

**CHINESE MARITIME TRANSPORT LTD.  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Report  
For the Years Ended December 31, 2022 and 2021**

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The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

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## Representation Letter

The entities that are required to be included in the combined financial statements of Chinese Maritime Transport Ltd. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Chinese Maritime Transport Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Chinese Maritime Transport Ltd.  
Chairman: PENG, William Shih-Hsiao  
Date: March 20, 2023



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## Independent Auditors' Report

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

### Opinion

We have audited the consolidated financial statements of CHINESE MARITIME TRANSPORT LTD. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretation developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Other Matter

We did not audit the financial statements of the investee which represented the investment accounted for using the equity method of the Group. Those statements were audited by another auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amount is based solely on the report of other auditors. The investment accounted for using the equity method constituting 3.11% and 3.08% of total assets at December 31, 2022 and 2021, respectively. The related shares of profit of associates accounted for using the equity method constituted 1.91% and 1.96% of total profit before tax for the years ended December 31, 2022 and 2021, respectively.

CHINESE MARITIME TRANSPORT LTD. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion with Emphasis of the Matter and an unmodified opinion, respectively, for reference.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters that should be communicated in the audit report are as follows:

Recognition of freight revenue—vessel chartering and container hauling

Please refer to Note(4)(o) for the accounting policy of “Revenue” and to Note (6) (q) for information details.

Description of key audit matters:

The main activities of the Group are bulk carrier operation through overseas subsidiaries, domestic container hauling and storage, and related business. Freight revenue vessel chartering and container hauling is one of the significant items in the consolidated financial statements, and the amounts and changes may affect the users’ understanding on the entire financial statements. Therefore, the testing over freight revenue—vessel chartering and container hauling recognition is considered a key matter in our audits.

Audit Procedures:

Our principal audit procedures included: testing the related controls over the sale and receipts cycle, conducting the confirmation process used to examine the accounts receivable and revenue of major customers, executing substantive analytical procedures of freight revenue—vessel chartering, and assessing the contract liabilities, as well as evaluating whether the Group’s timing of revenue recognition is accurate in accordance with the related accounting standards.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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 with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)  
March 20, 2023

#### **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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit 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' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021			December 31, 2022		December 31, 2021	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Assets</b>									
<b>Current assets:</b>					<b>Liabilities and Equity</b>				
1100 Cash and cash equivalents (note 6(a))	\$ 3,989,154	20	3,057,048	16	2100 Short-term borrowings (note 6(j))	\$ 1,899,486	10	1,459,781	8
1110 Current financial assets at fair value through profit or loss (note 6(b))	314,678	2	480,371	3	2130 Current contract liabilities (note 6(q))	57,680	-	55,217	-
1150 Notes and accounts receivable, net (note 6(d))	279,731	1	331,386	2	2150 Notes and accounts payable	172,157	1	240,068	1
1180 Accounts receivable due from related parties, net (notes 6(d) and 7)	14,861	-	14,680	-	2200 Other payables	174,668	1	151,102	1
1470 Other current assets	99,450	-	88,003	-	2230 Current tax liabilities	60,255	-	35,571	-
1476 Other current financial assets (notes 6(i) and 8)	276,312	1	437,150	2	2280 Current lease liabilities (note 6(k))	45,849	-	51,286	-
	<u>4,974,186</u>	<u>24</u>	<u>4,408,638</u>	<u>23</u>	2300 Other current liabilities	3,727	-	2,608	-
<b>Non-current assets:</b>					2320 Long-term liabilities, current portion (note 6(j))	876,584	4	1,225,824	7
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	15,537	-	686,613	4		<u>3,290,406</u>	<u>16</u>	<u>3,221,457</u>	<u>17</u>
1517 Non-current financial assets at fair value through other comprehensive income (notes 6(c) and 8)	669,355	4	776,107	4	<b>Non-Current liabilities:</b>				
1550 Investments accounted for using equity method, net (note 6(e))	635,606	3	587,583	3	2530 Bonds payable (note 6(j))	2,500,000	12	2,500,000	13
1600 Property, plant and equipment (notes 6(f) and 8)	13,875,442	68	12,261,063	65	2540 Long-term borrowings (note 6(j))	2,255,615	11	2,118,890	11
1755 Right-of-use assets (note 6(g))	165,403	1	215,315	1	2570 Deferred tax liabilities (note (n))	615,512	3	606,789	3
1760 Investment property, net (note 6(h))	34,847	-	33,849	-	2580 Non-current lease liabilities (note 6(k))	125,354	1	169,285	1
1780 Intangible assets	5,303	-	8,381	-	2640 Net defined benefit liabilities, non-current (note (m))	8,430	-	30,714	-
1840 Deferred tax assets (note (n))	11,923	-	13,646	-	2670 Other non-current liabilities, others	4,001	-	3,179	-
1900 Other non-current assets	39,952	-	64,755	-		<u>5,508,912</u>	<u>27</u>	<u>5,428,857</u>	<u>28</u>
1980 Other non-current financial assets (notes 6(i) and 8)	23,414	-	22,461	-	<b>Total liabilities</b>	<u>8,799,318</u>	<u>43</u>	<u>8,650,314</u>	<u>45</u>
	<u>15,476,782</u>	<u>76</u>	<u>14,669,773</u>	<u>77</u>	<b>Equity attributable to owners of parent (notes 6(o) and 12):</b>				
<b>Total assets</b>	<b>\$ 20,450,968</b>	<b>100</b>	<b>19,078,411</b>	<b>100</b>	3100 Common stock	1,974,846	10	1,974,846	10
					3200 Capital surplus	53,411	-	53,411	-
					<b>Retained earnings:</b>				
					3310 Legal reserve	1,882,499	9	1,779,756	10
					3320 Special reserve	934,768	5	883,992	5
					3350 Unappropriated earnings	6,749,885	33	6,653,375	35
						<u>9,567,152</u>	<u>47</u>	<u>9,317,123</u>	<u>50</u>
					3400 Other equity interest	46,868	-	(934,768)	(5)
					<b>Total equity attributable to owners of parent</b>	<u>11,642,277</u>	<u>57</u>	<u>10,410,612</u>	<u>55</u>
					3610 Non-controlling interests	9,373	-	17,485	-
					<b>Total equity</b>	<u>11,651,650</u>	<u>57</u>	<u>10,428,097</u>	<u>55</u>
					<b>Total liabilities and equity</b>	<b>\$ 20,450,968</b>	<b>100</b>	<b>19,078,411</b>	<b>100</b>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

For the years ended December 31, 2022 and 2021

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

	2022		2021	
	Amount	%	Amount	%
4000 <b>Operating revenues (notes 6(q), 7 and 14)</b>				
4621 Freight revenue-vessel chartering	\$ 2,587,515	59	1,792,804	50
4622 Freight revenue-container hauling and logistics	1,767,859	40	1,732,374	49
4623 Freight revenue-airline agent and others	<u>54,625</u>	<u>1</u>	<u>28,604</u>	<u>1</u>
	<u>4,409,999</u>	<u>100</u>	<u>3,553,782</u>	<u>100</u>
5000 <b>Operating costs (notes 6(m), (s) and 12)</b>				
5621 Freight cost-vessel chartering	1,620,604	37	1,340,077	38
5622 Freight cost-container hauling and logistics	1,348,632	31	1,413,528	39
5623 Freight cost-airline agent and others	<u>55,485</u>	<u>1</u>	<u>25,812</u>	<u>1</u>
	<u>3,024,721</u>	<u>69</u>	<u>2,779,417</u>	<u>78</u>
5900 <b>Gross profit</b>	<u>1,385,278</u>	<u>31</u>	<u>774,365</u>	<u>22</u>
<b>Operating expenses:</b>				
6000 Operating expenses (notes 6(m), (s), 7 and 12)	455,942	10	420,291	12
6450 Expected credit losses (reversal gains) (note 6(d))	<u>133</u>	<u>-</u>	<u>87</u>	<u>-</u>
	<u>456,075</u>	<u>10</u>	<u>420,378</u>	<u>12</u>
6900 <b>Net operating income</b>	<u>929,203</u>	<u>21</u>	<u>353,987</u>	<u>10</u>
<b>Non-operating income and expenses:</b>				
7010 Other income (notes 6(b), (c) and (l))	161,055	4	50,778	1
7050 Finance costs (note 6(r))	(151,935)	(4)	(97,033)	(3)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method (note 6(e))	16,060	-	21,814	1
7100 Interest income	47,502	1	8,211	-
7210 Gains (losses) on disposals of property, plant and equipment, net (note 6(f))	25,609	1	6,635	-
7230 Foreign exchange gains, net	28,014	1	3,684	-
7235 Gains (losses) on financial assets at fair value through profit or loss (note 6(b))	(212,462)	(5)	765,076	22
7590 Miscellaneous disbursements	<u>(1,853)</u>	<u>-</u>	<u>(152)</u>	<u>-</u>
	<u>(88,010)</u>	<u>(2)</u>	<u>759,013</u>	<u>21</u>
7900 <b>Profit from continuing operation before tax</b>	841,193	19	1,113,000	31
7950 Less: Income tax expenses (note 6(n))	<u>83,222</u>	<u>2</u>	<u>81,992</u>	<u>2</u>
<b>Profit</b>	<u>757,971</u>	<u>17</u>	<u>1,031,008</u>	<u>29</u>
8300 <b>Other comprehensive income:</b>				
8310 <b>Items that may not be reclassified subsequently to profit or loss</b>				
8311 Gains (losses) on remeasurements of defined benefit plans	16,506	-	(3,316)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(c))	(110,261)	(2)	94,770	2
8349 Income tax related to items that may not be reclassified to profit or loss(note 6(n))	<u>3,302</u>	<u>-</u>	<u>(663)</u>	<u>-</u>
<b>Total other comprehensive income that may not be reclassified to profit or loss</b>	<u>(97,057)</u>	<u>(2)</u>	<u>92,117</u>	<u>2</u>
8360 <b>Items that may be reclassified subsequently to profit or loss</b>				
8361 Exchange differences on translation of foreign financial statements	1,040,338	23	(141,122)	(4)
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))	51,559	1	(13,540)	-
8399 Income tax related to items that may be reclassified to profit or loss(note 6(n))	<u>-</u>	<u>-</u>	<u>(993)</u>	<u>-</u>
<b>Total other comprehensive income that may be reclassified subsequently to profit or loss</b>	<u>1,091,897</u>	<u>24</u>	<u>(153,669)</u>	<u>(4)</u>
8300 <b>Other comprehensive income</b>	<u>994,840</u>	<u>22</u>	<u>(61,552)</u>	<u>(2)</u>
<b>Total comprehensive income</b>	<u>\$ 1,752,811</u>	<u>39</u>	<u>969,456</u>	<u>27</u>
<b>Profit, attributable to:</b>				
Owners of parent	766,083	17	1,040,604	29
8615 Predecessors' interests under common control	-	-	(2,412)	-
Non-controlling interests	<u>(8,112)</u>	<u>-</u>	<u>(7,184)</u>	<u>-</u>
	<u>\$ 757,971</u>	<u>17</u>	<u>1,031,008</u>	<u>29</u>
<b>Comprehensive income attributable to:</b>				
Owners of parent	1,760,923	39	979,052	27
Predecessors' interests under common control	-	-	(2,412)	-
Non-controlling interests	<u>(8,112)</u>	<u>-</u>	<u>(7,184)</u>	<u>-</u>
	<u>\$ 1,752,811</u>	<u>39</u>	<u>969,456</u>	<u>27</u>
<b>Earnings per share (notes 6(p) and 12)</b>				
9750 <b>Basic net income per share (NT Dollars)</b>	<u>\$ 3.88</u>		<u>5.27</u>	
9850 <b>Diluted net income per share (NT Dollars)</b>	<u>\$ 3.87</u>		<u>5.26</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

