business reorganization within the Group due to the economy substance. The transaction should be recorded at carrying amounts of the sellers. When presenting comparative consolidated financial statements, the Group presented them as if it had always been combined and the consolidated financial statements were restated retrospectively. The equity held by the predecessor was attributable to the "Equity attributable to predecessors' interests under common control" when the consolidated balance sheets and the consolidated statement of changes in equity were prepared in the previous period. The profit held by the predecessors' was attributable to the "Predecessors' interests under common control" when the consolidated statements of comprehensive income were prepared in the previous period.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRSs (in accordance with IAS 34 endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In the preparation of this consolidated interim financial statements, the major sources of accounting assumptions, judgments and estimation uncertainty are consistent with note (5) of the annual consolidated financial statements for the year ended December 31, 2021.

(6) Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2021 consolidated financial statements. Please refer to note (6) of the consolidated financial statements for the year ended December 31, 2021.

(a) Cash and cash equivalents

	March 31, 2022	December 31, 2021	March 31, 2021 (Restated)
Petty cash, checking accounts and demand deposits	\$ 1,477,939	1,719,175	815,280
Time deposits	1,711,117	1,028,648	1,784,791
Cash equivalents-commercial paper and reverse repurchase agreement	<u>365,657</u>	<u>309,225</u>	<u>531,566</u>
	<u>\$ 3,554,713</u>	<u>3,057,048</u>	<u>3,131,637</u>

Please refer to note(6)(t) for the exchange rate risk, the interest risk, and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(i) Information was as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021 (Restated)</u>
Current financial assets mandatorily measured as at fair value through profit or loss:			
Non-derivative financial instrument			
Domestic listed stocks	\$ 478,094	480,371	834,028
Non-current financial assets mandatorily measured as at fair value through profit or loss:			
Non-derivative financial instrument			
Domestic listed stocks	288,591	106,520	70,752
Domestic listed stocks under private placement	-	559,741	158,109
Domestic unlisted stocks	<u>20,352</u>	<u>20,352</u>	<u>24,961</u>
	<u>\$ 787,037</u>	<u>1,166,984</u>	<u>1,087,850</u>
Current	\$ 478,094	480,371	834,028
Non-current	<u>308,943</u>	<u>686,613</u>	<u>253,822</u>
	<u>\$ 787,037</u>	<u>1,166,984</u>	<u>1,087,850</u>

The gain on financial assets at fair value through profit or loss for the three months ended March 31, 2022 and 2021 were \$21,002 and \$207,075, respectively.

As of March 31, 2022, December 31 and March 31, 2021, the financial assets measured at fair value through profit or loss of the Group had been pledged as collateral, please refer to note (8).

- (ii) The Group has assessed that the domestic unlisted common shares are held within a business model whose objective is achieved by both collecting the contractual cash flows and by selling securities; therefore, they have been designated as debt investment and classified as financial assets mandatorily measured value through profit or loss.

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021 (Restated)</u>
Equity investments at fair value through other comprehensive income			
Domestic listed stocks	\$ <u>1,002,473</u>	<u>776,107</u>	<u>619,333</u>

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Except for the following disclosures, there was no significant difference as compared with financial assets at fair value through other comprehensive income for the three months ended March 31, 2022 and 2021. Please refer to note (6)(c) of the consolidated financial statements for the year ended December 31, 2021.

(ii) Equity investments at fair value through other comprehensive income

The Group made no new strategic investments for the three months ended March 31, 2022 and 2021.

The Group disposed part of its investment in TNCL with the disposal price amounting to \$494,955 during the three months ended March 31, 2021, resulting in an accumulated disposal loss of \$9,524, which was reclassified from other comprehensive income to retained earnings. There were no disposal of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments during the three months ended March 31, 2022.

During the three months ended March 31, 2022 and 2021, the Group had recognized unrealized gain or loss on financial assets at fair value through other comprehensive income of gain \$226,366 and of loss \$74,188, respectively.

During the three months ended March 31, 2022 and 2021, the dividends of \$48,507 and \$5,880, respectively, related to equity investment at fair value through other comprehensive income were recognized.

(iii) Please refer to note (6)(t) for market risk.

(iv) As of March 31, 2022, December 31 and March 31, 2021, the financial assets measured at other comprehensive income of the Group had been pledged as collateral, please refer to note (8).

(d) Notes and accounts receivable

	March 31, 2022	December 31, 2021	March 31, 2021 (Restated)
Notes receivable	\$ 12,847	18,703	12,353
Accounts receivable	319,417	327,624	305,413
Less: Loss allowance	(270)	(261)	(96)
	\$ 331,994	346,066	317,670
Notes and accounts receivable, net	\$ 321,661	331,386	310,972
Notes and accounts receivable due from related parties, net	\$ 10,333	14,680	6,698

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

	March 31, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 313,059	-	-
1 to 30 days past due	14,099	-	-
30 to 180 days past due	5,106	5.27%	270
More than 180 days past due	-	-	-
	<u>\$ 332,264</u>		<u>270</u>
	December 31, 2021		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 325,964	-	-
1 to 30 days past due	16,353	-	-
30 to 180 days past due	4,008	6.45%	259
More than 180 days past due	2	100%	2
	<u>\$ 346,327</u>		<u>261</u>
	March 31, 2021 (Restated)		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not current	\$ 304,518	-	-
1 to 30 days past due	11,398	-	-
30 to 180 days past due	1,850	5.2%	96
More than 180 days past due	-	-	-
	<u>\$ 317,766</u>		<u>96</u>

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movement in the allowance for notes and accounts receivable was as follows:

	For the three months ended March 31,	
	2022	2021 (Restated)
Balance on January 1	\$ 261	174
Impairment losses recognized	9	(78)
Balance on March 31	\$ 270	96

The Group did not provide any aforementioned notes and accounts receivable as collaterals as of March 31, 2022, December 31 and March 31, 2021.

Please refer to note (6)(t) for credit risk of other receivables.

(e) Investments accounted for using equity method

- (i) A summary of the Group's financial information for equity-accounted investees at the reporting date is as follows:

	March 31, 2022	December 31, 2021	March 31, 2021 (Restated)
Associates	\$ 609,213	587,583	612,640

- (ii) The Group's share of the profit (loss) of associates and joint ventures was as follows:

	For the three months ended March 31,	
	2022	2021 (Restated)
Associates	\$ 1,557	5,824

- (iii) Summarized financial information of individually insignificant associates

The summarized financial information on individually insignificant associates using the equity-accounted method is as follows:

	March 31, 2022	December 31, 2021	March 31, 2021 (Restated)
Carrying amount of individually insignificant associates' equity	\$ 609,213	587,583	612,640

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31,	
	2022	2021 (Restated)
Share of profit attributable to the Group:		
Profit from continuing operations	\$ 1,557	5,824
Other comprehensive income	20,073	1,195
Comprehensive income	\$ 21,630	7,019

(iv) Pledges

As of March 31, 2022 and 2021, the Group did not provide investment accounted for using equity method as collateral.

(f) Property, plant and equipment

The cost depreciation, and impairment of the property, plant and equipment of the Group for the three months ended March 31, 2022 and 2021 were as follows:

	Land	Buildings and construction	Transportation Equipment	Other equipment	Under construction	Total
Cost or deemed cost:						
Balance on January 1, 2022	\$ 1,699,643	193,245	17,549,045	622,199	955,610	21,019,742
Additions	-	798	106,728	17,613	364,658	489,797
Disposals	-	(745)	(775)	(6,535)	-	(8,055)
Reclassifications	-	-	2,089	153	(74,727)	(72,485)
Effect of movements in exchange rates	-	1,083	572,741	-	37,560	611,384
Balance on March 31, 2022	\$ 1,699,643	194,381	18,229,828	633,430	1,283,101	22,040,383
Balance on January 1, 2021 (Restated)	\$ 1,719,551	145,317	17,671,711	627,070	26,451	20,190,100
Additions	-	1,380	5,660	2,054	11,547	20,641
Disposals	-	(479)	(741)	(802)	-	(2,022)
Reclassifications	(19,908)	19,908	-	-	-	-
Effect of movements in exchange rates	-	498	261,049	-	477	262,024
Balance on March 31, 2021 (Restated)	\$ 1,699,643	166,624	17,937,679	628,322	38,475	20,470,743
Depreciation and impairments loss:						
Balance on January 1, 2022	\$ -	104,006	8,318,553	336,120	-	8,758,679
Depreciation	-	3,843	196,149	10,204	-	210,196
Disposals	-	(745)	(775)	(6,145)	-	(7,665)
Effect of movements in exchange rates	-	256	266,019	-	-	266,275
Balance on March 31, 2022	\$ -	107,360	8,779,946	340,179	-	9,227,485

