

**CHINESE MARITIME TRANSPORT LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2022 and 2021**

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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.

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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 September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2022 and 2021, as well as the changes in equity and cash flows for the nine months ended September 30, 2022 and 2021, 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 \$1,819,069 thousand and \$1,860,826 thousand, constituting 8.61% and 10.25% of the consolidated total assets; and the total liabilities amounting to \$608,040 thousand and \$683,348 thousand, constituting 6.65% and 8.77% of the consolidated total liabilities as of September 30, 2022 and 2021, respectively; as well as the total comprehensive income amounting to \$20,087 thousand, \$7,474 thousand, \$75,092 thousand and \$21,693 thousand, constituting 2.12%, 0.92%, 3.60% and 2.41% of the absolute value of the consolidated total comprehensive income for the three months and nine months ended September 30, 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 \$644,918 thousand and \$584,333 thousand as of September 30, 2022 and 2021, respectively, and its equity in net earnings on these investee companies of \$7,476 thousand, \$6,580 thousand, \$7,677 thousand and \$18,360 thousand for the three months and nine months ended September 30, 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 September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months ended September 30, 2022 and 2021, as well as consolidated cash flows for the nine months ended September 30, 2022 and 2021 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.

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)
November 7, 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 GENERALLY ACCEPTED AUDITING STANDARDS

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2022 and 2021

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

	For the three months ended September 30				For the nine months ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenues (notes 6(q), 7 and 14)								
4621 Freight revenue-vessel chartering	\$ 651,502	57	490,397	52	1,948,309	58	1,241,410	49
4622 Freight revenue-container hauling and logistics	471,080	41	446,523	47	1,362,662	41	1,286,375	50
4623 Freight revenue-airline agent and others	19,632	2	7,559	1	46,551	1	16,922	1
	<u>1,142,214</u>	<u>100</u>	<u>944,479</u>	<u>100</u>	<u>3,357,522</u>	<u>100</u>	<u>2,544,707</u>	<u>100</u>
5000 Operating costs (notes 6(m), (s) and 12)								
5621 Freight cost-vessel chartering	417,028	36	340,577	36	1,189,156	36	989,962	39
5622 Freight cost-container hauling and logistics	344,634	30	359,311	38	1,039,234	31	1,054,822	41
5623 Freight cost-airline agent and others	19,461	2	7,220	1	38,362	1	16,208	1
	<u>781,123</u>	<u>68</u>	<u>707,108</u>	<u>75</u>	<u>2,266,752</u>	<u>68</u>	<u>2,060,992</u>	<u>81</u>
5900 Gross profit	<u>361,091</u>	<u>32</u>	<u>237,371</u>	<u>25</u>	<u>1,090,770</u>	<u>32</u>	<u>483,715</u>	<u>19</u>
Operating expenses:								
6000 Operating expenses (notes 6(m), (s), 7 and 12)	117,653	10	93,272	10	345,224	10	304,480	12
6450 Expected credit losses (reversal gains) (note 6(d))	(88)	-	32	-	70	-	358	-
	<u>117,565</u>	<u>10</u>	<u>93,304</u>	<u>10</u>	<u>345,294</u>	<u>10</u>	<u>304,838</u>	<u>12</u>
6900 Net operating income	<u>243,526</u>	<u>22</u>	<u>144,067</u>	<u>15</u>	<u>745,476</u>	<u>22</u>	<u>178,877</u>	<u>7</u>
Non-operating income and expenses:								
7010 Other income (notes 6(b), (c), (l) and 12)	3,606	-	9,197	1	139,886	4	46,369	2
7050 Finance costs (note 6(r))	(42,182)	(4)	(21,417)	(2)	(96,163)	(3)	(74,387)	(3)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method (note 6(e))	7,476	1	6,580	1	7,677	-	18,360	1
7100 Interest income	14,227	1	657	-	21,013	1	7,413	-
7210 Gains (losses) on disposals of property, plant and equipment, net (note 6(f))	8,844	1	4,531	-	14,510	-	3,987	-
7230 Foreign exchange gains, net	13,875	1	3,108	-	31,411	1	3,673	-
7235 Gains (losses) on financial assets at fair value through profit or loss (note 6(b))	(43,631)	(4)	(355,799)	(37)	(245,916)	(7)	638,856	25
7590 Miscellaneous disbursements	(31)	-	-	-	(86)	-	(61)	-
	<u>(37,816)</u>	<u>(4)</u>	<u>(353,143)</u>	<u>(37)</u>	<u>(127,668)</u>	<u>(4)</u>	<u>644,210</u>	<u>25</u>
7900 Profit from continuing operation before tax	<u>205,710</u>	<u>18</u>	<u>(209,076)</u>	<u>(22)</u>	<u>617,808</u>	<u>18</u>	<u>823,087</u>	<u>32</u>
7950 Less: Income tax expenses (note 6(n))	16,009	1	36,934	4	62,007	2	48,355	2
Profit	<u>189,701</u>	<u>17</u>	<u>(246,010)</u>	<u>(26)</u>	<u>555,801</u>	<u>16</u>	<u>774,732</u>	<u>30</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))	(10,290)	(1)	(562,971)	(59)	26,458	1	222,652	9
Total other comprehensive income that may not be reclassified to profit or loss	<u>(10,290)</u>	<u>(1)</u>	<u>(562,971)</u>	<u>(59)</u>	<u>26,458</u>	<u>1</u>	<u>222,652</u>	<u>9</u>
8360 Items that may be reclassified subsequently to profit or loss								
8361 Exchange differences on translation of foreign financial statements	740,792	65	(7,335)	(1)	1,432,390	43	(83,648)	(3)
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 (note 6(e))	26,013	2	(193)	-	69,255	2	(13,337)	(1)
Total other comprehensive income that may be reclassified subsequently to profit or loss	<u>766,805</u>	<u>67</u>	<u>(7,528)</u>	<u>(1)</u>	<u>1,501,645</u>	<u>45</u>	<u>(96,985)</u>	<u>(4)</u>
8300 Other comprehensive income	<u>756,515</u>	<u>66</u>	<u>(570,499)</u>	<u>(60)</u>	<u>1,528,103</u>	<u>46</u>	<u>125,667</u>	<u>5</u>
Total comprehensive income	<u>\$ 946,216</u>	<u>83</u>	<u>(816,509)</u>	<u>(86)</u>	<u>2,083,904</u>	<u>62</u>	<u>900,399</u>	<u>35</u>
Profit, attributable to:								
8615 Owners of parent	\$ 191,411	17	(244,155)	(26)	561,157	16	782,182	30
Predecessors' interests under common control	-	-	-	-	-	-	(2,412)	-
Non-controlling interests	(1,710)	-	(1,855)	-	(5,356)	-	(5,038)	-
	<u>\$ 189,701</u>	<u>17</u>	<u>(246,010)</u>	<u>(26)</u>	<u>555,801</u>	<u>16</u>	<u>774,732</u>	<u>30</u>
Comprehensive income attributable to:								
Owners of parent	\$ 947,926	83	(814,654)	(86)	2,089,260	62	907,849	35
Predecessors' interests under common control	-	-	-	-	-	-	(2,412)	-
Non-controlling interests	(1,710)	-	(1,855)	-	(5,356)	-	(5,038)	-
	<u>\$ 946,216</u>	<u>83</u>	<u>(816,509)</u>	<u>(86)</u>	<u>2,083,904</u>	<u>62</u>	<u>900,399</u>	<u>35</u>
Earnings per share (notes 6(p) and 12)								
9750 Basic net income per share (NT Dollars)	<u>\$ 0.97</u>		<u>(1.24)</u>		<u>2.84</u>		<u>3.96</u>	
9850 Diluted net income per share (NT Dollars)	<u>\$ 0.97</u>		<u>(1.24)</u>		<u>2.84</u>		<u>3.96</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 nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Total other equity interest							
	Share capital		Retained earnings			Total	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									
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
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	32,186	-	(32,186)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	348,302	(348,302)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(315,975)	(315,975)	-	-	-	(315,975)	-	-	(315,975)
	-	-	32,186	348,302	(696,463)	(315,975)	-	-	-	(315,975)	-	-	(315,975)
Net income for the nine months ended September 30, 2021	-	-	-	-	782,182	782,182	-	-	-	782,182	(2,412)	(5,038)	774,732
Other comprehensive income for the nine months ended September 30, 2021	-	-	-	-	(8,123)	(8,123)	(96,985)	230,775	133,790	125,667	-	-	125,667
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	774,059	774,059	(96,985)	230,775	133,790	907,849	(2,412)	(5,038)	900,399
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(2,399)	(2,399)	-	-	-	(2,399)	2,399	-	-
Effect of reorganization	-	-	-	-	-	-	-	-	-	-	(32,880)	-	(32,880)
Balance at September 30, 2021	\$ 1,974,846	53,411	1,779,756	883,992	6,397,606	9,061,354	(1,251,705)	501,503	(750,202)	10,339,409	-	19,631	10,359,040
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
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	102,743	-	(102,743)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	50,776	(50,776)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(529,259)	(529,259)	-	-	-	(529,259)	-	-	(529,259)
	-	-	102,743	50,776	(682,778)	(529,259)	-	-	-	(529,259)	-	-	(529,259)
Net income for the nine months ended September 30, 2022	-	-	-	-	561,157	561,157	-	-	-	561,157	-	(5,356)	555,801
Other comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	-	1,501,645	26,458	1,528,103	1,528,103	-	-	1,528,103
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	561,157	561,157	1,501,645	26,458	1,528,103	2,089,260	-	(5,356)	2,083,904
Balance at September 30, 2022	\$ 1,974,846	53,411	1,882,499	934,768	6,531,754	9,349,021	193,256	400,079	593,335	11,970,613	-	12,129	11,982,742