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

	Equity attributable to owners of parent					Total other equity interest			Total equity attributable to owners of parent	Equity attributable to predecessors' interests under common control	Non-controlling interests	Total equity	
	Share capital	Capital surplus	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
Ordinary shares	Legal reserve		Special reserve	Unappropriated earnings	Total								
<b>Balance at January 1, 2021 (Restated)</b>	\$ 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)
Net income for the year ended December 31, 2021	-	-	32,186	348,302	(696,463)	(315,975)	-	-	-	(315,975)	-	-	(315,975)
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	1,040,604	1,040,604	-	-	-	1,040,604	(2,412)	(7,184)	1,031,008
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	(10,776)	(10,776)	(153,669)	102,893	(50,776)	(61,552)	-	-	(61,552)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	1,029,828	1,029,828	(153,669)	102,893	(50,776)	979,052	(2,412)	(7,184)	969,456
Effect of reorganization	-	-	-	-	(2,399)	(2,399)	-	-	-	(2,399)	2,399	-	-
Effect of reorganization	-	-	-	-	-	-	-	-	-	-	(32,880)	-	(32,880)
<b>Balance at December 31, 2021 (Restated)</b>	<b>1,974,846</b>	<b>53,411</b>	<b>1,779,756</b>	<b>883,992</b>	<b>6,653,375</b>	<b>9,317,123</b>	<b>(1,308,389)</b>	<b>373,621</b>	<b>(934,768)</b>	<b>10,410,612</b>	<b>-</b>	<b>17,485</b>	<b>10,428,097</b>
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)
Net income for the year ended December 31, 2022	-	-	102,743	50,776	(682,778)	(529,259)	-	-	-	(529,259)	-	-	(529,259)
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	766,083	766,083	-	-	-	766,083	-	(8,112)	757,971
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	13,205	13,205	1,091,897	(110,261)	981,636	994,841	-	-	994,841
Balance at December 31, 2022	\$ 1,974,846	53,411	1,882,499	934,768	6,749,885	9,567,152	(216,492)	263,360	46,868	11,642,277	-	9,373	11,651,650

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2022	2021
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 841,193	1,113,000
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation and amortization	982,650	889,244
Expected credit loss	133	87
Net loss (gain) on financial assets at fair value through profit or loss	212,462	(765,076)
Interest expense	151,935	97,033
Interest income	(47,502)	(8,211)
Dividend income	(126,711)	(33,974)
Share of profit of associates and joint ventures accounted for using equity method	(16,060)	(21,814)
Net gain on disposal of property, plant and equipment	(25,609)	(6,635)
Others	-	(261)
<b>Total adjustments to reconcile profit (loss)</b>	1,131,298	150,393
<b>Changes in operating assets:</b>		
(Decrease) Increase in notes and accounts receivable (including related parties)	51,341	(48,358)
Increase in other current assets	(25,617)	(93,426)
Decrease (increase) in other current financial assets	9,852	(9,913)
	35,576	(151,697)
<b>Changes in operating liabilities:</b>		
(Decrease) increase in notes and accounts payable	(67,911)	73,955
Increase in current contract liabilities	2,463	21,081
Increase in other current liabilities	6,844	22,839
Decrease in net defined benefit liabilities	(5,778)	(4,306)
	(64,382)	113,569
<b>Total changes in operating assets and liabilities</b>	(28,806)	(38,128)
<b>Total adjustments</b>	1,102,492	112,265
Cash inflow generated from operations	1,943,685	1,225,265
Interest received	38,881	9,048
Dividend received	146,307	60,287
Interest paid	(134,465)	(109,394)
Income taxes paid	(51,446)	(50,121)
<b>Net cash flows from operating activities</b>	1,942,962	1,135,085
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(3,509)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	507,139
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	1,271	3,608
Acquisition of financial assets at fair value through profit or loss	-	(37,039)
Proceeds from disposal of financial assets at fair value through profit or loss	623,036	475,128
Acquisition of property, plant and equipment	(1,394,414)	(1,070,040)
Proceeds from disposal of property, plant and equipment	53,734	11,641
Increase in other non-current assets	(32,992)	(28,837)
Acquisition of intangible assets	(68)	-
Decrease (increase) in other current financial assets	159,863	(95,847)
Increase in other non-current financial assets	(953)	(3,837)
Decrease in equity attributable to predecessors' interests under common control	-	(32,880)
<b>Net cash flows used in investing activities</b>	(594,032)	(270,964)
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	439,705	1,264,841
Repayments of bonds	(400,000)	(2,300,000)
Proceeds from long-term borrowings	447,735	712,172
Repayments of long-term borrowings	(578,813)	(902,517)
Payment of lease liabilities	(49,368)	(46,008)
Cash dividends paid	(529,259)	(315,975)
Others	822	2,511
<b>Net cash flows used in financing activities</b>	(669,178)	(1,584,976)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	252,354	(36,112)
<b>Net increase (decrease) in cash and cash equivalents</b>	932,106	(756,967)
<b>Cash and cash equivalents at beginning of period</b>	3,057,048	3,814,015
<b>Cash and cash equivalents at end of period</b>	\$ 3,989,154	3,057,048

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**For the years ended December 31, 2022 and 2021**

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

**(1) Company history**

CHINESE MARITIME TRANSPORT LTD. (the “Company”), previously named Associated Transport Inc., was incorporated as a company limited by shares on January 31, 1978, in the Republic of China. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE). The consolidated financial statements of the Company as of and for the years ended December 31, 2022 comprise the Company and its subsidiaries (together refined to as the “Group”). The main activities of the Group are bulk-carrier transportation through its 100%-owned overseas subsidiaries; domestic container hauling, vessel transportation, warehousing, and related business; and acting as the general sales agent for Saudi Arabian Airlines. The Group also owns investment companies to engage in the business of investment. Based on the organization of the Group and distribution of duties, the Company leads and invests in the business in the Group related to transportation. Please refer to note 4(c) 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 March 20, 2023.

**(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:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	<p>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.</p> <p>The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.</p>	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 amendments<sup>1</sup>, 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”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

**(4) Summary of significant accounting policies**

The significant accounting policies presented in the consolidated financial statements are summarized follows. Except for those specifically indicated, the following accounting policies were applied consistently throughout the presented periods in the consolidated financial statements.

**(a) Statement of compliance**

These consolidated financial statement have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations) and International Financial Reporting Standards, International Accounting Standards, endorsed and issued into effect by IFRIC Interpretations and SIC Interpretations the Financial Supervisory Commission, R.O.C..

(Continued)

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

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated annual consolidated financial statements have been prepared on the historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial instruments at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities (assets) are measured at fair value of the pension assets less the present value of the defined benefit obligation, limited as explained in note (4)(p).