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings and construction</u>	<u>Transportation Equipment</u>	<u>Other equipment</u>	<u>Under construction</u>	<u>Total</u>
Balance on January 1, 2021 (Restated)	\$ -	91,898	7,658,644	331,976	-	8,082,518
Depreciation	-	2,670	196,355	10,034	-	209,059
Disposals	-	(409)	(741)	(802)	-	(1,952)
Effect of movements in exchange rates	-	108	110,383	-	-	110,491
Balance on March 31, 2021 (Restated)	<u>\$ -</u>	<u>94,267</u>	<u>7,964,641</u>	<u>341,208</u>	<u>-</u>	<u>8,400,116</u>
Carrying amounts:						
Balance on January 1, 2022	<u>\$ 1,699,643</u>	<u>89,239</u>	<u>9,230,492</u>	<u>286,079</u>	<u>955,610</u>	<u>12,261,063</u>
Balance on March 31, 2022	<u>\$ 1,699,643</u>	<u>87,021</u>	<u>9,449,882</u>	<u>293,251</u>	<u>1,283,101</u>	<u>12,812,898</u>
Balance on March 31, 2021 (Restated)	<u>\$ 1,699,643</u>	<u>72,357</u>	<u>9,973,038</u>	<u>287,114</u>	<u>38,475</u>	<u>12,070,627</u>

- (i) The pledge information is summarized in note (8).
- (ii) The Group entered into two bulk-carrier construction contracts with the third parties on May 20, 2021 and October 22, 2021, respectively, four bulk-carriers in total. As of financial report date, the cost incurred totaled USD43,900 thousand (\$1,256,638 in thousand New Taiwan Dollars).
- (iii) The Group disposed of part of the property, plant and equipment during the three months ended March 31, 2022 and 2021 for \$517 and \$161, respectively, and the related gains of disposal amounted to \$127 and \$91, respectively. The registration procedures of the assets transfer have been completed and related receivables have been collected.
- (iv) The Group evaluated its transportation equipment for impairment, exercised impairment testing and recognized no impairment loss according to IFRS 36 “Impairments Non-Financial Asset”. The accumulated impairment loss was USD\$31,555 thousand (\$903,262, \$873,442, and \$900,424 in thousand New Taiwan Dollars) as of March 31, 2022, December 31 and March 31, 2021, respectively.
- (v) The transportation equipment, bulk carriers that owned by the Group are leased to third parties under operating leases. The leases of bulk carriers contain an initial non-cancellable lease term of 1 to 2 years. For all bulk carrier leases, the rental income is fixed under the contract. For more information of operating leases, please refer to note (6)(l).

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Right-of-use assets

The Group leases many assets including land and buildings. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Total</u>
Cost:			
Balance on January 1, 2022 (equal to balance on March 31, 2022)	\$ <u>243,217</u>	<u>78,813</u>	<u>322,030</u>
Balance on January 1, 2021 (Restated)	\$ 167,841	78,813	246,654
Additions	49,070	-	49,070
Disposal	<u>(48,891)</u>	<u>-</u>	<u>(48,891)</u>
Balance on March 31, 2021 (Restated)	\$ <u>168,020</u>	<u>78,813</u>	<u>246,833</u>
Accumulated depreciation and impairment losses:			
Balance on January 1, 2022	\$ 61,257	45,458	106,715
Depreciation	<u>8,690</u>	<u>3,788</u>	<u>12,478</u>
Balance on March 31, 2022	\$ <u>69,947</u>	<u>49,246</u>	<u>119,193</u>
Balance on January 1, 2021 (Restated)	\$ 54,289	30,306	84,595
Depreciation	7,436	3,788	11,224
Disposal	<u>(24,445)</u>	<u>-</u>	<u>(24,445)</u>
Balance on March 31, 2021 (Restated)	\$ <u>37,280</u>	<u>34,094</u>	<u>71,374</u>
Carrying Amount:			
Balance on January 1, 2022	\$ <u>181,960</u>	<u>33,355</u>	<u>215,315</u>
Balance on March 31, 2022	\$ <u>173,270</u>	<u>29,567</u>	<u>202,837</u>
Balance on March 31, 2021 (Restated)	\$ <u>130,740</u>	<u>44,719</u>	<u>175,459</u>

(h) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 1 to 5 years. For all investment property leases, the rental income is fixed under the contracts.

	<u>Owned Property</u>		<u>Total</u>
	<u>Land</u>	<u>Building</u>	
Cost or deemed cost:			
Balance on January 1, 2022	\$ 19,094	23,512	42,606
Effect of movements in exchange rates	<u>-</u>	<u>673</u>	<u>673</u>
Balance on March 31, 2022	\$ <u>19,094</u>	<u>24,185</u>	<u>43,279</u>

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Owned Property		Total
	Land	Building	
Balance on January 1, 2021 (Restated)	\$ 19,094	23,811	42,905
Effect of movements in exchange rates	-	310	310
Balance on March 31, 2021 (Restated)	<u>\$ 19,094</u>	<u>24,121</u>	<u>43,215</u>
Depreciation and impairment losses:			
Balance on January 1, 2022	\$ -	8,757	8,757
Depreciation	-	119	119
Effect of movements in exchange rates	-	203	203
Balance on March 31, 2022	<u>\$ -</u>	<u>9,079</u>	<u>9,079</u>
Balance on January 1, 2021 (Restated)	\$ -	8,370	8,370
Depreciation	-	119	119
Effect of movements for exchange rates	-	87	87
Balance on March 31, 2021 (Restated)	<u>\$ -</u>	<u>8,576</u>	<u>8,576</u>
Carrying amount:			
Balance on January 1, 2022	<u>\$ 19,094</u>	<u>14,755</u>	<u>33,849</u>
Balance on March 31, 2022	<u>\$ 19,094</u>	<u>15,106</u>	<u>34,200</u>
Balance on March 31, 2021 (Restated)	<u>\$ 19,094</u>	<u>15,545</u>	<u>34,639</u>

The fair value of investment properties was based on a valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued.

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period. Subsequent renewals are negotiated with the lessee, and no contingent rents are changed. For more information (including rent revenue and operating expenses incurred directly), please refer to note (6)(l).

There was no significant change in the fair value of investment property during the three months ended March 31, 2022 as disclosed in note (6)(h) of the consolidated financial statements for the year ended December 31, 2021.

As of March 31, 2022, December 31 and March 31, 2021, the investment property of the Group was not pledged as collateral or restricted.

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Other financial assets

	March 31, 2022 (Restated)	December 31, 2021	March 31, 2021 (Restated)
Restricted deposits	\$ 188,431	196,469	54,785
Time deposits (over three months)	24,667	30,755	25,730
Other receivables	90,932	30,290	44,580
Refundable deposits	7,606	7,686	6,783
Pledged assets-time deposits	<u>87,736</u>	<u>194,411</u>	<u>169,911</u>
	<u>\$ 399,372</u>	<u>459,611</u>	<u>301,789</u>
Other current financial assets	\$ 376,892	437,150	283,154
Other non-current financial assets	<u>22,480</u>	<u>22,461</u>	<u>18,635</u>
	<u>\$ 399,372</u>	<u>459,611</u>	<u>301,789</u>

The restricted time deposits are applicable to “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act” for the Group in 2022 and 2021. The restricted time deposits accounts are used for the purpose of offshore funds only.

As of March 31, 2022, December 31 and March 31, 2021, the Group provided other financial assets as collateral. Please refer to note (8).