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 nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 617,808	823,087
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	716,851	666,685
Expected credit loss	70	358
Net loss (gain) on financial assets at fair value through profit or loss	245,916	(638,856)
Interest expense	96,163	74,387
Interest income	(21,013)	(7,413)
Dividend income	(126,711)	(33,974)
Share of profit of associates and joint ventures accounted for using equity method	(7,677)	(18,360)
Net gain on disposal of property, plant and equipment	(14,510)	(3,987)
Others	-	(261)
Total adjustments to reconcile profit (loss)	889,089	38,579
Changes in operating assets:		
Increase in notes and accounts receivable (including related parties)	(7,334)	(44,323)
Increase in other current assets	(21,763)	(71,341)
Decrease in other current financial assets	28,709	19,109
	(388)	(96,555)
Changes in operating liabilities:		
(Decrease) increase in notes and accounts payable	(50,651)	426
Increase (decrease) in current contract liabilities	17,707	(4,719)
Increase in other current liabilities	6,497	12,863
Decrease in net defined benefit liabilities	(5,184)	(4,057)
	(31,631)	4,513
Total changes in operating assets and liabilities	(32,019)	(92,042)
Total adjustments	857,070	(53,463)
Cash inflow generated from operations	1,474,878	769,624
Interest received	16,037	8,255
Dividend received	146,307	57,099
Interest paid	(83,466)	(87,108)
Income taxes paid	(49,648)	(43,760)
Net cash flows from operating activities	1,504,108	704,110
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	507,139
Acquisition of financial assets at fair value through profit or loss	-	(36,913)
Proceeds from disposal of financial assets at fair value through profit or loss	623,007	475,002
Acquisition of property, plant and equipment	(713,008)	(520,767)
Proceeds from disposal of property, plant and equipment	40,159	7,502
Increase in other non-current assets	(44,423)	(26,961)
Acquisition of intangible assets	(68)	-
Decrease (increase) in other current financial assets	93,196	(161,632)
Increase in other non-current financial assets	(867)	(12,881)
Decrease in equity attributable to predecessors' interests under common control	-	(32,880)
Net cash flows (used in) from investing activities	(2,004)	197,609
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	539,731	825,034
Repayments of bonds	(400,000)	(2,300,000)
Proceeds from long-term borrowings	439,965	376,967
Repayments of long-term borrowings	(476,738)	(879,475)
Payment of lease liabilities	(40,684)	(37,426)
Cash dividends paid	(529,259)	(315,975)
Others	322	756
Net cash flows used in financing activities	(466,663)	(2,330,119)
Effect of exchange rate changes on cash and cash equivalents	389,114	(21,248)
Net increase (decrease) in cash and cash equivalents	1,424,555	(1,449,648)
Cash and cash equivalents at beginning of period	3,057,048	3,814,015
Cash and cash equivalents at end of period	\$ 4,481,603	2,364,367

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

September 30, 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 nine months ended September 30, 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(c) 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 November 7, 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 the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

- (c) 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”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024

(Continued)

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

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
Amendments to IAS 1 “Non-current Liabilities with Covenants”	<p>After reconsidering certain aspects of the 2020 amendments¹, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current.</p> <p>Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.</p>	January 1, 2024

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 IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(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.

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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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
			September 30, 2022	December 31, 2021	September 30, 2021	
The Company	Chinese Maritime Transport (S) Pte. Ltd. (CMTS)	Investment holding of ship-owning companies	-	0.34	0.34	Note 10
"	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	100	Note 6
"	CMT Logistics Co., Ltd. (CMTL)	Warehouse management	100	100	100	Note 3
"	AGM Investment Ltd. (AGMI)	Investment	100	100	100	
"	Hope Investment Ltd. (HIL)	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	-	-	-	Note 1
"	United Nan Hai Development Inc. (NHD)	Investment management	-	-	-	Note 2
"	Associated Group Motors Corp. (AGM)	Automobile and its part manufacturing	70	70	70	Note 3, Note 4, Note 5
"	Huang Yuen Transport Ltd. (HYT)	Container trucking	71.43	71.43	-	Note 11
"	Mao Hwa Transport Ltd. (MHT)	Container trucking	72.41	-	-	Note 12
"	Chinese Maritime Transport (UK) Limited (CMTUK)	Investment holding of ship-owning companies	100	-	-	Note 8
CMTS	China Fortune Shipping Pte. Ltd. (CFR)	Bulk-carrier transportation	100	100	100	
"	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	

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			September 30, 2022	December 31, 2021	September 30, 2021	
CMTHK	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	-	-	-	Note 9
CMTI	CMTS	Investment holding of ship-owning companies	100	99.66	99.66	Note 9, Note 10
"	China Champion Shipping Pte. Ltd. (CCMP)	Bulk-carrier transportation	100	100	100	Note 6
"	China Venture Shipping Pte. Ltd. (CVTR)	Bulk-carrier transportation	100	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 11
"	Mao Hwa Transport Ltd. (MHT)	Container trucking	27.59	100	100	Note 12
"	Prosperity Transport Ltd. (APT)	Container trucking	100	100	100	
"	Pioneer Transport Ltd. (PTL)	Container trucking	100	100	100	

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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- 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.
- 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: Subsidiary incorporated in May 2022.
- Note 9: The Company had reorganized in September 2021 to transfer the share of subsidiary CMTS from subsidiary CMTHK to subsidiary CMTI.
- Note 10: The Company had recognized in April 2022 to transfer the share of subsidiary CMTS from the Company to subsidiary CMTI.
- Note 11: The Company and subsidiary ATI jointly hold 100% ownership on HYT. In the fourth quarter of 2021, the Company subscribed for all shares of HYT's cash capital increase, increasing its percentage of ownership to 71.43%.
- Note 12: The Company and subsidiary ATI jointly hold 100% ownership on MHT. In the second quarter of 2022, the Company subscribed for all shares of MHT's cash capital increase, increasing its percentage of ownership to 72.41%.

(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.

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

(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.

(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

	September 30, 2022	December 31, 2021	September 30, 2021
Petty cash, checking accounts and demand deposits	\$ 1,218,938	1,719,175	1,106,666
Time deposits	3,082,794	1,028,648	997,985
Cash equivalents-commercial paper and reverse repurchase agreement	<u>179,871</u>	<u>309,225</u>	<u>259,716</u>
	<u>\$ 4,481,603</u>	<u>3,057,048</u>	<u>2,364,367</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.