(ii) Functional and presentation currency

The functional currency of each Group entities is determined based on the primary economic environment in which the entities operate. The consolidated financial statements are presented in New Taiwan Dollar, which is the Group's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(Continued)

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

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding		Note
			December 31, 2022	December 31, 2021	
The Company	Chinese Maritime Transport (S) Pte. Ltd. (CMTS)	Investment holding of ship-owning companies	-	0.34	Note 9
"	Chinese Maritime Transport (Hong Kong), Limited (CMTHK)	Investment holding of ship-owning companies	100	100	
The Company	Chinese Maritime Transport International Pte. Ltd. (CMTI)	Investment holding of ship-owning companies	100	100	Note 5
"	CMT Logistics Co., Ltd. (CMTL)	Warehouse management	100	100	
"	AGM Investment Ltd. (AGMI)	Investment	100	100	
"	Hope Investment Ltd. (HIL)	Investment	100	100	
"	Mo Hsin Investment Ltd. (MHI)	Investment	100	100	
"	Associated Transport Inc. (ATI)	Container trucking	100	100	
"	CMT Travel Service Ltd. (TRV)	Travel	100	100	
"	Associated Group Motors Corp. (AGM)	Automobile and its part manufacturing	70	70	Note 4
"	Huang Yuen Transport Ltd. (HYT)	Container trucking	71.43	71.43	Note 1
"	Mao Hwa Transport Ltd. (MHT)	Container trucking	72.41	-	Note 2
"	Prosperity Transport Ltd.(APT)	Container trucking	78.12	-	Note 3
"	Chinese Maritime Transport (UK) Limited (CMTUK)	Investment holding of ship-owning companies	100	-	Note 7
CMTS	China Fortune Shipping Pte. Ltd. (CFR)	Bulk-carrier transportation	-	100	Note 10
"	China Enterprise Shipping Pte. Ltd. (CEP)	Bulk-carrier transportation	-	100	Note 10
CMTHK	China Prosperity Shipping Ltd. (CPS)	Bulk-carrier transportation	100	100	
"	China Peace Shipping Ltd. (CPC)	Bulk-carrier transportation	-	100	Note 10
"	China Progress Shipping Ltd. (CPG)	Bulk-carrier transportation	-	100	Note 10
"	China Pioneer Shipping Ltd. (CPN)	Bulk-carrier transportation	-	100	Note 10
"	China Pride Shipping Ltd. (CPD)	Bulk-carrier transportation	-	100	Note 10
"	CMT Chartering Ltd. (CHT)	Bulk-chartering services	100	100	
"	China Triumph Shipping Ltd. (CTU)	Bulk-carrier transportation	-	100	Note 10
"	China Trade Shipping Ltd. (CTD)	Bulk-carrier transportation	-	100	Note 10
"	China Harmony Shipping Ltd. (CHM)	Bulk-carrier transportation	-	100	Note 10
"	China Honour Shipping Ltd. (CHN)	Bulk-carrier transportation	-	100	Note 10

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

Name of investor	Name of subsidiary	Principal activity	Shareholding		Note
			December 31, 2022	December 31, 2021	
CMT HK	CMT Investment Co., Limited (CHI)	Investment	100	100	
"	Chinese Maritime Transport Ship Management (Hong Kong) Limited (CIM)	Investment management	100	100	
"	CMTS	Investment holding of ship-owning companies	-	-	Note 8
CMTI	CMTS	Investment holding of ship-owning companies	100	99.66	Note 8, Note 9
CMTI	China Champion Shipping Pte. Ltd. (CCMP)	Bulk-carrier transportation	-	100	Note 5, Note 10
"	China Venture Shipping Pte. Ltd. (CVTR)	Bulk-carrier transportation	-	100	Note 5, Note 10
"	China Ace Shipping Pte. Ltd. (CACE)	Bulk-carrier transportation	-	100	Note 6, Note 10
"	China Vista Shipping Pte. Ltd. (CVST)	Bulk-carrier transportation	-	100	Note 6, Note 10
CMTUK	China Peace Shipping Ltd. (CPC)	Bulk-carrier transportation	100	-	Note 10
"	China Progress Shipping Ltd. (CPG)	Bulk-carrier transportation	100	-	Note 10
"	China Pride Shipping Ltd. (CPD)	Bulk-carrier transportation	100	-	Note 10
"	China Pioneer Shipping Ltd. (CPN)	Bulk-carrier transportation	100	-	Note 10
"	China Trade Shipping Ltd. (CTD)	Bulk-carrier transportation	100	-	Note 10
"	China Triumph Shipping Ltd. (CTU)	Bulk-carrier transportation	100	-	Note 10
"	China Harmony Shipping Ltd. (CHM)	Bulk-carrier transportation	100	-	Note 10
"	China Honour Shipping Ltd. (CHN)	Bulk-carrier transportation	100	-	Note 10
"	China Fortune Shipping Pte. Ltd. (CFR)	Bulk-carrier transportation	100	-	Note 10
"	China Enterprise Shipping Pte. Ltd. (CEP)	Bulk-carrier transportation	100	-	Note 10
"	China Ace Shipping Pte. Ltd. (CACE)	Bulk-carrier transportation	100	-	Note 6, Note 10
"	China Vista Shipping Pte. Ltd. (CVST)	Bulk-carrier transportation	100	-	Note 6, Note 10
"	China Venture Shipping Pte. Ltd. (CVTR)	Bulk-carrier transportation	100	-	Note 5, Note 10
"	China Champion Shipping Pte. Ltd. (CCMP)	Bulk-carrier transportation	100	-	Note 5, Note 10
ATI	Chang Shun Transport Ltd. (CST)	Container trucking	100	100	
"	Huang Yuen Transport Ltd. (HYT)	Container trucking	28.57	28.57	Note 1
"	Mao Hwa Transport Ltd. (MHT)	Container trucking	27.59	100	Note 2

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding		Note
			December 31, 2022	December 31, 2021	
ATI	Prosperity Transport Ltd. (APT)	Container trucking	21.88	100	Note 3
"	Pioneer Transport Ltd. (PTL)	Container trucking	100	100	

Note 1: The Company and subsidiary ATI jointly hold 100% shareholding on HYT. In November 2021, the Company subscribed for all shares of HYT's cash capital increase, increasing its percentage of shareholding to 71.43%.

Note 2: The Company and subsidiary ATI jointly hold 100% shareholding on MHT. In June 2022, the Company subscribed for all shares of MHT's cash capital increase, increasing its percentage of shareholding to 72.41%.

Note 3: The Company and subsidiary ATI jointly hold 100% shareholding on APT. In October 2022, the Company subscribed for all shares of MHT's cash capital increase, increasing its percentage of shareholding to 78.12%.

Note 4: The Company had acquired 40% ownership of AGM with the cash considerations of \$32,880 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 5: Subsidiary incorporated in May 2021.

Note 6: Subsidiary incorporated in October 2021.

Note 7: Subsidiary incorporated in May 2022. The Company had increased \$629,280 of capital in August 2022.

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

Note 9: The Company had recognized in April 2022 to transfer the shares of subsidiary CMTS from the Company to subsidiary CMTI.

Note 10: The Company had reorganized from October 2022 to December 2022 to transfer the shares of subsidiary from subsidiary CMTS、CMTHK and CMTI to subsidiary CMTUK.

(d) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(Continued)

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

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as fair value through other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into NTD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into NTD at average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of investment in an associate of joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange differences arising thereon from part of a net investment in the foreign operation and are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or

(Continued)

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

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits and Commercial paper with reverse repurchase agreement which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(Continued)

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI )

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(Continued)

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

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets), and debt investments measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due or the borrower is unlikely to pay its credit obligations to the Group in full.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings. The time deposits and commercial paper with reverse repurchase agreement held by the Group were considered to have low credit risk because the Group's transaction counter parties and the contractually obligated counter parties are financial institutions with credit ratings beyond investment grade.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(Continued)

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

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;  
or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(Continued)

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(Continued)

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

(h) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those equity-accounted investees after adjustments to align the accounting policies with those of the Group from the date on which significant influence commences until the date on which significant influence ceases.

Gain and losses resulting from the transactions between the Group and an associate are recognized only to the extent of unrelated Group's interest in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

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

(ii) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from internal use to investment use.

(iii) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iv) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- 1) Buildings: 3 ~ 60 years
- 2) Building improvements: 3~8 years.
- 3) Container transportation equipment: 2~7 years
- 4) Shipping transportation equipments: 2~20 years
- 5) Container terminal facility: 3~60 years
- 6) Furniture, fixtures and other equipments: 1 ~12 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Lease

(i) Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

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

(ii) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments; including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

(Continued)

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

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

(iii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost, less, accumulated amortization and any accumulated impairment losses.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

The amortizable amount is the cost of an asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

The intangible asset that the Group possesses is software. The estimated useful lives of computer software are 3~10 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(o) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Freight revenue

Vessel chartering revenue is currently recognized during its lease terms ; container hauling revenue is recognized when the goods are delivered to the customers' premises ; warehouse rent and hanging cabinet revenue is recognized when the service is provided; also, airline agent revenue is recognized when the service is provided.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

2) Rental income from investment property

Rental income from investment property is recognized in income on a straight-line basis over the lease term. Incentives granted to the lessee to enter into an operating lease are considered as part of rental income which is spread over the lease term on a straight-line basis so that the rental income received are recognized periodically.

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

3) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

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

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(v) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

(Continued)

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

The Group discloses the basic and diluted earnings per share attributable to ordinary equity holders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjusting the effects of all potential dilutive ordinary shares. Potential dilutive ordinary shares comprise employee stock options and employee bonuses that are yet to be resolved by the shareholders and approved by the Board of Directors.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated financial statements, the management has made 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.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

There are no critical judgements in applying accounting policies that have significant effect on amounts recognized in the consolidated financial statements.