(j) Loans

The Group’s details of loans were as follows:

(i) Short-term borrowings and commercial paper payable, net

	March 31, 2022	December 31, 2021	March 31, 2021 (Restated)
Bank loans	\$ 430,000	730,000	790,000
Commercial paper payable	780,000	730,000	600,000
Less: discount on commercial paper payable	<u>(310)</u>	<u>(219)</u>	<u>(248)</u>
	<u>\$ 1,209,690</u>	<u>1,459,781</u>	<u>1,389,752</u>
Unused credit lines	<u>\$ 3,560,000</u>	<u>3,250,000</u>	<u>2,720,000</u>
Range of interest rate	<u>0.800%~1.000%</u>	<u>0.838%~1.12%</u>	<u>0.85%~1.12%</u>

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Long-term borrowings

<u>Bank</u>	<u>Currency</u>	<u>Due Year</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021 (Restated)</u>
Mega International Commercial Bank	USD	2021	\$ -	-	128,408
Bank Sinopec	"	2022	384,612	417,589	477,572
Mega International Commercial Bank	"	2022	-	62,280	128,408
Bank Sinopec	"	2023	475,466	459,772	567,433
BNP PARIBAS	"	2026	390,680	401,126	437,581
Mega International Commercial Bank	"	2026	429,375	415,199	-
CTBC Bank	"	2027	578,165	591,691	643,587
Mega International Commercial Bank	"	2027	586,241	597,057	646,603
Mega International Commercial Bank	"	2027	<u>429,375</u>	<u>-</u>	<u>-</u>
			3,273,914	2,944,714	3,029,592
Current portion			<u>(828,253)</u>	<u>(825,824)</u>	<u>(622,021)</u>
Total			<u>\$ 2,445,661</u>	<u>2,118,890</u>	<u>2,407,571</u>
Range of interest rates			<u>0.905%~2.108%</u>	<u>0.869%~1.833%</u>	<u>0.95%~1.83%</u>

(iii) Bonds Payable

The Company issued secured bonds at face value. The interest is calculated and paid annually from the date of issuance. The bonds payables were as follows:

	<u>Guarantee bank</u>	<u>Interest rate</u>	<u>Due</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021 (Restated)</u>
2017						
The first secured bonds payable	Shanghai Commercial Bank	1.13 %	April 2022	\$ 400,000	400,000	400,000
2020						
The first secured bonds payable	Shanghai Commercial Bank	0.64 %	August 2025	500,000	500,000	500,000
"	"	0.66 %	August 2025	500,000	500,000	500,000
"	Mega Bank	0.64 %	August 2025	1,000,000	1,000,000	1,000,000
"	"	0.66 %	August 2025	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
				2,900,000	2,900,000	2,900,000
Current portion				<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
				<u>\$ 2,500,000</u>	<u>2,500,000</u>	<u>2,900,000</u>

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Refer to note (6)(t) for the information of exposure to liquidity risk. The Group provided assets as collaterals for credit line of short-term and long-term borrowings, please refer to note (8).

(k) Lease liabilities

	March 31, 2022	December 31, 2021	March 31, 2021 (Restated)
Current	<u>\$ 49,161</u>	<u>51,286</u>	<u>42,067</u>
Non-current	<u>\$ 148,026</u>	<u>169,285</u>	<u>127,114</u>

For the maturity analysis, please refer to note (6)(t) financial instruments.

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2022	2021 (Restated)
Interest on lease liabilities	<u>\$ 511</u>	<u>372</u>

The amounts recognized in the consolidated statements of cash flows for the Group were as follows:

	For the three months ended March 31,	
	2022	2021 (Restated)
Total cash outflow for leases	<u>\$ 23,895</u>	<u>22,574</u>

Land and building leases

As of March 31, 2022, the Group leases land and building for its parking space and warehouses. The leases of land typically run for period of 3 to 9 years, and of warehouses for 3 to 12 years.

(l) Operating lease

The Group leases out its investment property and some machines. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note (6)(h) sets out information about the operating leases of investment property.

The Group leases the bulk carriers in fixed amount. In the end of the lease term, lessee does not have the bargain purchase option. Therefore, the leases of bulk carriers are classified as operating lease. Please refer to note (6)(f).

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date is as follows:

	March 31, 2022	December 31, 2021	March 31, 2021 (Restated)
Less than one year	\$ 1,476,757	1,153,787	650,393
Between one and five years	61,105	24,174	2,553
Total undiscounted lease payments	<u>\$ 1,537,862</u>	<u>1,177,961</u>	<u>652,946</u>

(m) Employee benefits

(i) Defined benefit plans

Given there was no significant volatility of the market or any significant reimbursement, settlement or other one-time event in the prior fiscal year, pension cost in the interim financial statements is measured and disclosed in accordance with the actuarial report measured on December 31, 2021 and 2020.

The Group's pension costs were as follows:

	For the three months ended March 31,	
	2022	2021 (Restated)
Cost of sales and operating expense	\$ <u>1,667</u>	<u>587</u>

(ii) Defined contribution plans

The Group's pension costs under the defined contribution plans were as follows:

	For the three months ended March 31,	
	2022	2021 (Restated)
Cost of sales and operating expense	\$ <u>2,697</u>	<u>3,233</u>

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Income taxes

(i) Tax expenses

The components of income tax for the three months ended March 31, 2022 and 2021 were as follows:

	For the three months ended	
	March 31,	
		2021
	2022	(Restated)
Current tax expense	\$ 35,963	4,784

(ii) Assessment of tax

The income tax returns of the Company and its subsidiaries in the ROC for the years through 2020 had been examined and cleared by the tax authorities, except for the Company's income tax returns for the years through 2019 had been examined and cleared by the tax authorities.

(o) Capital and other equities

Except for the following disclosures, there was no significant change for capital and other equity for the three months ended March 31, 2022 and 2021. For the related information, please refer to note (6)(o) of the consolidated financial statements for the year ended December 31, 2021.

(i) Retained Earning

In accordance with the Company's Articles of Incorporation, net earnings should first be used to offset the prior years' deficits, if any, before paying any in income taxes, of the remaining balance, 10% is to be appropriated as legal reserve, and when there is a reduction in shareholders' equity at the end of the year, the Company should appropriate the same amount as special reserve from retained earnings. The remainder and the accumulated unappropriated earnings of prior years are distributable as dividends to shareholders. The distribution rate is based on the proposal of the Company's Board of Directors and should be approved in the shareholders' meeting.

Dividends are paid in cash or stock from retained earnings, and the amount of cash dividends should not be less than 10% of total dividends.

1) Legal reserve

When the Company has no accumulated deficits on the books, the legal reserve can be converted to share capital or distributed as cash dividends, and only the portion of legal reserve that exceeds 25% of issued share capital may be distributed.

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Special reserve

By choosing to apply the exemptions granted under IFRS 1 "First-time Adoption of International Financial Reporting Standards" during the Company's first-time adoption of the International Financial Reporting Standards approved by the Financial Supervisory Commission (IFRSs), unrealized revaluation gains recognized under shareholders' equity. The increase in retained earnings occurring before the adoption date, due to the first-time adoption of IFRSs, shall be reclassified as a special reserve during earnings distribution. The carrying amount of special reserve amounted to \$359,487 on March 31, 2022, December 31 and March 31, 2021.

In accordance with the guidelines of the above Rule, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of other shareholders' equity resulting from the first-time adoption of IFRSs and the carrying amount of special reserve as stated above. Similarly, a portion of undistributed prior period shall be reclassified as a special reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods due to the first-time adoption of IFRSs. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

Based on the Board of Directors meeting held on March 9, 2022, and the resolutions of the annual stockholders' meeting held on August 31, 2021, the earnings distributions to ordinary shareholders for the fiscal years 2020 and 2019 were as follows:

	2020	2019
Dividends distributed to ordinary shareholders		
Cash	\$ 529,259	315,975

(ii) Other Equity (After tax)

	Exchange differences on translation of foreign financial Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2022	\$ (1,308,389)	373,621	(934,768)
The Group	317,251	226,366	543,617
Associates	20,073	-	20,073
Balance on March 31, 2022	\$ (971,065)	599,987	(371,078)

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Exchange differences on translation of foreign financial Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2021 (Restated)	\$ (1,154,720)	270,728	(883,992)
The Group	137,302	(64,664)	72,638
Associates	1,195	-	1,195
Balance on March 31, 2021 (Restated)	<u>\$ (1,016,223)</u>	<u>206,064</u>	<u>(810,159)</u>

(p) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share for the three months ended March 31, 2022 and 2021 were based on the profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding, calculated as follows:

1) Profit attributable to ordinary shareholders of the Company

	<u>For the three months ended March 31,</u>	
	<u>2022 (Restated)</u>	<u>2021 (Restated)</u>
Profit attributable to ordinary shareholders of the Company	<u>\$ 186,188</u>	<u>220,685</u>

2) Weighted-average number of ordinary shares (thousands)

	<u>For the three months ended March 31,</u>	
	<u>2022 (Restated)</u>	<u>2021 (Restated)</u>
Weighted-average number of ordinary shares (basic)	<u>197,485</u>	<u>197,485</u>

3) Basic earnings per share (NTD)

	<u>For the three months ended March 31,</u>	
	<u>2022 (Restated)</u>	<u>2021 (Restated)</u>
Basic earnings per share	<u>\$ 0.94</u>	<u>1.12</u>