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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>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>
Current financial assets mandatorily measured as at fair value through profit or loss:			
Non-derivative financial instrument			
Domestic listed stocks	\$ 277,710	480,371	449,864
Non-current financial assets mandatorily measured as at fair value through profit or loss:			
Non-derivative financial instrument			
Domestic listed stocks	-	106,520	94,211
Domestic listed stocks under private placement	-	559,741	475,336
Domestic unlisted stocks	<u>20,352</u>	<u>20,352</u>	<u>24,961</u>
	<u>\$ 298,062</u>	<u>1,166,984</u>	<u>1,044,372</u>
Current	\$ 277,710	480,371	449,864
Non-current	<u>20,352</u>	<u>686,613</u>	<u>594,508</u>
	<u>\$ 298,062</u>	<u>1,166,984</u>	<u>1,044,372</u>

The gain or loss on financial assets at fair value through profit or loss for the three months ended and nine months ended September 30, 2022 and 2021 were loss of \$43,631, loss of \$355,799, loss of \$245,916 and gain of \$638,856, respectively.

During the nine months ended September 30, 2022 and 2021, the dividends of \$78,204 and \$28,094, respectively, related to investment at fair value through profit or loss, were recognized.

The Group did not provide any of the aforementioned financial assets as collateral as of September 30, 2022, December 31 and September 30, 2021.

- (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.

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

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

	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>
Equity investments at fair value through other comprehensive income			
Domestic listed stocks	\$ <u>802,565</u>	<u>776,107</u>	<u>903,989</u>

(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 nine months ended September 30, 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 during the nine months ended September 30, 2022 and 2021.

The Group disposed part of its investment in TNCL with the disposal price amounting to \$507,139 during the nine months ended September 30, 2021, resulting in an accumulated disposal loss of \$8,123, 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 nine months ended September 30, 2022.

During the three months and nine months ended September 30, 2022 and 2021, the Group had recognized unrealized gain or loss on financial assets at fair value through other comprehensive income of loss \$10,290, loss \$562,971, gain \$26,458 and gain \$222,652, respectively.

During the nine months ended September 30, 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 September 30, 2022, December 31 and September 30, 2021, the financial assets measured at other comprehensive income of the Group had been pledged as collateral, please refer to note 8.

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

(d) Notes and accounts receivable

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable	\$ 12,762	18,703	9,672
Accounts receivable	340,899	327,624	332,620
Less: Loss allowance	<u>(331)</u>	<u>(261)</u>	<u>(532)</u>
	<u>\$ 353,330</u>	<u>346,066</u>	<u>341,760</u>
Notes and accounts receivable, net	<u>\$ 338,563</u>	<u>331,386</u>	<u>331,060</u>
Notes and accounts receivable due from related parties, net	<u>\$ 14,767</u>	<u>14,680</u>	<u>10,700</u>

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:

	September 30, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 334,963	-	-
1 to 30 days past due	11,970	-	-
30 to 180 days past due	6,728	4.92%	331
More than 180 days past due	<u>-</u>	-	<u>-</u>
	<u>\$ 353,661</u>		<u>331</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	<u>2</u>	100%	<u>2</u>
	<u>\$ 346,327</u>		<u>261</u>

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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	September 30, 2021		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not current	\$ 327,076	-	-
1 to 30 days past due	10,225	-	-
30 to 180 days past due	4,989	10.62%	530
More than 180 days past due	2	100%	2
	\$ 342,292		532

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

	For the nine months ended September 30,	
	2022	2021
Balance on January 1	\$ 261	174
Impairment losses recognized	70	358
Balance on September 30	\$ 331	532

The Group did not provide any aforementioned notes and accounts receivable as collaterals as of September 30, 2022, December 31 and September 30, 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:

	September 30, 2022	December 31, 2021	September 30, 2021
Associates	\$ 644,918	587,583	584,333

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Associates	\$ 7,476	6,580	7,677	18,360

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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(iii) Summarized financial information of individually insignificant associates

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

	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>	
Carrying amount of individually insignificant associates' equity	<u>\$ 644,918</u>	<u>587,583</u>	<u>584,333</u>	
	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Share of profit attributable to the Group:				
Profit from continuing operations	\$ 7,476	6,580	7,677	18,360
Other comprehensive income	<u>26,013</u>	<u>(193)</u>	<u>69,255</u>	<u>(13,337)</u>
Comprehensive income	<u>\$ 33,489</u>	<u>6,387</u>	<u>76,932</u>	<u>5,023</u>

(iv) Pledges

As of September 30, 2022, December 31 and September 30, 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 nine months ended September 30, 2022 and 2021 were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Under construction</u>	<u>Total</u>
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	-	21,254	99,508	25,878	566,368	713,008
Disposals	-	(29,321)	(32,568)	(80,817)	-	(142,706)
Reclassifications	-	57,198	85,617	16,848	(86,590)	73,073
Effect of movements in exchange rates	-	4,667	2,471,569	-	174,640	2,650,876
Balance on September 30, 2022	<u>\$ 1,699,643</u>	<u>247,043</u>	<u>20,173,171</u>	<u>584,108</u>	<u>1,610,028</u>	<u>24,313,993</u>

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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	<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)	\$ 1,719,551	145,317	17,671,712	627,070	26,451	20,190,101
Additions	-	26,848	115,805	26,206	351,908	520,767
Disposals	-	(595)	(11,576)	(27,012)	-	(39,183)
Reclassifications	(19,908)	19,908	(14,078)	-	54,707	40,629
Effect of movements in exchange rates	-	(287)	(150,727)	-	(2,819)	(153,833)
Balance on September 30, 2021	<u>\$ 1,699,643</u>	<u>191,191</u>	<u>17,611,136</u>	<u>626,264</u>	<u>430,247</u>	<u>20,558,481</u>
Depreciation and impairments loss:						
Balance on January 1, 2022	\$ -	104,006	8,318,553	336,120	-	8,758,679
Depreciation	-	13,421	631,624	31,609	-	676,654
Disposals	-	(24,121)	(21,799)	(71,137)	-	(117,057)
Reclassifications	-	-	(64)	64	-	-
Effect of movements in exchange rates	-	1,133	1,177,462	-	-	1,178,595
Balance on September 30, 2022	<u>\$ -</u>	<u>94,439</u>	<u>10,105,776</u>	<u>296,656</u>	<u>-</u>	<u>10,496,871</u>
Balance on January 1, 2021 (Restated)	\$ -	91,898	7,658,644	331,976	-	8,082,518
Depreciation	-	9,392	590,367	29,817	-	629,576
Disposals	-	(520)	(9,145)	(26,003)	-	(35,668)
Effect of movements in exchange rates	-	(65)	(66,841)	-	-	(66,906)
Balance on September 30, 2021	<u>\$ -</u>	<u>100,705</u>	<u>8,173,025</u>	<u>335,790</u>	<u>-</u>	<u>8,609,520</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 September 30, 2022	<u>\$ 1,699,643</u>	<u>152,604</u>	<u>10,067,395</u>	<u>287,452</u>	<u>1,610,028</u>	<u>13,817,122</u>
Balance on September 30, 2021	<u>\$ 1,699,643</u>	<u>90,486</u>	<u>9,438,111</u>	<u>290,474</u>	<u>430,247</u>	<u>11,948,961</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 and October 22, 2021, respectively, four bulk-carriers in total. As of financial report date, the cost incurred totaled USD49,650 thousand (\$1,576,388 in thousand New Taiwan Dollars).
- (iii) The Group disposed of part of the property, plant and equipment during the nine months ended September 30, 2022 and 2021 for \$40,159 and \$7,502, respectively, and the related gain or loss of disposal were gain of \$14,510 and gain of \$3,987, respectively. The registration procedures of the assets transfer have been completed and related receivables have been collected.

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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- (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 (\$1,001,871, \$873,442, and \$878,807 in thousand New Taiwan Dollars) as of September 30, 2022, December 31 and September 30, 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).