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

There are no material risk contained in uncertainty of assumption and estimation which may lead to a material adjustment in the following year:

**(6) Explanation of significant accounts**

(a) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Petty cash, checking accounts and demand deposits	\$ 1,009,949	1,719,175
Time deposits	2,709,326	1,028,648
Cash equivalents-commercial paper and reverse repurchase agreement	<u>269,879</u>	<u>309,225</u>
	<u><u>\$ 3,989,154</u></u>	<u><u>3,057,048</u></u>

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

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

(i) Information was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<b>Current financial assets mandatorily measured as at fair value through profit or loss:</b>		
Non-derivative financial instrument		
Domestic listed stocks	\$ 314,678	480,371
<b>Non-current financial assets mandatorily measured as at fair value through profit or loss:</b>		
Non-derivative financial instrument		
Domestic listed stocks	-	106,520
Domestic listed stocks under private placement	-	559,741
Domestic unlisted stocks	<u>15,537</u>	<u>20,352</u>
	<u><u>\$ 330,215</u></u>	<u><u>1,166,984</u></u>
Current	\$ 314,678	480,371
Non-current	<u>15,537</u>	<u>686,613</u>
	<u><u>\$ 330,215</u></u>	<u><u>1,166,984</u></u>

The gain or loss on financial assets at fair value through profit or loss for the years ended December 31, 2022 and 2021 were loss of \$212,462 and gain of \$765,076, respectively.

During the years ended December 31, 2022 and 2021, the dividends of \$78,204 and \$28,094, respectively, related to investment at fair value through profit or loss, were recognized.

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

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

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

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Equity investments at fair value through other comprehensive income		
Domestic listed stocks	<b>\$ 669,355</b>	<b>776,107</b>

- (i) Equity investments at fair value through other comprehensive income

The Group newly purchased those investments for strategic purposes amounting to \$3,509 for the year ended December 31, 2022 ; the Group made no new strategic investment during the year ended December 31, 2021.

There were no disposal of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments during the year ended December 31, 2022

The Group disposed part of its investment in TNCL with the disposal price amounting to \$507,139 during the year ended December 31, 2021, resulting in an accumulated disposal loss of \$8,123, which was reclassified from other comprehensive income to retained earnings. .

During the years ended December 31, 2022 and 2021, the Group had recognized unrealized gain or loss on financial assets at fair value through other comprehensive income of loss \$110,261 and gain \$94,770, respectively.

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

- (ii) Please refer to note 6(t) for market risk.
- (iii) As of December 31, 2022 and 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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 10,021	18,703
Accounts receivable	284,965	327,624
Less: Loss allowance	<u>(394)</u>	<u>(261)</u>
	<u><b>\$ 294,592</b></u>	<u><b>346,066</b></u>
Notes and accounts receivable, net	<u><b>\$ 279,731</b></u>	<u><b>331,386</b></u>
Notes and accounts receivable due from related parties, net	<u><b>\$ 14,861</b></u>	<u><b>14,680</b></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:

	<u>December 31, 2022</u>		
	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance provision</u>
Not overdue	\$ 274,945	-	-
1 to 30 days past due	13,559	-	-
30 to 180 days past due	6,482	6.08%	394
More than 180 days past due	<u>-</u>	-	<u>-</u>
	<u><b>\$ 294,986</b></u>		<u><b>394</b></u>
	<u>December 31, 2021</u>		
	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance provision</u>
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><b>\$ 346,327</b></u>		<u><b>261</b></u>

The movements in the allowance for notes and accounts receivable were as follows:

	<u>2022</u>	<u>2021</u>
Balance on January 1	\$ 261	174
Impairment losses recognized	<u>133</u>	<u>87</u>
Balance on December 31	<u><b>\$ 394</b></u>	<u><b>261</b></u>

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

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

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Associates	<b><u>\$ 635,606</u></b>	<b><u>587,583</u></b>

(ii) The Group's share of the profit (loss) of associates were as follows:

	<b>2022</b>	<b>2021</b>
Associates	<b><u>\$ 16,060</u></b>	<b><u>21,814</u></b>

(iii) Summarized financial information of individually insignificant associates

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

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Carrying amount of individually insignificant associates' equity	<b><u>\$ 635,606</u></b>	<b><u>587,583</u></b>
Share of profit attributable to the Group:		
Profit from continuing operations	\$ 16,060	21,814
Other comprehensive income	<u>51,559</u>	<u>(13,540)</u>
Comprehensive income	<b><u>\$ 67,619</u></b>	<b><u>8,274</u></b>

(iv) In 2022 and 2021, the Group was allocated with the cash dividends of \$19,596 and \$26,313, respectively, from the aforementioned investee companies.

(v) Pledges

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

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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(f) Property, plant and equipment

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

	Land	Buildings and construction	Transportation equipment	Other equipment	Under construction	Total
<b>Cost or deemed cost:</b>						
Balance on January 1, 2022	\$ 1,699,643	193,245	17,549,045	622,199	955,610	21,019,742
Additions	-	36,347	184,776	54,942	1,126,466	1,402,531
Disposals	-	(30,317)	(53,519)	(82,045)	-	(165,881)
Reclassifications	-	-	(153)	153	-	-
Transfer from construction in progress and testing equip	-	55,804	101,239	1,991	(95,186)	63,848
Effect of movements in exchange rates	-	3,476	1,838,827	-	127,565	1,969,868
Balance on December 31, 2022	<u>\$ 1,699,643</u>	<u>258,555</u>	<u>19,620,215</u>	<u>597,240</u>	<u>2,114,455</u>	<u>24,290,108</u>
Balance on January 1, 2021 (Restated)	\$ 1,719,551	145,317	17,671,712	627,070	26,451	20,190,101
Additions	-	13,310	141,626	31,699	883,405	1,070,040
Disposals	-	(1,120)	(15,778)	(36,599)	-	(53,497)
Reclassifications	(19,908)	19,908	-	-	-	-
Transfer from construction in progress and testing equip	-	16,311	5,124	29	55,861	77,325
Effect of movements in exchange rates	-	(481)	(253,639)	-	(10,107)	(264,227)
Balance on December 31, 2021	<u>\$ 1,699,643</u>	<u>193,245</u>	<u>17,549,045</u>	<u>622,199</u>	<u>955,610</u>	<u>21,019,742</u>
<b>Depreciation and impairments loss:</b>						
Balance on January 1, 2022	\$ -	104,006	8,318,553	336,120	-	8,758,679
Depreciation	-	18,166	868,110	42,813	-	929,089
Disposals	-	(24,878)	(40,560)	(72,318)	-	(137,756)
Reclassifications	-	-	(64)	64	-	-
Effect of movements in exchange rates	-	832	863,822	-	-	864,654
Balance on December 31, 2022	<u>\$ -</u>	<u>98,126</u>	<u>10,009,861</u>	<u>306,679</u>	<u>-</u>	<u>10,414,666</u>
Balance on January 1, 2021 (Restated)	\$ -	91,898	7,658,644	331,976	-	8,082,518
Depreciation	-	13,126	785,773	39,698	-	838,597
Disposals	-	(940)	(12,030)	(35,521)	-	(48,491)
Transfer from construction in progress and testing equip	-	33	-	(33)	-	-
Effect of movements in exchange rates	-	(111)	(113,834)	-	-	(113,945)
Balance on December 31, 2021	<u>\$ -</u>	<u>104,006</u>	<u>8,318,553</u>	<u>336,120</u>	<u>-</u>	<u>8,758,679</u>
<b>Carrying amounts:</b>						
Balance on December 31, 2022	<u>\$ 1,699,643</u>	<u>160,429</u>	<u>9,610,354</u>	<u>290,561</u>	<u>2,114,455</u>	<u>13,875,442</u>
Balance on December 31, 2021	<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 January 1, 2021	<u>\$ 1,719,551</u>	<u>53,419</u>	<u>10,013,068</u>	<u>295,094</u>	<u>26,451</u>	<u>12,107,583</u>

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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- (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 USD68,000 thousand (\$2,088,280 in thousand New Taiwan Dollars).
- (iii) The Group disposed of part of the property, plant and equipment during the years ended December 31, 2022 and 2021 for \$53,734 and \$11,641, respectively, and the related gain or loss of disposal were gain of \$25,609 and gain of \$6,635, respectively. The registration procedures of the assets transfer have been completed and related receivables have been collected.
- (iv) The Group evaluated its transportation equipment for impairment, exercised impairment testing and recognized no impairment loss according to IFRS 36 “Impairments Non-Financial Asset”. The accumulated impairment loss was USD\$31,555 thousand (\$969,054 and \$873,442 in thousand New Taiwan Dollars) as of December 31, 2022 and 2021, respectively.
- (v) The Group recorded the carrying amount of significant repair under property, plant and equipment in 2022 and 2021 for \$141,874 and \$80,809, respectively.
- (vi) 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 December 31, 2022)	\$ <u>243,217</u>	<u>78,813</u>	<u>322,030</u>
Balance on January 1, 2021 (Restated)	\$ 167,841	78,813	246,654
Additions	124,267	-	124,267
Disposal	<u>(48,891)</u>	<u>-</u>	<u>(48,891)</u>
Balance on December 31, 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>34,759</u>	<u>15,153</u>	<u>49,912</u>
Balance on December 31, 2022	\$ <u>96,016</u>	<u>60,611</u>	<u>156,627</u>
Balance on January 1, 2021 (Restated)	\$ 54,289	30,306	84,595
Depreciation	31,413	15,152	46,565
Disposal	<u>(24,445)</u>	<u>-</u>	<u>(24,445)</u>
Balance on December 31, 2021	\$ <u>61,257</u>	<u>45,458</u>	<u>106,715</u>