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Diluted earnings per share

The calculation of diluted earnings per share at March 31, 2022 and 2021 were based on profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	For the three months ended March 31,	
	2022	2021
	(Restated)	(Restated)
Profit attributable to ordinary shareholder of the Company	\$ 186,188	220,685

2) Weighted-average number of ordinary shares (diluted) (thousands)

	For the three months ended March 31,	
	2022	2021
	(Restated)	(Restated)
Number of ordinary shares (basic)	197,485	197,485
Effect on the employee stock bonuses	196	146
Weighted-average number of ordinary shares (diluted)	197,681	197,631

3) Diluted earnings per share (NTD)

	For the three months ended March 31,	
	2022	2021
	(Restated)	(Restated)
Diluted earnings per share	\$ 0.94	1.12

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

For the three months ended March 31, 2022				
	Inland trucking and terminal & logistics department	Shipping department	Others	Total
Primary geographical markets				
Asia	\$ 424,100	-	16,642	440,742
America	-	78,821	-	78,821
Europe	-	278,192	-	278,192
Oceania	-	208,920	-	208,920
	\$ 424,100	565,933	16,642	1,006,675

For the three months ended March 31, 2021 (Restated)				
	Inland trucking and terminal & logistics department	Shipping department	Others	Total
Primary geographical markets				
Asia	\$ 407,410	-	7,066	414,476
America	-	42,952	169	43,121
Europe	-	221,189	815	222,004
Oceania	-	113,323	383	113,706
	\$ 407,410	377,464	8,433	793,307

(ii) Contract balances

	March 31, 2022	December 31, 2021	March 31, 2021 (Restated)
Notes and accounts receivable (including related parties)	\$ 332,264	346,327	317,766
Less: allowance for impairment	(270)	(261)	(96)
Total	\$ 331,994	346,066	317,670
Contract liabilities	\$ 47,277	55,217	16,093

For details on notes and accounts receivable and allowance for impairment, please refer to note (6)(d).

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Revenue recognized for the three months ended March 31, 2022 and 2021 that were included in the contract liability balance at the beginning of the periods amounted to \$55,217 and \$34,136, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(r) Financial cost-Interest expense

The financial cost interest expenses were as follows:

	For the three months ended March 31,	
	2022	2021 (Restated)
Bank loans	\$ 13,904	11,641
Bonds payable	10,014	18,104
Lease liabilities	511	372
	\$ 24,429	30,117

(s) Employee compensation and directors' and supervisors' remuneration

In accordance with the Company's Articles of Incorporation, earnings shall first be used to offset against any deficit, then a range from 0.5% to 2% will be distributed to its employee compensation, and a maximum of 2% will be allocated to its director's and supervisors' remuneration.

For the three months ended March 31, 2022 and 2021, the Company recognized its employee compensation of \$1,643 and \$2,251, respectively, and its directors' and supervisors' remuneration of \$1,643 and \$2,251, respectively. The employee compensation and directors' and supervisors' remuneration were recorded as operation expenses and were estimated based on the net profit before tax, excluding the employee compensation, and directors' and supervisors' remuneration of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. If there is difference between the aforementioned distribution approved in the Board of Directors and the estimation, it will be deal with changes in accounting estimation, and will be recognized in profit or loss next year.

For the years ended December 31, 2020 and 2019, the Company recognized its employee compensation of \$10,933 and \$3,394, respectively, and its directors' and supervisors' remuneration of \$10,933 and \$3,394, respectively. There was no difference between the aforementioned distribution approved in the Board of Directors and the estimation in the 2020 and 2019 consolidated financial statements. Relative information is available on the TSE Market Observation Post System.

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of March 31, 2022 and 2021, the maximum amount exposed to credit risk amounted to \$6,194,687 and \$5,458,279, respectively.

The aggregation of sales to the Group's major customers exceeding 10% of the Group's total sales accounted for 45% and 47% of the total net sales for the three months ended March 31, 2022 and 2021, respectively. In order to reduce credit risk, the Group assesses the financial status of the customers and the possibility of collection of receivables in order to estimate an adequate allowance for doubtful accounts on a regular basis. The customers have had a good credit and profit record. The Group has never suffered any significant credit loss.

2) Credit risk of Receivables

For credit risk exposure of notes and accounts receivable, please refer to note (6)(d).

Other financial assets at amortized cost includes other receivables, guarantee deposits, pledged assets-time deposits, time deposits (over three months) and restricted deposit.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses, with the measurement proving to have no impairment loss.

(ii) Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
March 31, 2022					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,209,690	(1,213,856)	(1,213,856)	-	-
Secured bank loans	3,273,914	(3,395,994)	(867,246)	(760,150)	(1,768,598)
Notes and accounts payable	200,387	(200,387)	(200,387)	-	-
Lease liabilities	197,187	(203,912)	(50,497)	(45,864)	(107,551)
Dividends payable	529,259	(529,259)	(529,259)	-	-
Bonds payable	2,900,000	(2,955,345)	(416,326)	(16,200)	(2,522,819)
Accrued expenses and other payables	111,229	(111,229)	(111,229)	-	-
	<u>\$ 8,421,666</u>	<u>(8,609,982)</u>	<u>(3,388,800)</u>	<u>(822,214)</u>	<u>(4,398,968)</u>

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
December 31, 2021					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,459,781	(1,477,064)	(1,477,064)	-	-
Secured bank loans	2,944,714	(3,032,137)	(859,342)	(628,798)	(1,543,997)
Notes and accounts payable	240,068	(240,068)	(240,068)	-	-
Lease liabilities	220,571	(227,805)	(51,286)	(45,848)	(130,671)
Bonds payable	2,900,000	(2,960,525)	(417,456)	(16,200)	(2,526,869)
Accrued expenses and other payables	<u>151,102</u>	<u>(151,102)</u>	<u>(151,102)</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,916,236</u>	<u>(8,088,701)</u>	<u>(3,196,318)</u>	<u>(690,846)</u>	<u>(4,201,537)</u>
March 31, 2021 (Restated)					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,389,752	(1,390,000)	(1,390,000)	-	-
Secured bank loans	3,029,594	(3,238,804)	(683,305)	(701,581)	(1,853,918)
Notes and accounts payable	171,333	(171,333)	(171,333)	-	-
Lease liabilities	169,181	(172,897)	(46,006)	(32,737)	(94,154)
Bonds payable	2,900,000	(2,976,065)	(20,720)	(416,326)	(2,539,019)
Accrued expenses and other payables	<u>95,237</u>	<u>(95,237)</u>	<u>(95,237)</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,755,097</u>	<u>(8,044,336)</u>	<u>(2,406,601)</u>	<u>(1,150,644)</u>	<u>(4,487,091)</u>

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amount.

(iii) Exchange rate risk

The Group do not have significant exposure to foreign currency risk.

(iv) Interest Rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	<u>Carrying amount</u>	
	<u>March 31, 2022</u>	<u>March 31, 2021 (Restated)</u>
Variable rate instruments:		
Financial assets	\$ 1,394,998	764,970
Financial liabilities	<u>(4,483,604)</u>	<u>(4,419,343)</u>
	<u>\$ (3,088,606)</u>	<u>(3,654,373)</u>

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. Regarding the liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of assets and liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents management of the Group's assessment on the reasonably possible interval of interest rate change.

If the interest rate had increased or decreased by 0.25%, the profit before tax would have decreased or increased for the three months ended March 31, 2022 and 2021 as follows:

	For the three months ended March 31,	
	2022	2021 (Restated)
Increased 0.25%	\$ (1,930)	(2,284)
Decreased 0.25%	1,930	2,284

(v) Fair value information

1) The kinds of financial instruments and fair value

The Group's financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are based on repeatability measured by fair value. The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It shall not include fair value information of the financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value and lease liability.