(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 September 30, 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	124,267	-	124,267
Disposal	(48,891)	-	(48,891)
Balance on September 30, 2021	\$ <u>243,217</u>	<u>78,813</u>	<u>322,030</u>
Accumulated depreciation losses:			
Balance on January 1, 2022	\$ 61,257	45,458	106,715
Depreciation	<u>26,070</u>	<u>11,364</u>	<u>37,434</u>
Balance on September 30, 2022	\$ <u>87,327</u>	<u>56,822</u>	<u>144,149</u>
Balance on January 1, 2021 (Restated)	\$ 54,289	30,306	84,595
Depreciation	22,723	11,364	34,087
Disposal	(24,445)	-	(24,445)
Balance on September 30, 2021	\$ <u>52,567</u>	<u>41,670</u>	<u>94,237</u>
Carrying Amount:			
Balance on January 1, 2022	\$ <u>181,960</u>	<u>33,355</u>	<u>215,315</u>
Balance on September 30, 2022	\$ <u>155,890</u>	<u>21,991</u>	<u>177,881</u>
Balance on September 30, 2021	\$ <u>190,650</u>	<u>37,143</u>	<u>227,793</u>

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(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	-	2,903	2,903
Balance on September 30, 2022	<u>\$ 19,094</u>	<u>26,415</u>	<u>45,509</u>
Balance on January 1, 2021 (Restated)	\$ 19,094	23,811	42,905
Effect of movements in exchange rates	-	(179)	(179)
Balance on September 30, 2021	<u>\$ 19,094</u>	<u>23,632</u>	<u>42,726</u>
Depreciation and impairment losses:			
Balance on January 1, 2022	\$ -	8,757	8,757
Depreciation	-	371	371
Effect of movements in exchange rates	-	897	897
Balance on September 30, 2022	<u>\$ -</u>	<u>10,025</u>	<u>10,025</u>
Balance on January 1, 2021 (Restated)	\$ -	8,370	8,370
Depreciation	-	356	356
Effect of movements for exchange rates	-	(52)	(52)
Balance on September 30, 2021	<u>\$ -</u>	<u>8,674</u>	<u>8,674</u>
Carrying amount:			
Balance on January 1, 2022	<u>\$ 19,094</u>	<u>14,755</u>	<u>33,849</u>
Balance on September 30, 2022	<u>\$ 19,094</u>	<u>16,390</u>	<u>35,484</u>
Balance on September 30, 2021	<u>\$ 19,094</u>	<u>14,958</u>	<u>34,052</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 nine months ended September 30, 2022 as disclosed in note 6(h) of the consolidated financial statements for the year ended December 31, 2021.

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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As of September 30, 2022, December 31 and September 30, 2021, the investment property of the Group was not pledged as collateral or restricted.

(i) Other financial assets

	September 30, 2022	December 31, 2021	September 30, 2021
Restricted deposits	\$ 197,396	196,469	271,573
Time deposits (over three months)	25,733	30,755	24,516
Other receivables	6,982	30,290	4,524
Refundable deposits	8,328	7,686	7,627
Pledged assets-demand deposits	-	-	10,000
Pledged assets-time deposits	<u>105,536</u>	<u>194,411</u>	<u>190,434</u>
	<u>\$ 343,975</u>	<u>459,611</u>	<u>508,674</u>
Other current financial assets	\$ 320,647	437,150	477,169
Other non-current financial assets	<u>23,328</u>	<u>22,461</u>	<u>31,505</u>
	<u>\$ 343,975</u>	<u>459,611</u>	<u>508,674</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 September 30, 2022, December 31 and September 30, 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

	September 30, 2022	December 31, 2021	September 30, 2021
Bank loans	\$ 1,440,000	730,000	620,000
Commercial paper payable	560,000	730,000	400,000
Less: discount on commercial paper payable	<u>(488)</u>	<u>(219)</u>	<u>(26)</u>
	<u>\$ 1,999,512</u>	<u>1,459,781</u>	<u>1,019,974</u>
Unused credit lines	<u>\$ 2,610,000</u>	<u>3,250,000</u>	<u>3,640,000</u>
Range of interest rate	<u>0.800%~1.700%</u>	<u>0.838%~1.12%</u>	<u>0.838%~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>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Mega International Commercial Bank	USD	2021	\$ -	-	62,663
Bank Sinopec	"	2022	379,200	417,589	420,153
Mega International Commercial Bank	"	2022	-	62,280	62,663
Bank Sinopec	"	2023	475,381	459,772	508,204
BNP PARIBAS	"	2026	406,554	401,126	403,588
Mega International Commercial Bank	"	2026	428,625	415,199	-
CTBC Bank	"	2027	603,874	591,691	595,324
Mega International Commercial Bank	"	2027	615,633	597,057	600,725
Mega International Commercial Bank	"	2027	<u>428,625</u>	<u>-</u>	<u>-</u>
			3,337,892	2,944,714	2,653,320
Current portion			<u>(958,265)</u>	<u>(825,824)</u>	<u>(810,008)</u>
Total			<u>\$ 2,379,627</u>	<u>2,118,890</u>	<u>1,843,312</u>
Range of interest rates			<u>0.91%~4.61%</u>	<u>0.869%~1.833%</u>	<u>0.869%~1.833%</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>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
2017						
The first secured bonds payable	Shanghai Commercial Bank	1.13 %	April 2022	Note	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>
				2,500,000	2,900,000	2,900,000
Current portion				<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>
				<u>\$ 2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>

Note: The Company issued secured bonds payable in 2017, which were fully redeemed in April 2022.

(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

	September 30, 2022	December 31, 2021	September 30, 2021
Current	\$ <u>47,393</u>	<u>51,286</u>	<u>50,721</u>
Non-current	\$ <u>132,494</u>	<u>169,285</u>	<u>178,432</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 September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Interest on lease liabilities	\$ <u>468</u>	<u>409</u>	<u>1,468</u>	<u>1,209</u>

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

	For the nine months ended September 30,	
	2022	2021
Total cash outflow for leases	\$ <u>42,152</u>	<u>38,635</u>

Land and building leases

As of September 30, 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).

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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:

	September 30, 2022	December 31, 2021	September 30, 2021
Less than one year	\$ 1,291,896	1,153,787	1,262,589
Between one and five years	3,356	24,174	14,058
Total undiscounted lease payments	<u>\$ 1,295,252</u>	<u>1,177,961</u>	<u>1,276,647</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 September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Cost of sales and operating expense	<u>\$ 492</u>	<u>563</u>	<u>1,471</u>	<u>1,763</u>

(ii) Defined contribution plans

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Cost of sales and operating expense	<u>\$ 4,183</u>	<u>3,245</u>	<u>10,167</u>	<u>9,520</u>

(n) Income taxes

(i) Tax expenses

The components of income tax for the three months ended and nine months ended September 30, 2022 and 2021 were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Current tax expense	<u>\$ 16,009</u>	<u>36,934</u>	<u>62,007</u>	<u>48,355</u>

(Continued)

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

(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.

(o) Capital and other equities

Except for the following disclosures, there was no significant change for capital and other equity for the nine months ended September 30, 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.

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 September 30, 2022, December 31 and September 30, 2021.

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

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 2021 and 2020 were as follows:

	2021	2020
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	1,432,390	26,458	1,458,848
Associates	69,255	-	69,255
Balance on September 30, 2022	\$ 193,256	400,079	593,335
Balance on January 1, 2021 (Restated)	\$ (1,154,720)	270,728	(883,992)
The Group	(83,648)	230,775	147,127
Associates	(13,337)	-	(13,337)
Balance on September 30, 2021	\$ (1,251,705)	501,503	(750,202)

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

(p) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share for the nine months ended September 30, 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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Profit (loss) attributable to ordinary shareholders of the Company	\$ <u>191,411</u>	<u>(244,155)</u>	<u>561,157</u>	<u>782,182</u>

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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Weighted-average number of ordinary shares (basic)	<u>197,485</u>	<u>197,485</u>	<u>197,485</u>	<u>197,485</u>

3) Basic earnings per share (NTD)

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Basic earnings per share	\$ <u>0.97</u>	<u>(1.24)</u>	<u>2.84</u>	<u>3.96</u>

(ii) Diluted earnings per share

The calculation of diluted earnings per share for the nine months ended September 30, 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		For the nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Profit (loss) attributable to ordinary shareholders of the Company	\$ <u>191,411</u>	<u>(244,155)</u>	<u>561,157</u>	<u>782,182</u>

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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2) Weighted-average number of ordinary shares (diluted) (thousands)

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Number of ordinary shares (basic)	197,485	197,485	197,485	197,485
Effect on the employee stock bonuses	<u>59</u>	<u>-</u>	<u>177</u>	<u>138</u>
Weighted-average number of ordinary shares (diluted)	<u>197,544</u>	<u>197,485</u>	<u>197,662</u>	<u>197,623</u>

3) Diluted earnings per share (NTD)

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Diluted earnings per share	<u>\$ 0.97</u>	<u>(1.24)</u>	<u>2.84</u>	<u>3.96</u>

For the three months ended September 30, 2022, the employee remuneration had an anti-dilutive effect; hence, they were not included in the computation of the weighted-average number of shares (diluted).