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

	<u>Land</u>	<u>Buildings and construction</u>	<u>Total</u>
Carrying Amount:			
Balance on December 31, 2022	\$ <u>147,201</u>	<u>18,202</u>	<u>165,403</u>
Balance on December 31, 2021	\$ <u>181,960</u>	<u>33,355</u>	<u>215,315</u>
Balance on January 1, 2021(Restated)	\$ <u>113,552</u>	<u>48,507</u>	<u>162,059</u>

## (h) Investment property

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

	<u>Owned property</u>		
	<u>Land</u>	<u>Building</u>	<u>Total</u>
<b>Cost or deemed cost:</b>			
Balance on January 1, 2022	\$ 19,094	23,512	42,606
Effect of movements in exchange rates	-	2,162	2,162
Balance on December 31, 2022	\$ <u>19,094</u>	<u>25,674</u>	<u>44,768</u>
Balance on January 1, 2021 (Restated)	\$ 19,094	23,811	42,905
Effect of movements in exchange rates	-	(299)	(299)
Balance on December 31, 2021	\$ <u>19,094</u>	<u>23,512</u>	<u>42,606</u>
<b>Depreciation and impairment losses:</b>			
Balance on January 1, 2022	\$ -	8,757	8,757
Depreciation	-	503	503
Effect of movements in exchange rates	-	661	661
Balance on December 31, 2022	\$ <u>-</u>	<u>9,921</u>	<u>9,921</u>
Balance on January 1, 2021 (Restated)	\$ -	8,370	8,370
Depreciation	-	475	475
Effect of movements for exchange rates	-	(88)	(88)
Balance on December 31, 2021	\$ <u>-</u>	<u>8,757</u>	<u>8,757</u>
<b>Carrying amount:</b>			
Balance on December 31, 2022	\$ <u>19,094</u>	<u>15,753</u>	<u>34,847</u>
Balance on December 31, 2021	\$ <u>19,094</u>	<u>14,755</u>	<u>33,849</u>
Balance on January 1, 2021 (Restated)	\$ <u>19,094</u>	<u>15,441</u>	<u>34,535</u>
<b>Fair Value:</b>			
Balance on December 31, 2022			\$ <u>147,085</u>
Balance on December 31, 2021			\$ <u>112,978</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.

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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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 rental income and operating expenses incurred directly), please refer to note 6(l).

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

(i) Other financial assets

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Restricted deposits	\$ 77,218	196,469
Time deposits (over three months)	25,072	30,755
Other receivables	29,314	30,290
Refundable deposits	8,514	7,686
Pledged assets-time deposits	<u>159,608</u>	<u>194,411</u>
	<b><u>\$ 299,726</u></b>	<b><u>459,611</u></b>
Other current financial assets	\$ 276,312	437,150
Other non-current financial assets	<u>23,414</u>	<u>22,461</u>
	<b><u>\$ 299,726</u></b>	<b><u>459,611</u></b>

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 December 31, 2022 and 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

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Bank loans	\$ 1,500,000	730,000
Commercial paper payable	400,000	730,000
Less: discount on commercial paper payable	<u>(514)</u>	<u>(219)</u>
	<b><u>\$ 1,899,486</u></b>	<b><u>1,459,781</u></b>
Unused credit lines	<b><u>\$ 2,760,000</u></b>	<b><u>3,250,000</u></b>
Range of interest rate	<b><u>0.85%~1.97%</u></b>	<b><u>0.838%~1.12%</u></b>

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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## (ii) Long-term borrowings

<b>Bank</b>	<b>Currency</b>	<b>Due Year</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Bank Sinopec	USD	2022	\$ -	417,589
Mega International Commercial Bank	"	2022	-	62,280
Bank Sinopec	"	2023	409,518	459,772
BNP PARIBAS	"	2026	393,236	401,126
Mega International Commercial Bank	"	2026	368,520	415,199
Bank Sinopec	"	2026	366,779	-
CTBC Bank	"	2027	584,094	591,691
Mega International Commercial Bank	"	2027	414,585	597,057
Mega International Commercial Bank	"	2027	<u>595,467</u>	<u>-</u>
			3,132,199	2,944,714
Current portion			<u>(876,584)</u>	<u>(825,824)</u>
Total			<b>\$ 2,255,615</b>	<b>2,118,890</b>
Range of interest rates			<u>0.905%~6.336%</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:

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

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

(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).

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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(k) Lease liabilities

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current	<u>\$ 45,849</u>	<u>51,286</u>
Non-current	<u>\$ 125,354</u>	<u>169,285</u>

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

The amounts recognized in profit or loss were as follows:

	<b>2022</b>	<b>2021</b>
Interest expenses on lease liabilities	<u>\$ 1,914</u>	<u>1,758</u>

The amount recognized in the consolidated statements of cash flows for the Group was as follows:

	<b>2022</b>	<b>2021</b>
Total cash outflow for leases	<u>\$ 51,282</u>	<u>47,766</u>

Land and building leases

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

(l) Operating lease

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

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

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

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Less than one year	<u>\$ 1,061,229</u>	<u>1,153,787</u>
Between one and five years	<u>56,909</u>	<u>24,174</u>
Total undiscounted lease payments	<u>\$ 1,118,138</u>	<u>1,177,961</u>

The rental income incurred from the lease investment property amounted to \$3,975 and \$3,807 in 2022 and 2021, respectively.

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

(m) Employee benefits

(i) Defined benefit plans

Reconciliations of defined benefit obligation at present value and plan asset at fair value are as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Present value of defined benefit obligations	\$ 131,779	149,276
Fair value of plan assets	<u>(123,349)</u>	<u>(118,562)</u>
Recognized liabilities for defined benefit obligations	<u><b>\$ 8,430</b></u>	<u><b>30,714</b></u>

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings in the annual distributions on the final consolidated financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$123,349 at the end of the reporting period. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Group were as follows:

	<b>2022</b>	<b>2021</b>
Defined benefit obligation on January 1	\$ 149,276	153,750
Benefits paid by the plan	(12,804)	(12,438)
Benefits paid by the Group	(335)	-
Current service costs and interest	2,432	2,910
Remeasurement of the net defined benefit liability	<u>(6,790)</u>	<u>5,054</u>
Defined benefit obligation on December 31	<u><b>\$ 131,779</b></u>	<u><b>149,276</b></u>

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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3) Movements of the fair value of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	<u>2022</u>	<u>2021</u>
Fair value of plan assets on January 1	\$ 118,562	122,048
Contributions paid by the employer	7,338	6,620
Benefits paid by the plan	(12,804)	(12,438)
Expected return on plan assets	537	594
Remeasurement of the net benefit plan liability (asset)	9,716	1,738
Fair value of plan assets on December 31	<u>\$ 123,349</u>	<u>118,562</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	<u>2022</u>	<u>2021</u>
Service cost	\$ 1,750	2,165
Interest cost	682	745
Expected return on plan assets	(537)	(594)
	<u>\$ 1,895</u>	<u>2,316</u>
Operating cost	\$ 1,560	1,795
Operating expense	335	521
	<u>\$ 1,895</u>	<u>2,316</u>

5) Actuarial assumptions

The following is the Group's principal actuarial assumptions of defined benefit obligations on the reporting date:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.500%	0.500%
Future salary increasing rate	1.000%~3.000%	1.000%~3.500%

In accordance with Paragraph 2 of Article 56 of the Labor Standards Act, before the end of each year, employers shall assess the balance in the designated labor pension reserve funds account. If the amount is inadequate to pay pensions for workers retiring in the same year according to Article 53 or subparagraph 1 of Paragraph 1 of Article 54, the employer is required to make up the difference. The difference as of December 31, 2021 and 2020 were \$4,643 and \$3,551, respectively, and already allocated to the designated labor pension reserve funds account of Taiwan Bank during year 2022 and 2021, respectively.

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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The expected allocation payment made by the Group to the defined benefit plans for the one-year period after the reporting date was \$2,742.

The weighted-average duration of the defined benefit obligation between 8.16~8.64 years.

6) Sensitivity analysis

The impact of the present value of the defined benefit obligations affected by the actuarial assumptions for the years ended December 31, 2022 and 2021 were as follows:

	<b><u>Influences of defined benefit obligation</u></b>	
	<b><u>Increased 0.25%</u></b>	<b><u>Decreased 0.25%</u></b>
December 31, 2022		
Discount rate	(1,848)	1,901
Future salary increasing rate	1,873	(1,776)
December 31, 2021		
Discount rate	(2,308)	2,365
Future salary increasing rate	2,313	(2,209)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2022 and 2021.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Group recognized pension costs under the defined contribution method amounting to \$12,404 and \$11,928 for the years ended December 31, 2022 and 2021, respectively. Payment was made to the Bureau of Labor Insurance.

The pension expenses recognized by other subsidiaries, included in consolidated financial statements for the years ended December 31, 2022 and 2021, were \$1,308 and \$1,273, respectively.