	March 31, 2022 (Restated)				Total
	Book value	Fair Value			
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss					
Non-derivative current financial assets mandatorily at fair value through profit or loss	\$ 478,094	478,094	-	-	478,094
Non-derivative non-current financial assets mandatorily at fair value through profit or loss	<u>308,943</u>	288,591	-	20,352	308,943
	<u>787,037</u>				

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2022 (Restated)				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	<u>1,002,473</u>	1,002,473	-	-	1,002,473
Financial assets measured at amortized cost					
Cash and cash equivalents	3,554,713	-	-	-	-
Restricted deposits	188,431	-	-	-	-
Time deposits (over three months)	24,667	-	-	-	-
Notes and accounts receivable (including related parties)	331,994	-	-	-	-
Other receivables	90,932	-	-	-	-
Guarantee deposits	7,606	-	-	-	-
Pledged assets-time deposits	<u>87,736</u>	-	-	-	-
	<u>4,286,079</u>				
Total	<u>\$ 6,075,589</u>				
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 1,209,690	-	-	-	-
Long-term borrowings	3,273,914	-	-	-	-
Notes and accounts payable	200,387	-	-	-	-
Lease liabilities	197,187	-	-	-	-
Dividends payable	529,259	-	-	-	-
Bonds payable	2,900,000	-	2,900,000	-	2,900,000
Accrued expenses and other payables (recorded as other payables)	<u>111,229</u>	-	-	-	-
Total	<u>\$ 8,421,666</u>				

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2021				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative current financial assets mandatorily at fair value through profit or loss	\$ 480,371	480,371	-	-	480,371
Non-derivative non-current financial assets mandatorily at fair value through profit or loss	126,872	106,520	-	20,352	126,872
Domestic listed stocks under private placement	<u>559,741</u>	-	559,741	-	559,741
	<u>1,166,984</u>				
Financial assets at fair value through other comprehensive income					
Domestic listed common stocks	<u>776,107</u>	776,107	-	-	776,107
Financial assets measured at amortized cost					
Cash and cash equivalents	3,057,048	-	-	-	-
Restricted deposits	196,469	-	-	-	-
Time deposits (over three months)	30,755	-	-	-	-
Notes and accounts receivable (including related parties)	346,066	-	-	-	-
Other receivables	30,290	-	-	-	-
Guarantee deposits	7,686	-	-	-	-
Pledged assets-time deposits	<u>194,411</u>	-	-	-	-
	<u>3,862,725</u>				
Total	<u>\$ 5,805,816</u>				
Financial liabilities at amortized cost					
Short-term borrowings	\$ 1,459,781	-	-	-	-
Long-term borrowings	2,944,714	-	-	-	-
Notes and accounts payable	240,068	-	-	-	-
Lease liabilities	220,571	-	-	-	-
Bonds payable	2,900,000	-	2,900,000	-	2,900,000
Accrued expenses and other payables (recorded as other payables)	<u>151,102</u>	-	-	-	-
Total	<u>\$ 7,916,236</u>				

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2021 (Restated)				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative current financial assets mandatorily at fair value through profit or loss	\$ 834,028	834,028	-	-	834,028
Non derivative non-current financial assets held for trading	95,713	70,752	-	24,961	95,713
Domestic listed stocks under private placement	<u>158,109</u>	-	158,109	-	158,109
	<u>1,087,850</u>				
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	<u>619,333</u>	619,333	-	-	619,333
Financial assets measured at amortized cost					
Cash and cash equivalents	3,131,637	-	-	-	-
Restricted deposits	54,785	-	-	-	-
Time deposits (over three months)	25,730	-	-	-	-
Notes and accounts receivable (including related parties)	317,670	-	-	-	-
Other receivables	44,580	-	-	-	-
Guarantee deposits	6,783	-	-	-	-
Pledged assets-time deposits	<u>169,911</u>	-	-	-	-
	<u>3,751,096</u>				
Total	<u>\$ 5,458,279</u>				
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 1,389,752	-	-	-	-
Long-term borrowings	3,029,592	-	-	-	-
Notes and accounts payable	171,333	-	-	-	-
Lease liabilities	169,181	-	-	-	-
Bonds payable	2,900,000	-	2,900,000	-	2,900,000
Accrued expenses and other payables (recorded as other current payables)	<u>95,237</u>	-	-	-	-
Total	<u>\$ 7,755,095</u>				

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date.

B. Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models.

3) Transfers between Level and Level

During the three months ended March 31, 2022, the Group's shares were transferred from Level 2 to Level 1 of the fair value hierarchy in the amount of \$559,741, due to the release of transfer restrictions on private placement of listed shares; there was no transfer of fair value hierarchy for the three months ended March 31, 2021.

4) Statement of changes in level 3

	Measured of fair value through profit or loss
	Non-derivative mandatorily measured at fair value through profit or loss
Balance on January 1, 2022 (equal to balance on March 31, 2022)	20,352
Balance on January 1, 2021 (Restated) (equal to balance on March 31, 2021)	24,961

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The total gain or loss above are reported under valuation gains (losses) of financial assets at fair value through profit or loss.

(u) Financial risk management

The Group's objectives and policies for managing the financial risk are consistent with those disclosed in the note (6)(u) of the consolidated financial statements for the year ended December 31, 2021.

(v) Capital management

The Group's objectives, policies and processes of capital management are the same as those disclosed in the consolidated financial statements for the year ended December 31, 2021. There were no significant changes of quantitative data of capital management compared with the consolidated financial statements for the year ended December 31, 2021. Please refer to note (6)(v) of the consolidated financial statements for the year ended December 31, 2021.

(w) Investing and financing activities not affecting current cash flow

The Group's investing activities which did not affect the current cash flow in the three months ended March 31, 2022 and 2021.

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2022	Cash flows	Others	Non-cash changes Foreign exchange movement	March 31, 2022
Short-term borrowings	\$ 1,459,781	(250,091)	-	-	1,209,690
Long-term borrowings	2,944,714	223,842	-	105,358	3,273,914
Bonds payable	2,900,000	-	-	-	2,900,000
Lease liabilities	220,571	(23,384)	-	-	197,187
Guarantee deposits (recorded as other non-current liabilities-others)	3,179	308	-	-	3,487
Total liabilities from financial activities	\$ 7,528,245	(49,325)	-	105,358	7,584,278
	January 1, 2021 (Restated)	Cash flows	Others	Non-cash changes Foreign exchange movement	March 31, 2021 (Restated)
Short-term borrowings	\$ 194,940	1,194,812	-	-	1,389,752
Long-term borrowings	3,180,433	(198,915)	-	48,074	3,029,592
Bonds payable	5,200,000	(2,300,000)	-	-	2,900,000
Lease liabilities	167,019	(22,202)	24,364	-	169,181
Guarantee deposits (recorded as other non-current liabilities-others)	668	347	2	-	1,017
Total liabilities from financial activities	\$ 8,743,060	(1,325,958)	24,366	48,074	7,489,542

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements:

<u>Name of related party</u>	<u>Relationship with the Group</u>
AGCMT Group Ltd.	The parent company
Associated International Inc. (AII)	The entity with significant influence over the Group
Associated Development Inc. (ADI)	A subsidiary of AII
CMT Development Inc. (CMD)	A subsidiary of AII
Associated International (HONG KONG) Limited	Substantial related party

(b) Significant related party transactions

(i) Freight revenue

The Group has no significant transaction amount with related parties.

(ii) Logistic and agent revenue

The amounts of significant sales transactions and accounts receivable between the Group and its related parties were as follows:

	<u>Revenue</u>		<u>Accounts Receivable- related-parties</u>		
	<u>Three months ended March 31, 2022</u>	<u>Three months ended March 31, 2021 (Restated)</u>	<u>March 31, 2022 (Restated)</u>	<u>December 31, 2021</u>	<u>March 31, 2021 (Restated)</u>
The entities with significant influence over the Group	\$ 16,537	16,259	10,333	14,680	6,698

The Group's selling price for related parties is cost, plus, fixed percentage when the related parties receive cash from customers; the related parties pay the Group immediately. Accounts receivable from related parties were uncollateralized, and no expected credit loss were required after the assessment by the management.

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Operating expense

	Operating expense	
	Three months ended March 31, 2022	Three months ended March 31, 2021 (Restated)
The entities with significant influence over the Group	\$ 634	511
Others	1,938	1,975
	\$ 2,572	2,486

The Group entered into service agreements with its related parties from March 2019 to February 2024. The prices are similar to those of the market prices, and they are being paid monthly.