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30, 2022			
	Inland trucking and terminal & logistics department	Shipping department	Others	Total
Primary geographical markets				
Asia	\$ 472,230	-	18,482	490,712
America	-	72,654	-	72,654
Europe	-	352,427	-	352,427
Oceania	<u>-</u>	<u>226,421</u>	<u>-</u>	<u>226,421</u>
	<u>\$ 472,230</u>	<u>651,502</u>	<u>18,482</u>	<u>1,142,214</u>

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

For the three months ended September 30, 2021				
	Inland trucking and terminal & logistics			
	department	Shipping department	Others	Total
Primary geographical markets				
Asia	\$ 446,524	-	7,558	454,082
America	-	44,414	-	44,414
Europe	-	272,495	-	272,495
Oceania	-	173,488	-	173,488
	<u>\$ 446,524</u>	<u>490,397</u>	<u>7,558</u>	<u>944,479</u>
For the nine months ended September 30, 2022				
	Inland trucking and terminal & logistics			
	department	Shipping department	Others	Total
Primary geographical markets				
Asia	\$ 1,362,662	-	46,551	1,409,213
America	-	233,992	-	233,992
Europe	-	1,054,818	-	1,054,818
Oceania	-	659,499	-	659,499
	<u>\$ 1,362,662</u>	<u>1,948,309</u>	<u>46,551</u>	<u>3,357,522</u>
For the nine months ended September 30, 2021				
	Inland trucking and terminal & logistics			
	department	Shipping department	Others	Total
Primary geographical markets				
Asia	\$ 1,286,375	-	16,922	1,303,297
America	-	130,157	-	130,157
Europe	-	712,411	-	712,411
Oceania	-	398,842	-	398,842
	<u>\$ 1,286,375</u>	<u>1,241,410</u>	<u>16,922</u>	<u>2,544,707</u>

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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(ii) Contract balances

	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>
Notes and accounts receivable (including related parties)	\$ 353,661	346,327	342,292
Less: allowance for impairment	<u>(331)</u>	<u>(261)</u>	<u>(532)</u>
Total	<u>\$ 353,330</u>	<u>346,066</u>	<u>341,760</u>
Contract liabilities	<u>\$ 72,924</u>	<u>55,217</u>	<u>29,417</u>

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

Revenue recognized for the nine months ended September 30, 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:

	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Bank loans	\$ 33,538	10,993	68,144	35,045
Bonds payable	8,176	10,015	26,551	38,133
Lease liabilities	<u>468</u>	<u>409</u>	<u>1,468</u>	<u>1,209</u>
	<u>\$ 42,182</u>	<u>21,417</u>	<u>96,163</u>	<u>74,387</u>

(s) Remunerations to employee, directors and supervisor

After the re-election of the directors in the annual shareholders' meeting held on May 12, 2022, the Company established an audit committee, which consists of the Company's independent directors, to replace the duties of the supervisors. In addition, the Company amended the relevant provisions of its Articles of Incorporation.

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 remuneration, and a maximum of 2% will be allocated to its director's and supervisors' remuneration.

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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For the three months and nine months ended September 30, 2022 and 2021, the Company recognized its employee remuneration of \$1,929, \$(2,205), \$5,935 and \$8,267, respectively, and its directors' and supervisors' remuneration of \$1,929, \$(2,205), \$5,935 and \$8,267, respectively. The employee, directors' and supervisors' remuneration were recorded as operation expenses and were estimated based on the net profit before tax, excluding the employee, 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 in the following year. If the Board of Directors resolves to pay remuneration to employees in shares, the number of shares of stock is calculated based on the closing price of the common stock on the day before the Board of Directors' resolution.

For the years ended December 31, 2021 and 2020, 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 2021 and 2020 consolidated financial statements. Relative information is available on the TSE Market Observation Post System website.

(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 September 30, 2022 and 2021, the maximum amount exposed to credit risk amounted to \$6,279,535 and \$5,163,162, respectively.

The aggregation of sales to the Group's major customers exceeding 10% of the Group's total sales accounted for 37% and 46% of the total net sales for the nine months ended September 30, 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.

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

(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>
September 30, 2022					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,999,512	(2,017,988)	(2,017,988)	-	-
Secured bank loans	3,337,892	(3,539,705)	(1,025,564)	(534,321)	(1,979,820)
Notes and accounts payable	189,417	(189,417)	(189,417)	-	-
Lease liabilities	179,887	(185,650)	(47,393)	(45,879)	(92,378)
Bonds payable	2,500,000	(2,547,119)	(16,200)	(16,200)	(2,514,719)
Other payables	156,846	(156,846)	(156,846)	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	<u>3,501</u>	<u>(3,501)</u>	<u>(443)</u>	<u>(300)</u>	<u>(2,758)</u>
	<u>\$ 8,367,055</u>	<u>(8,640,226)</u>	<u>(3,453,851)</u>	<u>(596,700)</u>	<u>(4,589,675)</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)
Other payables	151,102	(151,102)	(151,102)	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	<u>3,179</u>	<u>(3,179)</u>	<u>(561)</u>	<u>(238)</u>	<u>(2,380)</u>
	<u>\$ 7,919,415</u>	<u>(8,091,880)</u>	<u>(3,196,879)</u>	<u>(691,084)</u>	<u>(4,203,917)</u>

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
September 30, 2021					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,019,974	(1,020,000)	(1,020,000)	-	-
Secured bank loans	2,653,320	(2,760,685)	(842,436)	(613,852)	(1,304,397)
Notes and accounts payable	166,539	(166,539)	(166,539)	-	-
Lease liabilities	229,153	(236,936)	(51,286)	(47,393)	(138,257)
Bonds payable	2,900,000	(2,965,705)	(418,586)	(16,200)	(2,530,919)
Other payables	130,061	(130,061)	(130,061)	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	<u>1,425</u>	<u>(1,425)</u>	<u>(822)</u>	<u>(253)</u>	<u>(350)</u>
	<u>\$ 7,100,472</u>	<u>(7,281,351)</u>	<u>(2,629,730)</u>	<u>(677,698)</u>	<u>(3,973,923)</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) Market risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>September 30, 2022</u>			<u>December 31, 2021</u>			<u>September 30, 2021</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
Financial assets									
Monetary items									
USD	\$ 6,510	USD/NTD =31.75	206,693	9,030	USD/NTD =27.68	249,950	9,356	USD/NTD =27.85	260,565

2) Sensitivity analysis

The exchange rate risk of the Group's monetary items mainly arises from cash and cash equivalents denominated in foreign currencies and financial assets measured at amortized cost, etc., and foreign currency exchange gains or losses arise upon translation. For the nine months ended September 30, 2022 and 2021, if the NTD had depreciated or appreciated by 5% against the USD, with all other factors held constant, pre-tax income would have increased or decreased by \$10,334 and \$13,028, respectively. The analysis is performed on the same basis for both periods.

(Continued)

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

(iv) Interest rate analysis

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

	Carrying amount	
	September 30, 2022	September 30, 2021
Variable rate instruments:		
Financial assets	\$ 1,218,938	1,106,666
Financial liabilities	<u>(5,337,404)</u>	<u>(3,673,293)</u>
	<u>\$ (4,118,466)</u>	<u>(2,566,627)</u>

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 nine months ended September 30, 2022 and 2021 as follows:

	For the nine months ended September 30,	
	2022	2021
Increased 0.25%	\$ (7,722)	(4,812)
Decreased 0.25%	7,722	4,812

(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.