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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(n) Income taxes

(i) Tax expenses

The components of income tax for the years ended December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Current tax expense	\$ <u>76,078</u>	<u>76,367</u>
Deferred tax expense		
Recognition and reversal of temporary differences	<u>7,144</u>	<u>5,625</u>
Income tax expense	<u>\$ 83,222</u>	<u>81,992</u>

The amount of income tax recognized in other comprehensive income for the years ended December 31, 2022 and 2021, was as follows:

	<u>2022</u>	<u>2021</u>
Items that may not be reclassified subsequently to profit or loss		
Remeasurement in defined benefit plans	<u>\$ 3,302</u>	<u>(663)</u>
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign financial statements	<u>\$ -</u>	<u>(993)</u>

The reconciliations of income tax and profit before tax for 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Profit before income tax	\$ <u>841,193</u>	<u>1,113,000</u>
Income tax using the Company's domestic tax rate	168,239	222,600
Effect of tax rates in foreign jurisdiction	(142,748)	(58,793)
Dividend revenue-overseas	17,808	54,689
Tax exemption for investment income under the equity method	3,454	(4,363)
Non-deductible expenses	464	-
Recognition of previously unrecognized tax losses	(1,340)	-
Additional tax on undistributed earnings	19,771	-
Domestic tax-free investment (gain) loss	17,202	(159,685)
Income basic tax	3,939	21,832
Unrecognized temporary differences and others	<u>(3,567)</u>	<u>5,712</u>
	<u>\$ 83,222</u>	<u>81,992</u>

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as at December 31, 2022 and 2021. Also, management considered it probable that the temporary differences will not be reversed in the foreseeable future. Hence, such temporary differences were not recognized under deferred tax liabilities. Details were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Aggregate amount of temporary differences related to investments in subsidiaries	<b>\$ 10,705,945</b>	<b>7,781,940</b>
Unrecognized deferred tax liabilities	<b>\$ 2,141,189</b>	<b>1,556,388</b>

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2022 and 2021 were as follows:

	<b>Defined benefit Plans</b>	<b>Overseas investment income recognized under the equity method</b>	<b>Land revaluation increment</b>	<b>Others</b>	<b>Total</b>
Deferred tax liabilities:					
Balance on January 1, 2022	\$ -	160,487	438,368	7,934	606,789
Recognized in profit or loss	-	-	-	8,723	8,723
Balance on December 31, 2022	<b>\$ -</b>	<b>160,487</b>	<b>438,368</b>	<b>16,657</b>	<b>615,512</b>
Balance on January 1, 2021 (Restated)	\$ -	160,487	438,368	7,674	606,529
Recognized in profit or loss	-	-	-	1,253	1,253
Recognized in other comprehensive income	-	-	-	(993)	(993)
Balance on December 31, 2021	<b>\$ -</b>	<b>160,487</b>	<b>438,368</b>	<b>7,934</b>	<b>606,789</b>

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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	<b>Defined benefit Plans</b>	<b>Overseas investment income recognized under the equity method</b>	<b>Land revaluation increment</b>	<b>Others</b>	<b>Total</b>
Deferred tax assets:					
Balance on January 1, 2022	\$ 7,532	-	-	6,114	13,646
Recognized in profit or loss	(1,089)	-	-	2,668	1,579
Recognized in other comprehensive income	<u>(3,302)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,302)</u>
Balance on December 31, 2022	<u>\$ 3,141</u>	<u>-</u>	<u>-</u>	<u>8,782</u>	<u>11,923</u>
Balance on January 1, 2021 (Restated)	7,926	-	-	9,429	17,355
Recognized in profit or loss	(1,057)	-	-	(3,315)	(4,372)
Recognized in other comprehensive income	<u>663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>663</u>
Balance on December 31, 2021	<u>\$ 7,532</u>	<u>-</u>	<u>-</u>	<u>6,114</u>	<u>13,646</u>

(iii) 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

(i) Ordinary shares

As of December 31, 2022 and 2021, the authorized common stocks amounted to \$3,600,000 with a par value of 10 New Taiwan Dollars per share, in total of 360,000 thousand shares. All the ordinary shares were common stocks, and of which 197,485 thousand shares had been issued. All issued shares were paid upon issuance.

(ii) Capital surplus

In accordance with the ROC Company Act, realized capital surplus are distributed according to shareholding rates and can only be distributed as stock dividends or cash dividends after offsetting losses. The aforementioned capital surplus includes share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital surplus to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

The balances of capital surplus were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Differences between fair value and carrying amount of subsidiary disposed	\$ 42,503	42,503
Changes in equity of associates for using equity method	<u>10,908</u>	<u>10,908</u>
	<u>\$ 53,411</u>	<u>53,411</u>

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

(iii) 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 December 31, 2022 and 2021.

In accordance with the guidelines of the above Rule, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of other shareholders' equity resulting from the first-time adoption of IFRSs and the carrying amount of special reserve as stated above.

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:

	<u>2021</u>	<u>2020</u>
Dividends distributed to ordinary shareholders		
Cash	\$ <u>529,259</u>	<u>315,975</u>

(Continued)

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

(iv) 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	1,040,338	(110,261)	930,077
Associates	<u>51,559</u>	<u>-</u>	<u>51,559</u>
Balance on December 31, 2022	<u><u>\$ (216,492)</u></u>	<u><u>263,360</u></u>	<u><u>46,868</u></u>
Balance on January 1, 2021 (Restated)	\$ (1,154,720)	270,728	(883,992)
The Group	(140,129)	102,893	(37,236)
Associates	<u>(13,540)</u>	<u>-</u>	<u>(13,540)</u>
Balance on December 31, 2021	<u><u>\$ (1,308,389)</u></u>	<u><u>373,621</u></u>	<u><u>(934,768)</u></u>

(p) Earnings per share

(i) Basic earnings per share

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

1) Profit attributable to ordinary shareholders of the Company

	<u>2022</u>	<u>2021</u>
Profit attributable to ordinary shareholders of the Company	\$ <u><u>766,083</u></u>	<u><u>1,040,604</u></u>

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

	<u>2022</u>	<u>2021</u>
Weighted-average number of ordinary shares (basic)	<u><u>197,485</u></u>	<u><u>197,485</u></u>

3) Basic earnings per share (NTD)

	<u>2022</u>	<u>2021</u>
Basic earnings per share	<u><u>3.88</u></u>	<u><u>5.27</u></u>

(Continued)

**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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(ii) Diluted earnings per share

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

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

	<u>2022</u>	<u>2021</u>
Profit attributable to ordinary shareholders of the Company	\$ <u>766,083</u>	<u>1,040,604</u>

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

	<u>2022</u>	<u>2021</u>
Number of ordinary shares (basic)	197,485	197,485
Effect on the employee stock bonuses	<u>235</u>	<u>208</u>
Weighted-average number of ordinary shares (diluted)	<u>197,720</u>	<u>197,693</u>

3) Diluted earnings per share (NTD)

	<u>2022</u>	<u>2021</u>
Diluted earnings per share	\$ <u>3.87</u>	<u>5.26</u>

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2022</u>			
	<u>Inland trucking and terminal &amp; logistics department</u>	<u>Shipping department</u>	<u>Others</u>	<u>Total</u>
Primary geographical markets				
Asia	\$ 1,767,859	-	54,625	1,822,484
America	-	1,465,997	-	1,465,997
Europe	-	289,182	-	289,182
Oceania	-	832,336	-	832,336
	<u>\$ 1,767,859</u>	<u>2,587,515</u>	<u>54,625</u>	<u>4,409,999</u>

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

	<b>2021</b>			<b>Total</b>
	<b>Inland trucking and terminal &amp; logistics department</b>	<b>Shipping department</b>	<b>Others</b>	
Primary geographical markets				
Asia	\$ 1,732,374	-	28,604	1,760,978
America	-	209,419	-	209,419
Europe	-	1,004,178	-	1,004,178
Oceania	-	579,207	-	579,207
	<u>\$ 1,732,374</u>	<u>1,792,804</u>	<u>28,604</u>	<u>3,553,782</u>

## (ii) Contract balances

	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>January 1, 2021 (Restated)</b>
Notes and accounts receivable (including related parties)	\$ 294,986	346,327	297,969
Less: allowance for impairment	(394)	(261)	(174)
Total	<u>\$ 294,592</u>	<u>346,066</u>	<u>297,795</u>
Contract liabilities	<u>\$ 57,680</u>	<u>55,217</u>	<u>34,136</u>

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

For the years ended December 31, 2022 and 2021, revenue recognized that 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:

	<b>2022</b>	<b>2021</b>
Bank loans	\$ 115,293	47,128
Bonds payable	34,728	48,147
Lease liabilities	1,914	1,758
	<u>\$ 151,935</u>	<u>97,033</u>

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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(s) (ii) Employee compensation and directors' and supervisors' remuneration

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.

For the years ended December 31, 2022 and 2021, the Company recognized its employee remuneration of \$8,077 and \$10,933, respectively, and its directors' and supervisors' remuneration of \$8,077 and \$10,933, 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 next 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 December 31, 2022 and 2021, the maximum amount exposed to credit risk amounted to \$5,583,042 and \$5,805,816, respectively.

The aggregation of sales to the Group's major customers exceeding 10% of the Group's total sales accounted for 46% and 45% of the total net sales for the years ended December 31, 2022 and 2021, respectively. In order to reduce credit risk, the Group assesses the financial status of the customers and the possibility of collection of receivables in order to estimate an adequate allowance for doubtful accounts on a regular basis. The customers have had a good credit and profit record. The Group has never suffered any significant credit loss.

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

2) Credit risk of receivables

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

Other financial assets at amortized cost includes other receivables, guarantee deposits, pledged assets-time deposits, time deposits (over three months) and restricted deposit. All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses, with the measurement proving to have no impairment loss.