- (iv) In order to focus on its core technologies and strengthen the competitiveness of the Company, on March 19, 2021, the Board of Directors approved to acquire 40% equity which totaling 4,000 thousand shares of AGM from the Group's parent Company at New Taiwan Dollars \$8.22 per share, totaling \$32,880. The transaction price was based on the latest financial statements audited by CPA. The transaction was completed on April 1, 2021, and the amount has been fully paid. The transaction was reorganized as a business reorganization under common control.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31,	
	2022	2021 (Restated)
Short-term employee benefits	\$ 14,421	14,660
Post-employment benefits	185	238
	\$ 14,606	14,898

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Pledged assets

The carrying values of pledged assets were as follows:

<u>Assets</u>	<u>Subject</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021 (Restated)</u>
Financial assets at fair value through other comprehensive income – stocks	Commercial paper payable, short-term loans and credit lines	\$ 306,900	227,040	318,010
Financial assets at fair value through profit or loss – stocks	Short-term borrowings and credit lines of loans	-	-	69,955
Property, plant and equipment – Land	Short-term borrowings and credit lines	899,336	899,336	899,336
Transportation and other equipment (including equipment prepayment)	Long-term borrowings, short-term borrowings and credit lines	7,644,293	7,479,695	7,999,389
Other current financial assets (pledged assets-time deposit)	Long-term borrowings	72,862	179,636	158,059
Other non-current financial assets (refundable deposits and pledged assets-time deposits)	Guarantee for construction payment, warehouse deposits, short-term borrowings and import duty	22,480	22,461	18,635
		<u>\$ 8,945,871</u>	<u>8,808,168</u>	<u>9,463,384</u>

(9) Commitments and contingencies

- (a) The Group had issued guarantee promissory notes amounting to \$5,647,160 as of March 31, 2022, December 31 and March 31, 2021, respectively, as guarantee for bonds payable.
- (b) As of March 31, 2022, the Group still had several long-term leases of its ships with customers in effect. The ending periods of the contracts are from March 2022 to July 2023.

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The Group signed a cape-type bulk carrier' construction contract with a shipbuilding company in order to expand its business scale. The related information was as follows:

<u>Buyer</u>	<u>Signed Day</u>	<u>Total Price</u>	<u>Delivery Date</u>	<u>Price Paid</u>
CCMP	May 20, 2021	\$1,674,563 (USD58,500 thousand)	September 2023 (note 1)	357,813 (USD12,500 thousand)
CVTR	May 20, 2021	\$1,674,563 (USD58,500 thousand)	June 2023 (note 1)	357,813 (USD12,500 thousand)
CACE	October 22, 2021	\$1,803,375 (USD63,000 thousand)	June 2024 (note 1)	270,506 (USD9,450 thousand)
CVST	October 22, 2021	\$1,803,375 (USD63,000 thousand)	September 2024 (note 1)	270,506 (USD9,450 thousand)

Note 1: Estimated delivery date for shipbuilding contract.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other

- (a) A summary of current-period employee benefits, depreciation and amortization, by function, is as follows:

By function	For the three months ended March 31, 2022			For the three months ended March 31, 2021 (Restated)		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By item						
Employee benefits						
Salary	118,047	66,568	184,615	102,869	59,911	162,780
Labor and health insurance	3,183	4,920	8,103	3,181	4,320	7,501
Pension	1,354	3,010	4,364	1,461	2,359	3,820
Others	1,620	2,723	4,343	1,775	2,451	4,226
Depreciation	217,670	5,123	222,793	216,565	3,837	220,402
Amortization	-	900	900	-	843	843

- (b) Seasonality of operation

The Group's operations were not affected by seasonality or cyclicity factors.

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Reasons and effects of the restatement of financial statements

- (i) The Group's long-term investment in China Container Terminal Corp. was recognized as financial assets at fair value through other comprehensive income-non-current. On February 23, 2022, the Board of Directors of that company resolved to appropriate cash dividends. The ex-dividend date was set as March 19, 2022, and the Group was entitled to cash dividends of \$48,507. The Group reassessed the timing of the above-mentioned dividend income recognition in accordance with IFRS, since the conditions for recognition of profit and loss had been met, therefore the consolidated financial statements for the three months ended March 31, 2022, were restated.

The effects of restating the consolidated balance sheet of March 31, 2022, and the consolidated statement of comprehensive income for the three months ended March 31, 2022, were as follows:

Consolidated Balance Sheet

<u>Accounts</u>	March 31, 2022		
	<u>Before restatement</u>	<u>Adjustment</u>	<u>After restatement</u>
<u>Assets</u>			
Current assets	\$ 4,777,908	48,507	4,826,415
Non-current assets	<u>15,094,023</u>	<u>-</u>	<u>15,094,023</u>
Total assets	<u>\$ 19,871,931</u>	<u>48,507</u>	<u>19,920,438</u>
<u>Total liabilities and equity</u>			
Current liabilities	\$ 3,543,771	-	3,543,771
Non-Current liabilities	<u>5,729,856</u>	<u>-</u>	<u>5,729,856</u>
Total liabilities	<u>9,273,627</u>	<u>-</u>	<u>9,273,627</u>
<u>Equity</u>			
Common stock	1,974,846	-	1,974,846
Capital surplus	53,411	-	53,411
Retained earnings	8,925,545	48,507	8,974,052
Other equity interest	<u>(371,078)</u>	<u>-</u>	<u>(371,078)</u>
Equity attributable to owners of parent	10,582,724	48,507	10,631,231
Non-controlling interests	<u>15,580</u>	<u>-</u>	<u>15,580</u>
Total equity	<u>10,598,304</u>	<u>48,507</u>	<u>10,646,811</u>
Total liabilities and equity	<u>\$ 19,871,931</u>	<u>48,507</u>	<u>19,920,438</u>

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Consolidated statement of Comprehensive Income

<u>Accounts</u>	<u>For the three months ended March 31, 2022</u>		
	<u>Before restatement</u>	<u>Adjustment</u>	<u>After restatement</u>
Operating Revenues	\$ 1,006,675	-	1,006,675
Operating costs	723,807	-	723,807
Operating expenses	116,329	-	116,329
Non-operating income and expenses	5,200	48,507	53,707
Income tax expenses	35,963	-	35,963
Profit	135,776	48,507	184,283
Comprehensive income	699,466	48,507	747,973
Basic earnings per share (NTD)	0.70	0.24	0.94
Diluted earnings per share (NTD)	0.70	0.24	0.94

- (ii) The Group had 30% ownership of AGM for long-term equity investments. For coordinating the Group's business structure. The Group had acquired 40% ownership of Associated Group Motors Corp.(AGM) from its parent company, AGCMT Group Ltd. with the cash considerations of \$32,800 on April 1, 2021. The percentage of ownership of AGM held by the Group had increased to 70%, thereby the Group had obtained the control of AGM. The transaction was accounted for as a business reorganization under common control in compliance with the Accounting Research and Development Foundation's IFRS Question and Answers. When presenting comparative consolidated financial statements, the Group presented them as if AGM had always been combined and the consolidated financial statements were restated retrospectively. In addition, the previous comparative consolidated financial statements should be restated.

After restating the consolidated balance sheet of March 31, 2021, and the consolidated statement of comprehensive income for the three months ended March 31, 2021, the effects were as follows:

Consolidated Balance Sheet

<u>Accounts</u>	<u>March 31, 2021</u>		
	<u>Before restatement</u>	<u>Adjustment</u>	<u>After restatement</u>
<u>Assets</u>			
Current assets	\$ 4,573,454	64,798	4,638,252
Non-current assets	13,885,813	(10,815)	13,874,998
Total assets	<u>\$ 18,459,267</u>	<u>53,983</u>	<u>18,513,250</u>

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Accounts</u>	March 31, 2021		
	<u>Before restatement</u>	<u>Adjustment</u>	<u>After restatement</u>
<u>Total liabilities and equity</u>			
Current liabilities	\$ 2,354,125	642	2,354,767
Non-Current liabilities	<u>6,070,214</u>	-	<u>6,070,214</u>
Total liabilities	<u>8,424,339</u>	<u>642</u>	<u>8,424,981</u>
<u>Equity</u>			
Common stock	1,974,846	-	1,974,846
Capital surplus	53,411	-	53,411
Retained earnings	8,816,830	-	8,816,830
Other equity interest	<u>(810,159)</u>	-	<u>(810,159)</u>
Equity attributable to owners of parent	10,034,928	-	10,034,928
Equity attributable to predecessors' interests under common control	-	30,481	30,481
Non-controlling interests	<u>-</u>	<u>22,860</u>	<u>22,860</u>
Total equity	<u>10,034,928</u>	<u>53,341</u>	<u>10,088,269</u>
Total liabilities and equity	<u>\$ 18,459,267</u>	<u>53,983</u>	<u>18,513,250</u>

Consolidated statement of Comprehensive Income

<u>Accounts</u>	For the three months ended March 31, 2021		
	<u>Before restatement</u>	<u>Adjustment</u>	<u>After restatement</u>
Operating Revenues	\$ 792,821	486	793,307
Operating costs	656,789	2,422	659,211
Operating expenses	98,234	4,234	102,468
Non-operating income and expenses	187,671	1,949	189,620
Income tax expenses	4,784	-	4,784
Profit	220,685	(4,221)	216,464
Comprehensive income	284,994	(4,221)	280,773

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2022:

(i) Loans to other parties (Restated):

(In Thousands of New Taiwan Dollars)