(Continued)

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

	September 30, 2022				
	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	\$ 277,710	277,710	-	-	277,710
Non-derivative non-current financial assets mandatorily at fair value through profit or loss	<u>20,352</u>	-	-	20,352	20,352
	<u>298,062</u>				
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	<u>802,565</u>	802,565	-	-	802,565
Financial assets measured at amortized cost					
Cash and cash equivalents	4,481,603	-	-	-	-
Restricted deposits	197,396	-	-	-	-
Time deposits (over three months)	25,733	-	-	-	-
Notes and accounts receivable (including related parties)	353,330	-	-	-	-
Other receivables	6,982	-	-	-	-
Guarantee deposits	8,328	-	-	-	-
Pledged assets-time deposits	<u>105,536</u>	-	-	-	-
	<u>5,178,908</u>				
Total	\$ <u>6,279,535</u>				
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 1,999,512	-	-	-	-
Long-term borrowings	3,337,892	-	-	-	-
Notes and accounts payable	189,417	-	-	-	-
Lease liabilities	179,887	-	-	-	-
Bonds payable	2,500,000	-	2,500,000	-	2,500,000
Accrued expenses and other payables (recorded as other payables)	156,846	-	-	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	<u>3,501</u>	-	-	-	-
Total	\$ <u>8,367,055</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)	151,102	-	-	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	<u>3,179</u>	-	-	-	-
Total	<u>\$ 7,919,415</u>				

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

	September 30, 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	\$ 449,864	449,864	-	-	449,864
Non derivative non-current financial assets held for trading	119,172	94,211	-	24,961	119,172
Domestic listed stocks under private placement	<u>475,336</u>	-	475,336	-	475,336
	<u>1,044,372</u>				
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	<u>903,989</u>	903,989	-	-	903,989
Financial assets measured at amortized cost					
Cash and cash equivalents	2,364,367	-	-	-	-
Restricted deposits	271,573	-	-	-	-
Time deposits (over three months)	24,516	-	-	-	-
Notes and accounts receivable (including related parties)	341,760	-	-	-	-
Other receivables	4,524	-	-	-	-
Guarantee deposits	7,627	-	-	-	-
Pledged assets-demand deposits	10,000	-	-	-	-
Pledged assets-time deposits	<u>190,434</u>	-	-	-	-
	<u>3,214,801</u>				
Total	<u>\$ 5,163,162</u>				
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 1,019,974	-	-	-	-
Long-term borrowings	2,653,320	-	-	-	-
Notes and accounts payable	166,539	-	-	-	-
Lease liabilities	229,153	-	-	-	-
Bonds payable	2,900,000	-	2,900,000	-	2,900,000
Accrued expenses and other payables (recorded as other current payables)	130,061	-	-	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	<u>1,425</u>	-	-	-	-
Total	<u>\$ 7,100,472</u>				

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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 nine months ended September 30, 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 during the nine months ended September 30, 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 September 30, 2022)	\$ <u>20,352</u>
Balance on January 1, 2021 (Restated) (equal to balance on September 30, 2021)	\$ <u>24,961</u>

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

(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 nine months ended September 30, 2022 and 2021.

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2022	Cash flows	Non-cash changes		September 30, 2022
			Others	Foreign exchange movement	
Short-term borrowings	\$ 1,459,781	539,731	-	-	1,999,512
Long-term borrowings	2,944,714	(36,773)	-	429,951	3,337,892
Bonds payable	2,900,000	(400,000)	-	-	2,500,000
Lease liabilities	220,571	(40,684)	-	-	179,887
Guarantee deposits (recorded as other non-current liabilities-others)	3,179	322	-	-	3,501
Total liabilities from financial activities	<u>\$ 7,528,245</u>	<u>62,596</u>	<u>-</u>	<u>429,951</u>	<u>8,020,792</u>
	January 1, 2021 (Restated)	Cash flows	Non-cash changes		September 30, 2021
			Others	Foreign exchange movement	
Short-term borrowings	\$ 194,940	825,034	-	-	1,019,974
Long-term borrowings	3,180,433	(502,508)	-	(24,605)	2,653,320
Bonds payable	5,200,000	(2,300,000)	-	-	2,900,000
Lease liabilities	167,019	(37,426)	99,560	-	229,153
Guarantee deposits (recorded as other non-current liabilities-others)	668	756	-	-	1,424
Total liabilities from financial activities	<u>\$ 8,743,060</u>	<u>(2,014,144)</u>	<u>99,560</u>	<u>(24,605)</u>	<u>6,803,871</u>

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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) Ltd.	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 September 30, 2022</u>	<u>Three months ended September 30, 2021</u>	<u>Nine months ended September 30, 2022</u>	<u>Nine months ended September 30, 2021</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
The entities with significant influence over the Group	<u>\$ 17,027</u>	<u>17,183</u>	<u>50,325</u>	<u>50,112</u>	<u>14,767</u>	<u>14,680</u>	<u>10,700</u>

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.

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

(iii) Operating expense

	Operating expense			
	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
The entities with significant influence over the Group	\$ 1,261	1,221	2,233	2,688
Others	2,098	1,932	6,066	5,851
	\$ 3,359	3,153	8,299	8,539

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 September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Short-term employee benefits	\$ 21,395	12,921	50,238	47,996
Post-employment benefits	193	238	556	713
	\$ 21,588	13,159	50,794	48,709

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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>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Financial assets at fair value through other comprehensive income – stocks	Commercial paper payable, short-term loans and credit lines	\$ 368,550	227,040	473,550
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	8,230,944	7,479,695	7,611,350
Other current financial assets (pledged assets-time deposit)	Long-term borrowings	90,536	179,636	176,556
Other non-current financial assets (refundable deposits and pledged assets-time deposits)	Guarantee for construction payment, warehouse deposits, short-term borrowings and import duty	23,328	22,461	31,505
		<u>\$ 9,612,694</u>	<u>8,808,168</u>	<u>9,192,297</u>

(9) Commitments and contingencies

- (a) The Group had issued guarantee promissory notes amounting to \$2,516,200, \$5,647,160 and \$5,647,160 as of September 30, 2022, December 31 and September 30, 2021, respectively, as guarantee for bonds payable.
- (b) As of September 30, 2022, the Group still had several long-term leases of its ships with customers in effect. The ending periods of the contracts are from October 2022 to December 2023.
- (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	\$1,857,375 (USD58,500 thousand)	September 2023 (Note 1)	396,875 (USD12,500 thousand)
CVTR	May 20, 2021	\$1,857,375 (USD58,500 thousand)	June 2023 (Note 1)	579,438 (USD18,250 thousand)
CACE	October 22, 2021	\$2,000,250 (USD63,000 thousand)	June 2024 (Note 1)	300,038 (USD9,450 thousand)
CVST	October 22, 2021	\$2,000,250 (USD63,000 thousand)	September 2024 (Note 1)	300,038 (USD9,450 thousand)

Note 1: The estimated delivery date for shipbuilding contract.

Note 2: The total price and price paid were translated to New Taiwan Dollars at the exchange rates as of the end of the financial reporting period.

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

(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 By item	For the three months ended September 30, 2022			For the three months ended September 30, 2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	131,623	67,794	199,417	108,018	44,310	152,328
Labor and health insurance	2,603	5,526	8,129	2,809	3,098	5,907
Pension	1,652	3,023	4,675	1,702	2,106	3,808
Others	1,115	1,647	2,762	1,937	2,436	4,373
Depreciation	242,536	6,851	249,387	218,308	4,887	223,195
Amortization	5	733	738	-	917	917

By function By item	For the nine months ended September 30, 2022			For the nine months ended September 30, 2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	376,864	182,412	559,276	317,698	173,206	490,904
Labor and health insurance	8,788	12,767	21,555	8,814	11,115	19,929
Pension	4,418	7,220	11,638	4,473	6,810	11,283
Others	3,910	7,000	10,910	6,221	7,349	13,570
Depreciation	695,947	18,512	714,459	651,217	12,802	664,019
Amortization	9	2,383	2,392	-	2,666	2,666

(b) Seasonality of operation

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

(c) 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 AG 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. After restating the consolidated balance sheet of December 31, 2020, the effect were as follows:

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

Consolidated Balance Sheet

<u>Accounts</u>	December 31, 2020		
	Before restatement	Adjustment	After restatement
<u>Assets</u>			
Current assets	\$ 5,078,230	73,533	5,151,763
Non-current assets	<u>14,405,607</u>	<u>(14,533)</u>	<u>14,391,074</u>
Total assets	<u>\$ 19,483,837</u>	<u>59,000</u>	<u>19,542,837</u>
<u>Total liabilities and equity</u>			
Current liabilities	\$ 3,504,621	1,438	3,506,059
Non-current liabilities	<u>6,229,282</u>	<u>-</u>	<u>6,229,282</u>
Total liabilities	<u>9,733,903</u>	<u>1,438</u>	<u>9,735,341</u>
<u>Equity</u>			
Common stock	1,974,846	-	1,974,846
Capital surplus	53,411	-	53,411
Retained earnings	8,605,669	-	8,605,669
Other equity interest	<u>(883,992)</u>	<u>-</u>	<u>(883,992)</u>
Equity attributable to owners of parent	9,749,934	-	9,749,934
Equity attributable to predecessors' interests under common control	-	32,893	32,893
Non-controlling interests	<u>-</u>	<u>24,669</u>	<u>24,669</u>
Total equity	<u>9,749,934</u>	<u>57,562</u>	<u>9,807,496</u>
Total liabilities and equity	<u>\$ 19,483,837</u>	<u>59,000</u>	<u>19,542,837</u>