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
<b>December 31, 2022</b>					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,899,486	(2,017,988)	(2,017,988)	-	-
Long-term bank loans	3,132,199	(3,327,403)	(941,680)	(516,819)	(1,868,904)
Notes and accounts payable	172,157	(172,157)	(172,157)	-	-
Lease liabilities	171,203	(176,520)	(45,849)	(45,879)	(84,792)
Bonds payable	2,500,000	(2,546,319)	(19,450)	(16,200)	(2,510,669)
Other payables	174,668	(174,668)	(174,668)	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	<u>4,001</u>	<u>(4,001)</u>	<u>(905)</u>	<u>(300)</u>	<u>(2,796)</u>
	<b><u>\$ 8,053,714</u></b>	<b><u>(8,419,056)</u></b>	<b><u>(3,372,697)</u></b>	<b><u>(579,198)</u></b>	<b><u>(4,467,161)</u></b>
<b>December 31, 2021</b>					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,459,781	(1,477,064)	(1,477,064)	-	-
Secured bank loans	2,944,714	(3,052,137)	(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>
	<b><u>\$ 7,919,415</u></b>	<b><u>(8,111,880)</u></b>	<b><u>(3,196,879)</u></b>	<b><u>(691,084)</u></b>	<b><u>(4,203,917)</u></b>

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

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

(iii) Market risk

1) Exposure to foreign currency risk

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

	December 31, 2022			December 31, 2021		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	\$ 3,153	USD/NTD =30.71	96,817	9,030	USD/NTD =27.68	249,950

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 years ended December 31, 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 \$4,841 and \$12,478, respectively. The analysis is performed on the same basis for both periods.

(iv) Interest rate analysis

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

	Carrying amount	
	December 31, 2022	December 31, 2021
Variable rate instruments:		
Financial assets	\$ 654,824	1,338,330
Financial liabilities	(5,031,685)	(4,404,495)
	<u>\$ (4,376,861)</u>	<u>(3,066,165)</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.

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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If the interest rate had increased or decreased by 0.25%, the profit before tax would have decreased or increased for the years ended December 31, 2022 and 2021 as follows:

	<b>2022</b>	<b>2021</b>
Increased 0.25%	\$ (10,942)	(7,665)
Decreased 0.25%	10,942	7,665

(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.

	<b>December 31, 2022</b>				
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Financial assets at fair value through profit or loss</b>					
Non-derivative current financial assets mandatorily at fair value through profit or loss	\$ 314,678	314,678	-	-	314,678
Non-derivative non-current financial assets mandatorily at fair value through profit or loss	<u>15,537</u>	-	-	15,537	15,537
	<u>330,215</u>				
<b>Financial assets at fair value through other comprehensive income</b>					
Domestic listed stocks	<u>669,355</u>	669,355	-	-	669,355
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	3,989,154	-	-	-	-
Restricted deposits	77,218	-	-	-	-
Time deposits (over three months)	25,072	-	-	-	-
Notes and accounts receivable (including related parties)	294,592	-	-	-	-
Other receivables	29,314	-	-	-	-
Guarantee deposits	8,514	-	-	-	-
Pledged assets-time deposits	<u>159,608</u>	-	-	-	-
	<u>4,583,472</u>				
<b>Total</b>	<b><u>\$ 5,583,042</u></b>				

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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		<b>December 31, 2022</b>			
		<b>Fair Value</b>			
	<b>Book Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 1,899,486	-	-	-	-
Long-term borrowings	3,132,199	-	-	-	-
Notes and accounts payable	172,157	-	-	-	-
Lease liabilities	171,203	-	-	-	-
Bonds payable	2,500,000	-	2,500,000	-	2,500,000
Accrued expenses and other payables (recorded as other payables)	174,668	-	-	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	4,001	-	-	-	-
<b>Total</b>	<b>\$ 8,053,714</b>				
		<b>December 31, 2021</b>			
		<b>Fair Value</b>			
	<b>Book Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets at fair value through profit or loss</b>					
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	559,741	-	559,741	-	559,741
	<u>1,166,984</u>				
<b>Financial assets at fair value through other comprehensive income</b>					
Domestic listed common stocks	776,107	776,107	-	-	776,107
<b>Financial assets measured at amortized cost</b>					
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	194,411	-	-	-	-
	<u>3,862,725</u>				
<b>Total</b>	<b>\$ 5,805,816</b>				

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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	December 31, 2021				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial liabilities at amortized cost</b>					
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>	-	-	-	-
<b>Total</b>	<b><u>\$ 7,919,415</u></b>				

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.

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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3) Transfers between Level and Level

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

4) Statement of changes in level 3

	<b>Measured of fair value through profit or loss</b>
	<b>Non-derivative mandatorily measured at fair value through profit or loss</b>
Balance on January 1, 2022	\$ 20,352
Proceeds of capital reduction of investment	(1,271)
Total gains or losses:	
Recognized in profit or loss	(3,544)
Balance on December 31, 2022	<b>\$ 15,537</b>
Balance on January 1, 2021 (Restated)	\$ 24,961
Proceeds of capital reduction of investment	(3,608)
Total gains or losses:	
Recognized in profit or loss	(1,001)
Balance on December 31, 2021	<b>\$ 20,352</b>

(u) Financial risk management

(i) Briefings

The Group is exposed to the following risks arising from financial instruments :

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

In this note expressed the information on risk exposure and objectives, policies and process of risk measurement and management. For detailed information, please refer to the related notes of each risk.

(ii) Structure of risk management

The Group's finance department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

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The Group minimizes the risk exposure through financial instruments. The Board of Directors regulated the use of financial instruments in accordance with the Group's policy about risks arising from financial instruments, such as interest rate risk, credit risk, the use of non-derivative financial instruments, and the investments of excess liquidity. The internal auditors of the Group continue with the review of the amount of the risk exposure in accordance with the Group's policy and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

1) Accounts receivable and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Group has established a credit policy. Credit limits are established for each customer. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

2) Investment

The credit risk exposure in the bank deposits, fixed income investments and other financial instruments are measured and monitored by the Group's management. Since the Group's transaction counterparties and contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore no significant credit risk.

3) Guarantees

The Group is only permissible to provide financial guarantees to subsidiaries. Please refer to note (13)(a).

(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

The loans from the bank and the bonds payable are important sources of liquidity for the Group. Please refer to note (6)(j) for unused short-term bank facilities as of December 31, 2022 and 2021.

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(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on revenue and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollars (TWD). The Group uses natural hedging strategy in exposing the current and future currency risk that arises from cash flows of foreign currency asset and liability. Foreign currency gains (losses) from assets and liabilities are subsequently offset by foreign currency losses (gains) to hedge the foreign currency risk.

2) Interest rate risk

The Group borrows funds on interest rate, which has risk exposure to cash flow. The bonds payable are fixed-interest-rate debts. Changes in market interest rates lower the effect on future cash flow.

3) Other market price risk

The Group is exposed to equity price risk due to the investments in non-listing equity securities, corporate banks, listing equity securities that measure the fair value of the publicly quoted price, and quoted open-ended fund at fair value.

(v) Capital management

The Group maintains the capital based on the current operating characteristics of the industry, future development, and changes in external environment, to assure there is financial resource and operating plan to support working capital, capital expenditures, and debt redemption and dividend payment and so on. The management decides the optimized capital by using appropriate debt-to-asset ratio. To maintain a strong capital base, the Group enhances the return on equity by optimizing debt-to-assets ratio. As of December 31, 2022 and 2021, the Group's debt-to-assets ratio at the end of the reporting date was as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Total liabilities	\$ 8,799,318	8,650,314
Total assets	20,450,968	19,078,411
Debt-to-equity ratio	43 %	45 %

There were no changes in the Group's approach to capital management during the years.

(Continued)

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

(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 years ended December 31, 2022 and 2021.

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2022	Cash flows	Non-cash changes		December 31, 2022
			Others	Foreign exchange movement	
Short-term borrowings	\$ 1,459,781	439,705	-	-	1,899,486
Long-term borrowings	2,944,714	(131,078)	-	318,563	3,132,199
Bonds payable	2,900,000	(400,000)	-	-	2,500,000
Lease liabilities	220,571	(49,368)	-	-	171,203
Guarantee deposits (recorded as other non-current liabilities-others)	3,179	822	-	-	4,001
Total liabilities from financial activities	<u>\$ 7,528,245</u>	<u>(139,919)</u>	<u>-</u>	<u>318,563</u>	<u>7,706,889</u>

  

	January 1, 2021 (Restated)	Cash flows	Non-cash changes		December 31, 2021
			Others	Foreign exchange movement	
Short-term borrowings	\$ 194,940	1,264,841	-	-	1,459,781
Long-term borrowings	3,180,433	(190,345)	-	(45,374)	2,944,714
Bonds payable	5,200,000	(2,300,000)	-	-	2,900,000
Lease liabilities	167,019	(46,008)	99,560	-	220,571
Guarantee deposits (recorded as other non-current liabilities-others)	668	2,511	-	-	3,179
Total liabilities from financial activities	<u>\$ 8,743,060</u>	<u>(1,269,001)</u>	<u>99,560</u>	<u>(45,374)</u>	<u>7,528,245</u>

**(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

(Continued)

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

(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:

	Revenue		Accounts receivable- related-parties	
	2022	2021	December 31, 2022	December 31, 2021
The entities with significant influence over the Group	\$ 68,408	68,435	14,861	14,680

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 was required after the assessment by the management.