No	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (note 2)	Maximum limit of fund financing (note 3)	Note
													Item	Value			
1	CMT HK	CPN	Other receivables due from related parties	Y	189,498	189,498	189,498	-	2	-	Operating	-	-	-	8,904,770	8,904,770	Transactions in the left column had been eliminated during the preparation of consolidated financial statements
1	CMT HK	CHN	"	Y	143,125	143,125	143,125	-	2	-	"	-	-	-	8,904,770	8,904,770	"
1	CMT HK	CPC	"	Y	200,375	200,375	200,375	-	2	-	"	-	-	-	8,904,770	8,904,770	"
1	CMT HK	CPG	"	Y	286,250	286,250	286,250	-	2	-	"	-	-	-	8,904,770	8,904,770	"
1	CMT HK	CHM	"	Y	319,455	319,455	319,455	-	2	-	"	-	-	-	8,904,770	8,904,770	"
1	CMT HK	CMTI	"	Y	2,275,688	2,275,688	1,985,144	0.83%	2	-	"	-	-	-	8,904,770	8,904,770	"
1	CMT HK	CTU	"	Y	319,169	319,169	319,169	-	2	-	"	-	-	-	8,904,770	8,904,770	"
1	CMT HK	CTD	"	Y	754,269	324,894	324,894	-	2	-	"	-	-	-	8,904,770	8,904,770	"
1	CMT HK	CFR	"	Y	71,563	71,563	71,563	0.85%	2	-	"	-	-	-	8,904,770	8,904,770	"
2	ATI	APT	"	Y	11,000	11,000	11,000	1.20%	1	135,134	"	-	-	-	135,134	258,831	"
2	ATI	PTL	"	Y	5,000	5,000	5,000	1.20%	1	63,885	"	-	-	-	63,885	258,831	"
2	ATI	AGM	"	Y	50,000	50,000	-	1.20%	2	-	"	-	-	-	258,831	258,831	"
3	CPD	CMT HK	"	Y	229,000	229,000	229,000	-	2	-	"	-	-	-	1,210,011	1,210,011	"
4	CIM	CMT HK	"	Y	28,625	28,625	28,625	-	2	-	"	-	-	-	29,206	29,206	"

Note 1: Represents entities with business dealings. 2. Represents where an inter-company or inter-firm short-term financing facility is necessary.

Note 2 : For entities who have business with the Company, the amount of endorsements permitted for a single company shall not exceed the transaction amount in the last fiscal year and 40% of the lender's net worth. For entities who have short-term financing needs, amount shall not exceed 40% of the lender's net worth. The amount lendable to directly or indirectly wholly owned foreign subsidiaries is not limited by the restriction of 40% of the lender's net worth, only the total amount lending limit shall still be no more than the net worth of each subsidiary.

Note 3: The total amount available for financing purposes shall not exceed 40% of lender's net worth. Investee whose voting shares, directly or indirectly, owned by the Company is unrestricted by the limitation mentioned above; however, the amount available for financing shall not exceed 100% of net worth of the investee.

(ii) Guarantees and endorsements for other parties (Restated):

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (note1, note2)	Highest balance for guarantees and endorsements during the period (note 3)	Balance of guarantees and endorsements as of reporting date (note 3)	Actual usage amount during the period (note 3)	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements / guarantees to third parties on behalf of parent company	Endorsements / guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	THE COMPANY	CTD	Sub-subsidiary	15,946,847	257,625	-	-	-	- %	15,946,847	Y	-	-
0	"	CFR	Sub-subsidiary	15,946,847	1,272,381	1,272,381	475,469	-	11.97 %	15,946,847	Y	-	-
0	"	CPN	Sub-subsidiary	15,946,847	1,288,125	1,288,125	384,612	-	12.12 %	15,946,847	Y	-	-
0	"	CCMP	Sub-subsidiary	15,946,847	1,674,563	1,674,563	1,674,563	-	15.75 %	15,946,847	Y	-	-

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (note1, note2)	Highest balance for guarantees and endorsements during the period (note 3)	Balance of guarantees and endorsements as of reporting date (note 3)	Actual usage amount during the period (note 3)	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements / guarantees to third parties on behalf of parent company	Endorsements / guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	THE COMPANY	CVTR	Sub-subsidiary	15,946,847	1,674,563	1,674,563	1,674,563	-	15.75 %	15,946,847	Y	-	-
0	"	CACE	Sub-subsidiary	15,946,847	1,803,375	1,803,375	1,803,375	-	16.96 %	15,946,847	Y	-	-
0	"	CVST	Sub-subsidiary	15,946,847	1,803,375	1,803,375	1,803,375	-	16.96 %	15,946,847	Y	-	-
1	CMT HK	CEP	Subsidiary	13,357,154	915,428	915,428	578,165	-	8.61 %	13,357,154	-	-	-
1	"	CHM	Subsidiary	13,357,154	933,748	933,748	390,679	-	8.78 %	13,357,154	-	-	-
1	"	CHN	Subsidiary	13,357,154	711,045	711,045	586,240	-	6.69 %	13,357,154	-	-	-
1	"	CTU	Subsidiary	13,357,154	429,375	429,375	429,375	-	4.04 %	13,357,154	-	-	-
1	"	CTD	Subsidiary	13,357,154	429,375	429,375	429,375	-	4.04 %	13,357,154	-	-	-
1	"	THE COMPANY	Parent company	13,357,154	3,721	3,721	3,721	-	0.04 %	13,357,154	-	Y	-

Note1: The total amount of external endorsements and/or guarantees shall worth no more than 150% of the Company's net worth. Among which the amount of endorsements/ guarantees for any single (1) whose voting shares are 100% owned by the Company shall not exceed 150% of the Company's net worth. (2) company whose more than 80% voting shares are owned by the Company shall not exceed 30% of the Company's net worth.

Note2: CMT HK's total amount of external endorsements/ guarantees shall not exceed 150% of its net worth. Among which, the amount of endorsements/ guarantees for any single (1) investee who has, directly or indirectly, 100% voting shares of the Company and whose voting shares are 100% owned by the Company shall not exceed 150% of the Company's net worth. (2) an entity who has more than 80% voting shares and is owned directly by the Company shall not exceed 30% of the Company's net worth. (3) an entity who has less than 80% voting shares and is owned directly by the Company shall not exceed 10% of the Company's net worth.

Note3: The amount was translated to the NTD at the exchange rates at the reporting date.

(iii) Securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	percentage of ownership (%)	Fair value / net value	
THE COMPANY	Yang Ming Marine Transport Corporation	-	Non-current financial assets at fair value through profit or loss	2,318	288,591	0.07 %	288,591	
"	Asia Pacific Emerging Industry Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	1,589	20,352	2.78 %	20,352	
HIL	China Container Terminal Corp.	-	Non-current financial assets at fair value through other comprehensive income	23,788	811,171	16.03 %	811,171	
"	Dimerco Express	-	Current financial assets at fair value through profit or loss	1,678	176,223	1.23 %	176,223	
MHI	Dimerco Express	-	Current financial assets at fair value through profit or loss	2,875	301,871	2.11 %	301,871	
"	China Container Terminal Corp.	-	Non-current financial assets at fair value through other comprehensive income	5,610	191,302	3.78 %	191,302	

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
THE COMPANY	ATI	Subsidiary	Freight cost	156,532	93 %	Depending on the demand for funding of subsidiaries	-		(128,673)	(99)%	Note 1
ATI	THE COMPANY	Subsidiary	Freight revenue	(156,532)	(52) %	"	-		128,673	50%	"

Note1: Transactions in the left column had been written off during the preparation of the consolidated financial statements.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
CMT HK	CTD	Subsidiary	324,894	Note1	-		-	-	Note 2
"	CTU	Subsidiary	319,169	"	-		-	-	"
"	CHM	Subsidiary	319,455	"	-		-	-	"
"	CPC	Subsidiary	200,375	"	-		-	-	"
"	CHN	Subsidiary	143,125	"	-		-	-	"
"	CPG	Subsidiary	286,250	"	-		-	-	"
"	CPN	Subsidiary	189,498	"	-		-	-	"
"	CMTI	Fellow subsidiary	1,985,144	"	-		-	-	"
ATI	THE COMPANY	Parent company	128,673	1.29%	-		-	-	"
CPD	CHK	Parent company	229,000	Note 1	-		-	-	"

Note1: Accounts receivable from related parties are not applies for turnover rate.

Note2: Transactions in the left column had been eliminated during the preparation of the consolidated financial statements.