(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 nine months ended September 30, 2022 (The amount was translated to NTD at the exchange rates as of the end of the financial reporting period):

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

(i) Loans to other parties:

(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	CMTHK	CPN	Other receivables due from related parties	Y	241,935	241,935	241,935	-	2	-	Operating	-		-	10,243,556	10,243,556	Transactions in the left column had been eliminated during the preparation of consolidated financial statements
1	CMTHK	CHN	"	Y	158,750	158,750	158,750	-	2	-	"	-	-	-	10,243,556	10,243,556	"
1	CMTHK	CPC	"	Y	222,250	222,250	222,250	-	2	-	"	-	-	-	10,243,556	10,243,556	"
1	CMTHK	CPG	"	Y	317,500	317,500	317,500	-	2	-	"	-	-	-	10,243,556	10,243,556	"
1	CMTHK	CHM	"	Y	354,330	354,330	354,330	-	2	-	"	-	-	-	10,243,556	10,243,556	"
1	CMTHK	CMTI	"	Y	2,524,125	2,524,125	2,201,863	0.83%	2	-	"	-	-	-	10,243,556	10,243,556	"
1	CMTHK	CTU	"	Y	354,013	354,013	354,013	-	2	-	"	-	-	-	10,243,556	10,243,556	"
1	CMTHK	CTD	"	Y	836,613	360,363	360,363	-	2	-	"	-	-	-	10,243,556	10,243,556	"
1	CMTHK	CFR	"	Y	79,375	79,375	79,375	0.85%	2	-	"	-	-	-	10,243,556	10,243,556	"
1	CMTHK	CVTR	"	Y	381,000	381,000	198,438	-	2	-	"	-	-	-	10,243,556	10,243,556	"
1	CMTHK	CPS	"	Y	63,500	63,500	63,500	-	2	-	"	-	-	-	10,243,556	10,243,556	"
1	CMTHK	CMTS	"	Y	254,000	254,000	254,000	-	2	-	"	-	-	-	10,243,556	10,243,556	"
1	CMTHK	CMTUK	"	Y	222,250	222,250	-	-	2	-	"	-	-	-	10,243,556	10,243,556	"
2	ATI	APT	"	Y	11,000	-	-	1.20%	1	135,134	"	-	-	-	135,134	260,652	"
2	ATI	PTL	"	Y	5,000	-	-	1.20%	1	63,885	"	-	-	-	63,885	260,652	"
2	ATI	HYT	"	Y	20,000	20,000	-	1.20%	1	63,886	"	-	-	-	63,886	260,652	"
2	ATI	THE COMPANY	"	Y	85,000	85,000	85,000	1.20%	1	251,101	"	-	-	-	251,101	260,652	"
2	ATI	AGM	"	Y	50,000	-	-	1.20%	2	-	"	-	-	-	260,652	260,652	"
3	CPD	CMTHK	"	Y	254,000	254,000	254,000	-	2	-	"	-	-	-	1,333,776	1,333,776	"
4	CIM	CMTHK	"	Y	31,750	31,750	31,750	-	2	-	"	-	-	-	32,298	32,298	"
5	HIL	THE COMPANY	"	Y	30,000	30,000	30,000	1.20%	2	-	"	-	-	-	339,672	339,672	"
6	MHI	THE COMPANY	"	Y	30,000	30,000	30,000	1.20%	2	-	"	-	-	-	159,941	159,941	"

Note 1 : 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.

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

(ii) Guarantees and endorsements for other parties:

(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 (Note 1, Note 2)	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	17,955,920	285,750	-	-	-	- %	17,955,920	Y	N	N
0	"	CFR	Sub-subsidiary	17,955,920	1,411,288	475,381	475,381	-	3.97 %	17,955,920	Y	N	N
0	"	CPN	Sub-subsidiary	17,955,920	1,428,750	379,200	379,200	-	3.17 %	17,955,920	Y	N	N
0	"	CCMP	Sub-subsidiary	17,955,920	1,857,375	1,857,375	1,857,375	-	15.52 %	17,955,920	Y	N	N
0	"	CVTR	Sub-subsidiary	17,955,920	1,857,375	1,857,375	1,857,375	-	15.52 %	17,955,920	Y	N	N
0	"	CACE	Sub-subsidiary	17,955,920	2,000,250	2,000,250	2,000,250	-	16.71 %	17,955,920	Y	N	N
0	"	CVST	Sub-subsidiary	17,955,920	2,000,250	2,000,250	2,000,250	-	16.71 %	17,955,920	Y	N	N
1	CMTHK	CEP	Subsidiary	15,365,334	1,015,365	603,875	603,875	-	5.04 %	15,365,334	N	N	N
1	"	CHM	Subsidiary	15,365,334	1,035,685	406,553	406,553	-	3.40 %	15,365,334	N	N	N
1	"	CHN	Subsidiary	15,365,334	788,670	615,633	615,633	-	5.14 %	15,365,334	N	N	N
1	"	CTU	Subsidiary	15,365,334	476,250	428,625	428,625	-	3.58 %	15,365,334	N	N	N
1	"	CTD	Subsidiary	15,365,334	476,250	428,625	428,625	-	3.58 %	15,365,334	N	N	N
1	"	THE COMPANY	Parent company	15,365,334	4,128	4,128	4,128	-	0.03 %	15,365,334	N	Y	N
1	"	CCMP	Sub-subsidiary	15,365,334	1,300,163	1,300,163	-	-	10.86 %	15,365,334	Y	N	N
1	"	CVTR	Sub-subsidiary	15,365,334	1,300,163	1,300,163	-	-	10.86 %	15,365,334	Y	N	N

Note 1 :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.

Note 2 :CMTHK'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.

Note 3 :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	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	649,412	16.03 %	649,412	
"	Dimercio Express	-	Current financial assets at fair value through profit or loss	1,633	100,613	1.20 %	100,613	
MHI	Dimercio Express	-	Current financial assets at fair value through profit or loss	2,875	177,097	2.11 %	177,097	
"	China Container Terminal Corp.	-	Non-current financial assets at fair value through other comprehensive income	5,610	153,153	3.78 %	153,153	

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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:

(In thousands of shares)
(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales			Others	Ending Balance		Note	
					Shares	Amount	Shares	Amount	Shares	Price	Cost		Gain (loss) on disposal	Shares		Amount
THE COMPANY	Yang Ming Marine Transport Corporation	Current financial assets at fair value through profit or loss	-	-	4,798	559,741	-	-	4,798	499,238	559,741	(60,503)	-	-	-	
THE COMPANY	CMTUK shares	Investments accounted for using equity method, net	CMTUK	Parent-subsidary company	-	-	21,000	629,280	-	-	-	-	-	21,000	629,280	Note 1

Note 1: Transactions in the left column had been written off during the preparation of the consolidated financial statements.

- (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	474,353	93 %	Depending on the demand for funding of subsidiaries	-		(159,395)	(98)%	Note 1
ATI	THE COMPANY	Subsidiary	Freight revenue	(474,353)	(49) %	"	-		159,395	52%	"

Note 1: Transactions in the left column had been written off during the preparation of the consolidated financial statements.

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Notes to 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			
CMTHK	CTD	Subsidiary	360,363	Note 1	-		-	-	Note 2
"	CTU	Subsidiary	354,013	"	-		-	-	"
"	CHM	Subsidiary	354,330	"	-		-	-	"
"	CPC	Subsidiary	222,250	"	-		-	-	"
"	CHN	Subsidiary	158,750	"	-		-	-	"
"	CPG	Subsidiary	317,500	"	-		-	-	"
"	CPN	Subsidiary	241,935	"	-		-	-	"
"	CMTS	Fellow subsidiary	254,000	"	-		-	-	"
"	CMTI	Fellow subsidiary	2,201,863	"	-		-	-	"
"	CVTR	Sub-subsidiary	198,438	"	-		-	-	"
ATI	THE COMPANY	Parent company	159,395	3.47	-		-	-	"
CPD	CMTHK	Parent company	254,000	Note 1	-		-	-	"

Note 1: Accounts receivable from related parties are not applies for turnover rate.