- (ix) Trading in derivative instruments: None

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Business relationships and significant intercompany transactions (Restated):

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	ATI	THE COMPANY	2	Operating revenues	156,532	Price depends on the market, and the receivables depend on funding demand in the credit period	15.55%
1	ATI	THE COMPANY	2	Accounts receivable	128,673	-	0.65%
2	CMT HK	CTD	3	Other receivable	324,894	-	1.63%
2	CMT HK	CTU	3	"	319,169	-	1.60%
2	CMT HK	CHM	3	"	319,455	-	1.60%
2	CMT HK	CPC	3	"	200,375	-	1.01%
2	CMT HK	CHN	3	"	143,125	-	0.72%
2	CMT HK	CPG	3	"	286,250	-	1.44%
2	CMT HK	CPN	3	"	189,498	-	0.95%
2	CMT HK	CMTI	3	"	1,985,144	-	9.97%
3	CPD	CMT HK	3	"	229,000	-	1.15%

Note 1: The companies are coded as follows:

1. 0 represents the parent company.
2. The subsidiaries are coded sequentially beginning from 1 in the order of companies' names.

Note 2: The relationships with transactions are as follows:

1. Transactions from the parent company to its subsidiaries.
2. Transactions from the subsidiaries to the parent company.
3. Transaction between subsidiaries.

(b) Information on investees (Restated):

The following is the information on investees for the three months ended March 31, 2022:

Name of investor	Name of investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2022			Net Income		Note
				March 31, 2022	December 31, 2021	Shares (thousands)	Percentage of Ownership	Carrying Value	(Losses) of the Investee	Share of profits/losses of investee	
THE COMPANY	CMTS	Singapore	Investment holding of ship- owning companies	4,282	4,282	217	0.34 %	4,940	55,539	191	Note1 - Note4
"	CMT HK	Hong Kong	Investment holding of ship- owning companies	34,356	34,356	12,000	100 %	8,904,772	97,880	97,880	"
"	CMTI	Singapore	Investment holding of ship- owning companies	585,272	585,272	21,000	100 %	754,740	49,942	49,942	"
"	CMTL	Taiwan	Warehouse management	743,058	743,058	24,550	100 %	1,137,070	18,592	18,592	"
"	AGMI	"	Investment	41,000	41,000	4,100	100 %	48,646	22	22	"
"	HIL	"	"	400,000	400,000	40,000	100 %	1,201,840	47,490	47,490	"
"	MHI	"	"	271,300	271,300	27,130	100 %	586,436	7,857	7,857	"
"	ATI	"	Container trucking	500,000	500,000	50,000	100 %	647,076	8,676	8,676	"
"	CMTTSL	"	Travel	20,000	20,000	2,000	100 %	3,082	(144)	(144)	"
"	TGEM	"	Bulk-carrier transportation	601,200	601,200	61,623	12 %	609,213	12,969	1,557	Note2
"	AGM	"	Automobile and its parts manufacturing	62,880	62,880	70,000	70 %	36,354	15,341	(4,445)	Note1 - Note4
"	HYT	"	Container trucking	75,000	75,000	7,500	71.43 %	79,476	137	98	"
CMTS	CFR	Singapore	Bulk-carrier transportation	658,375	658,375	29,900	100 %	677,516	28,101	Has been recognized as investment incomes(losses) by CMTS	Note1 - Note3 - Note4
"	CEP	"	"	661,238	661,238	23,100	100 %	694,374	29,470	"	"

(In Thousands of Shares)

(In Thousands of New Taiwan Dollars)

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2022			Net Income		Note
				March 31, 2022	December 31, 2021	Shares (thousands)	Percentage of Ownership	Carrying Value	(Losses) of the Investee	Share of profits/losses of investee	
CMT HK	CPS	Hong Kong	Bulk-carrier transportation	57,250	57,250	2,000	100 %	57,193	(74)	Has been recognized as investment incomes(losses) by CMT HK	Note 1 , Note 3 , Note 4
"	CPG	"	"	171,750	171,750	6,000	100 %	172,130	2,539	"	"
"	CPC	"	"	157,438	157,438	5,500	100 %	161,047	2,690	"	"
"	CHT	"	Bulk-chartering services	286	286	10	100 %	5,241	(65)	"	"
"	CPN	"	Bulk-carrier transportation	687,000	687,000	240	100 %	652,515	(17,769)	"	"
"	CPD	"	"	1,202,250	1,202,250	420	100 %	1,210,011	16,752	"	"
"	CTD	"	"	372,125	372,125	13,000	100 %	385,959	30,904	"	"
"	CTU	"	"	372,125	372,125	13,000	100 %	372,427	19,520	"	"
"	CHM	"	"	429,375	429,375	150	100 %	472,515	41,514	"	"
"	CHN	"	"	429,375	429,375	150	100 %	430,370	10,499	"	"
"	CHI	"	Investment management	286	286	0.1	100 %	(676)	(44)	"	"
"	CIM	"	"	28,625	28,625	10	100 %	29,206	(47)	"	"
CMTI	CMTS	Singapore	Investment holding of ship-owning companies	1,398,961	1,398,961	62,918	99.66 %	1,433,656	55,539	Part has been recognized as investment incomes (losses) by CMTI	Note 1, Note 3, Note 4, Note 5
"	CCMP	"	Bulk-carrier transportation	363,538	181,769	12,700	100 %	362,677	(494)	Has been recognized as investment incomes (losses) by CMTI	Note 1, Note 3, Note 4
"	CVTR	"	"	360,675	360,675	12,600	100 %	359,833	(475)	"	"
"	CACE	"	"	286,250	286,250	10,000	100 %	286,003	(27)	-	"
"	CVST	"	"	286,250	286,250	10,000	100 %	286,003	(27)	-	"
ATI	CST	Taiwan	Container trucking	86,642	86,642	8,200	100 %	100,330	1,149	Has been recognized as investment incomes (losses) by ATI	Note 1 , Note 4
"	HYT	"	"	28,932	28,932	3,000	28.57 %	31,749	137	39	"
"	MHT	"	"	30,568	30,568	3,000	100 %	57,432	1,374	Has been recognized as investment incomes (losses) by ATI	"
"	APT	"	"	30,719	30,719	3,000	100 %	50,166	1,889	-	"
"	PTL	"	"	30,000	30,000	3,000	100 %	29,742	153	-	"

Note1: Subsidiaries controlled by the parent company.

Note2: Investees affected by the comprehensive shareholdings of the Group.

Note3: The amount was translated to the NTD at the exchange rates at the reporting date.

Note4: The account had been written off during the preparation of the consolidated financial statements.

(c) Information on investment in mainland China: None

(d) Major shareholders:

Shareholder's Name	Shares	Percentage
Associated International Inc. (AII)	79,685,475	40.35 %
AGCMT Group Ltd.	42,924,297	21.73 %

(Continued)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information

(a) General information

The Group's reportable segments consist of the Land Transportation, and the Logistics Segment and the Sea Transportation Segment. The land transportation and the logistics segment engage in the container transportation business, warehousing business, and freight agent business. And the sea transportation segment engages in the bulk carrier business. The Group's reportable segments are the strategic business units that provide different kinds of transportation services. Each strategic business unit requires different services and marketing strategies, thus, should be managed separately.

(b) Reportable segment information

The amounts of the Group's reportable segments are the same as those in the report used by the chief operating decision maker. The accounting policies for the operating segments are the same as those in Note 4, which describe significant accounting policies. The Group's operating segments' income before tax was the foundation for the chief operating decision maker to evaluate performance. There was no transfer of revenue between segments.

The Group's segment information was as below:

	Three months ended March 31, 2022 (Restated)				
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 424,100	565,933	16,642	-	1,006,675
Intersegment revenue	-	-	-	-	-
	<u>\$ 424,100</u>	<u>565,933</u>	<u>16,642</u>	<u>-</u>	<u>1,006,675</u>
Segment operating income	<u>\$ 46,905</u>	<u>164,926</u>	<u>(11,631)</u>	<u>(33,661)</u>	<u>166,539</u>
Reportable segment assets					<u>\$ 19,920,438</u>
	Three months ended March 31, 2021 (Restated)				
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 407,410	377,464	8,433	-	793,307
Intersegment revenue	-	-	-	-	-
	<u>\$ 407,410</u>	<u>377,464</u>	<u>8,433</u>	<u>-</u>	<u>793,307</u>
Segment operating income	<u>\$ 21,982</u>	<u>38,108</u>	<u>1,755</u>	<u>(30,217)</u>	<u>31,628</u>
Reportable segment assets					<u>\$ 18,513,250</u>