Note 2: Transactions in the left column had been eliminated during the preparation of the consolidated financial statements.

- (ix) Trading in derivative instruments: None
- (x) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
1	ATI	THE COMPANY	2	Operating revenues	474,353	Price depends on the market, and the receivables depend on funding demand in the credit period	14.13%
1	ATI	THE COMPANY	2	Accounts receivable	159,395	-	0.75%
2	CMTHK	CTD	3	Other receivable	360,363	-	1.71%
2	CMTHK	CTU	3	"	354,013	-	1.68%
2	CMTHK	CHM	3	"	354,330	-	1.68%
2	CMTHK	CPC	3	"	222,250	-	1.05%
2	CMTHK	CHN	3	"	158,750	-	0.75%
2	CMTHK	CPG	3	"	317,500	-	1.50%
2	CMTHK	CPN	3	"	241,935	-	1.15%
2	CMTHK	CMTI	3	"	2,201,863	-	10.43%
2	CMTHK	CMTS	3	"	254,000	-	1.20%
2	CMTHK	CVTR	3	"	198,438	-	0.94%
3	CPD	CMTHK	3	"	254,000	-	1.20%

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.

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2022:

(In Thousands of Shares)
(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2022			Net Income		Note
				September 30, 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	-	-	-	191,233	191	Note 1, Note 4, Note 5
"	CMTHK	Hong Kong	Investment holding of ship-owning companies	34,356	34,356	12,000	100 %	10,243,556	441,172	441,172	Note 1, Note 4
"	CMTI	Singapore	Investment holding of ship-owning companies	585,272	585,272	21,000	100 %	853,526	155,409	155,409	"
"	CMTUK	United Kingdom	Investment holding of ship-owning companies	629,280	-	21,000	100 %	667,612	796	796	"
"	CMTL	Taiwan	Warehouse management	743,058	743,058	24,550	100 %	1,143,632	69,204	69,204	"
"	AGMI	"	Investment	41,000	41,000	4,100	100 %	42,363	59	59	"
"	HIL	"	"	400,000	400,000	40,000	100 %	849,180	(1,766)	(1,766)	"
"	MHI	"	"	271,300	271,300	37,130	100 %	399,854	(87,615)	(87,615)	"
"	ATI	"	Container trucking	500,000	500,000	50,000	100 %	651,631	63,247	63,247	"
"	TRV	"	Travel	20,000	20,000	2,000	100 %	2,851	(375)	(375)	"
"	TGEM	"	Bulk-carrier transportation	601,200	601,200	61,623	12 %	644,918	63,974	7,677	Note 2
"	AGM	"	Automobile and its parts manufacturing	62,880	62,880	70,000	70 %	28,302	6,263	(12,497)	Note 1, Note 4
"	HYT	"	Container trucking	75,000	75,000	7,500	71.43 %	83,996	6,465	4,618	"
"	MHT	"	"	78,750	78,750	7,875	72.41 %	99,795	13,553	9,814	"
CMTS	CFR	Singapore	Bulk-carrier transportation	730,250	730,250	29,900	100 %	770,105	90,555	Has been recognized as investment incomes (losses) by CMTS	Note 1, Note 3, Note 4
"	CEP	"	"	733,425	733,425	23,100	100 %	773,920	107,558	"	"
CMTHK	CPS	Hong Kong	Bulk-carrier transportation	63,500	63,500	2,000	100 %	63,547	24	Has been recognized as investment incomes (losses) by CMTHK	"
"	CPG	"	"	190,500	190,500	6,000	100 %	225,238	49,025	"	"
"	CPC	"	"	174,625	174,625	5,500	100 %	159,900	8,979	"	"
"	CHT	"	Bulk-chartering services	318	318	10	100 %	5,769	(108)	"	"
"	CPN	"	Bulk-carrier transportation	762,000	762,000	240	100 %	720,949	(21,187)	"	"
"	CPD	"	"	1,333,500	1,333,500	420	100 %	1,333,776	39,169	"	"
"	CTD	"	"	412,750	412,750	13,000	100 %	449,581	96,196	"	"
"	CTU	"	"	412,750	412,750	13,000	100 %	453,092	57,391	"	"
"	CHM	"	"	476,250	476,250	150	100 %	517,488	110,673	"	"
"	CHN	"	"	476,250	476,250	150	100 %	527,265	101,095	"	"
"	CHI	"	Investment management	318	318	0.1	100 %	(821)	(112)	"	"
"	CIM	"	"	31,750	31,750	10	100 %	32,298	(139)	"	"
CMTI	CMTS	Singapore	Investment holding of ship-owning companies	1,557,179	1,551,693	63,135	100 %	1,612,861	191,233	Has been recognized as investment incomes (losses) by CMTI	Note 1, Note 3, Note 4, Note 5
"	CCMP	"	Bulk-carrier transportation	403,225	201,613	12,700	100 %	399,594	(2,990)	"	Note 1, Note 3, Note 4
"	CVTR	"	"	400,050	400,050	12,600	100 %	395,225	(4,092)	"	"
"	CACE	"	"	317,500	317,500	10,000	100 %	317,160	(90)	"	"
"	CVST	"	"	317,500	317,500	10,000	100 %	317,160	(90)	"	"
ATI	CST	Taiwan	Container trucking	86,642	86,642	8,200	100 %	97,917	3,793	Has been recognized as investment incomes (losses) by ATI	Note 1, Note 4
"	HYT	"	"	28,932	28,932	3,000	28.57 %	33,596	6,465	1,847	"
"	MHT	"	"	30,568	30,568	3,000	27.59 %	38,024	13,553	3,739	"
"	APT	"	"	30,719	30,719	3,000	100 %	44,623	7,112	Has been recognized as investment incomes (losses) by ATI	"
"	PTL	"	"	30,000	30,000	3,000	100 %	29,367	(375)	"	"

Note 1: Subsidiaries controlled by the parent company.

Note 2: Investees affected by the comprehensive shareholdings of the Group.

Note 3: The amount was translated to the NTD at the exchange rates at the reporting date.

Note 4: The account had been written off during the preparation of the consolidated financial statements.

Note 5: Business reorganization.

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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(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.	45,018,297	22.79 %

(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 September 30, 2022				
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 471,080	651,502	19,632	-	1,142,214
Intersegment revenue	-	-	-	-	-
	<u>\$ 471,080</u>	<u>651,502</u>	<u>19,632</u>	<u>-</u>	<u>1,142,214</u>
Segment income before tax	<u>\$ 82,526</u>	<u>201,296</u>	<u>(8,781)</u>	<u>(31,515)</u>	<u>243,526</u>
Reportable segment assets					<u>\$ 21,120,514</u>

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Three months ended September 30, 2021					
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 446,524	490,397	7,558	-	944,479
Intersegment revenue	-	-	-	-	-
	<u>\$ 446,524</u>	<u>490,397</u>	<u>7,558</u>	<u>-</u>	<u>944,479</u>
Segment income before tax	<u>\$ 47,152</u>	<u>129,276</u>	<u>(8,381)</u>	<u>(23,980)</u>	<u>144,067</u>
Reportable segment assets					<u>\$ 18,150,471</u>
Nine months ended September 30, 2022					
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 1,362,662	1,948,309	46,551	-	3,357,522
Intersegment revenue	-	-	-	-	-
	<u>\$ 1,362,662</u>	<u>1,948,309</u>	<u>46,551</u>	<u>-</u>	<u>3,357,522</u>
Segment operating income	<u>\$ 209,417</u>	<u>665,670</u>	<u>(31,192)</u>	<u>(98,419)</u>	<u>745,476</u>
Reportable segment assets					<u>\$ 21,120,514</u>
Nine months ended September 30, 2021					
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 1,286,375	1,241,410	16,922	-	2,544,707
Intersegment revenue	-	-	-	-	-
	<u>\$ 1,286,375</u>	<u>1,241,410</u>	<u>16,922</u>	<u>-</u>	<u>2,544,707</u>
Segment operating income	<u>\$ 113,524</u>	<u>175,974</u>	<u>(16,863)</u>	<u>(93,758)</u>	<u>178,877</u>
Reportable segment assets					<u>\$ 18,150,471</u>