(iii) Operating expense

	Operating expense	
	2022	2021
The entity with significant influence over the Group	\$ 2,695	3,839
Others	8,232	7,781
	<b>\$ 10,927</b>	<b>11,620</b>

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:

	2022	2021
Short-term employee benefits	\$ 71,549	65,953
Post-employment benefits	734	946
	<b>\$ 72,283</b>	<b>66,899</b>

(Continued)

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

**(8) Pledged assets**

The carrying values of pledged assets were as follows:

<u>Assets</u>	<u>Subject</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets at fair value through other comprehensive income – stocks	Commercial paper payable, short-term borrowings and credit lines	\$ 305,775	227,040
Property, plant and equipment – Land	Short-term borrowings and credit lines	899,336	899,336
Transportation and other equipment (including equipment prepayment)	Long-term borrowings, short-term borrowings and credit lines	7,826,779	7,479,695
Other current financial assets (pledged time deposit)	Long-term borrowings	144,708	179,636
Other non-current financial assets (refundable deposits and pledged time deposits)	Guarantee for construction payment, warehouse deposits, short-term borrowings and import duty	<u>23,414</u>	<u>22,461</u>
		<u><b>\$ 9,200,012</b></u>	<u><b>8,808,168</b></u>

**(9) Commitments and contingencies**

- (a) The Group had issued guarantee promissory notes amounting to \$2,516,200 and \$5,647,160 as of December 31, 2022 and 2021, respectively, as guarantee for bonds payable.
- (b) As of December 31, 2022, the Group still had several long-term leases of its ships with customers in effect. The ending periods of the contracts are from December 2022 to December 2023.
- (c) The Group signed cape-type bulk carrier' construction contracts 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	\$1,796,535 (USD58,500 thousand)	June 2023 (Note 1)	560,458 (USD18,250 thousand)
CVTR	May 20, 2021	\$1,796,535 (USD58,500 thousand)	March 2023 (Note 1)	560,458 (USD18,250 thousand)
CACE	October 22, 2021	\$1,934,730 (USD63,000 thousand)	December 2023 (Note 1)	483,683 (USD15,750 thousand)
CVST	October 22, 2021	\$1,934,730 (USD63,000 thousand)	April 2024 (Note 1)	483,683 (USD15,750 thousand)

Note 1: The estimated delivery date for shipbuilding contracts.

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

(Continued)

**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	2022			2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	511,208	238,488	749,696	437,442	227,480	664,922
Labor and health insurance	12,402	20,400	32,802	11,700	15,450	27,150
Pension	5,970	9,637	15,607	6,009	9,508	15,517
Others	27,089	8,482	35,571	23,761	10,149	33,910
Depreciation	953,490	26,014	979,504	867,810	17,827	885,637
Amortization	13	3,133	3,146	-	3,607	3,607

- (b) 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 \$32,880 on April 1, 2021. The percentage of ownership of AGM held by the Group had increased to 70%, thereby the Group had obtained the control of AGM. The transaction was accounted for as a business reorganization under common control in compliance with the Accounting Research and Development Foundation's IFRS Question and Answers. When presenting comparative consolidated financial statements, the Group presented them as if AGM had always been combined and the consolidated financial statements were restated retrospectively. In addition, the previous comparative consolidated financial statements should be restated.

**(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 year ended December 31, 2022 (The amount was translated into NTD at the exchange rates as of the end of the financial reporting period):

(Continued)

**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	234,010	234,010	234,010	-	2	-	Operating	-		-	9,916,413	9,916,413	Transactions in the left column had been eliminated during the preparation of consolidated financial statements
1	"	CHN	"	Y	153,550	153,550	153,550	-	2	-	"	-		-	9,916,413	9,916,413	"
1	"	CPC	"	Y	214,970	214,970	214,970	-	2	-	"	-		-	9,916,413	9,916,413	"
1	"	CPG	"	Y	307,100	307,100	307,100	-	2	-	"	-		-	9,916,413	9,916,413	"
1	"	CHM	"	Y	342,724	342,724	342,724	-	2	-	"	-		-	9,916,413	9,916,413	"
1	"	CMTI	"	Y	2,441,445	-	-	-	2	-	"	-		-	9,916,413	9,916,413	"
1	"	CTU	"	Y	342,417	342,417	342,417	-	2	-	"	-		-	9,916,413	9,916,413	"
1	"	CTD	"	Y	809,209	348,559	348,559	-	2	-	"	-		-	9,916,413	9,916,413	"
1	"	CFR	"	Y	76,775	76,775	76,775	3.17%	2	-	"	-		-	9,916,413	9,916,413	"
1	"	CVTR	"	Y	368,520	368,520	191,938	-	2	-	"	-		-	9,916,413	9,916,413	"
1	"	CPS	"	Y	61,720	61,420	61,420	-	2	-	"	-		-	9,916,413	9,916,413	"
1	"	CCMP	"	Y	368,520	368,520	191,938	-	2	-	"	-		-	9,916,413	9,916,413	"
1	"	CMTUK	"	Y	6,479,810	6,479,810	6,479,810	-	2	-	"	-		-	9,916,413	9,916,413	"
1	"	CMTS	"	Y	245,680	-	-	-	1	-	"	-		-	9,916,413	9,916,413	"
2	ATI	APT	"	Y	11,000	-	-	1.20%	1	135,134	"	-		-	135,134	258,288	"
2	"	PTL	"	Y	5,000	-	-	1.20%	1	63,885	"	-		-	63,885	258,288	"
2	"	HYT	"	Y	20,000	20,000	-	1.20%	1	63,886	"	-		-	63,886	258,288	"
2	"	THE COMPANY	"	Y	85,000	85,000	85,000	1.20%	1	251,101	"	-		-	251,101	258,288	"
2	"	AGM	"	Y	50,000	50,000	-	1.20%	2	-	"	-		-	258,287	258,288	"
3	CPD	CMTHK	"	Y	245,680	245,680	245,680	-	2	-	"	-		-	1,287,978	1,287,978	"
4	CIM	CMTHK	"	Y	30,710	30,710	30,710	-	2	-	"	-		-	31,226	31,226	"
5	HIL	THE COMPANY	"	Y	30,000	30,000	30,000	1.20%	2	-	"	-		-	300,709	300,709	"
6	MHI	THE COMPANY	"	Y	30,000	30,000	30,000	1.20%	2	-	"	-		-	158,969	158,969	"
7	CMTS	CMTI	"	Y	737,040	737,040	737,040	3.17%	2	-	"	-		-	1,444,771	1,444,771	"
7	"	CVST	"	Y	193,473	193,473	193,473	3.17%	2	-	"	-		-	1,444,771	1,444,771	"
7	"	CACE	"	Y	193,473	193,473	193,473	3.17%	2	-	"	-		-	1,444,771	1,444,771	"

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.

(Continued)

**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	17,463,416	276,390	-	-	-	- %	17,463,416	Y	N	N
0	"	CFR	Sub-subsidiary	17,463,416	1,365,060	409,518	409,518	-	3.52 %	17,463,416	Y	N	N
0	"	CPN	Sub-subsidiary	17,463,416	1,381,950	366,779	366,779	-	3.15 %	17,463,416	Y	N	N
0	"	CCMP	Sub-subsidiary	17,463,416	1,796,535	1,796,535	1,796,535	-	15.43 %	17,463,416	Y	N	N
0	"	CVTR	Sub-subsidiary	17,463,416	1,796,535	1,796,535	1,796,535	-	15.43 %	17,463,416	Y	N	N
0	"	CACE	Sub-subsidiary	17,463,416	1,934,730	1,934,730	1,934,730	-	16.62 %	17,463,416	Y	N	N
0	"	CVST	Sub-subsidiary	17,463,416	1,934,730	1,934,730	1,934,730	-	16.62 %	17,463,416	Y	N	N
1	CMTHK	CEP	Subsidiary	14,874,619	982,106	584,094	584,094	-	5.02 %	14,874,619	N	N	N
1	"	CHM	Subsidiary	14,874,619	1,001,760	393,236	393,236	-	3.38 %	14,874,619	N	N	N
1	"	CHN	Subsidiary	14,874,619	762,836	595,467	595,467	-	5.11 %	14,874,619	N	N	N
1	"	CTU	Subsidiary	14,874,619	460,650	368,520	368,520	-	3.17 %	14,874,619	N	N	N
1	"	CTD	Subsidiary	14,874,619	460,650	414,585	414,585	-	3.56 %	14,874,619	N	N	N
1	"	THE COMPANY	Parent company	14,874,619	3,992	3,992	3,992	-	0.04 %	14,874,619	N	Y	N
1	"	CCMP	Sub-subsidiary	14,874,619	1,257,575	1,257,575	-	-	10.80 %	14,874,619	Y	N	N
1	"	CVTR	Sub-subsidiary	14,874,619	1,257,575	1,257,575	-	-	10.80 %	14,874,619	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 into 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				Highest balance during the period Percentage of ownership (%)	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	1,462	15,537	2.78 %	15,537	2.78 %	
HIL	China Container Terminal Corp.	-	Non-current financial assets at fair value through other comprehensive income	23,788	538,798	16.03 %	538,798	16.03 %	
"	Dimerco Express	-	Current financial assets at fair value through profit or loss	1,633	114,006	1.23 %	114,006	1.23 %	
MHI	Dimerco Express	-	Current financial assets at fair value through profit or loss	2,875	200,672	2.11 %	200,672	2.11 %	
"	China Container Terminal Corp.	-	Non-current financial assets at fair value through other comprehensive income	5,610	127,067	3.78 %	127,067	3.78 %	
AGMI	China Container Terminal Corp.	-	Non-current financial assets at fair value through other comprehensive income	50	3,490	0.04 %	3,490	0.04 %	

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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	499,268	559,741	(60,473)	-	-	-	
THE COMPANY	CMTUK shares	Investments accounted for using equity method, net	CMTUK	Parent-subsidary company	-	-	21	629,280	-	-	-	-	-	21	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	607,675	94 %	Depending on the demand for funding of subsidiaries	-		(161,178)	(100)%	Note 1
ATI	THE COMPANY	Subsidiary	Freight revenue	(607,675)	(49) %	"	-		161,178	60%	"
HYT	ATI	Subsidiary	Freight cost	(117,543)	(100)%	"	-		32,425	(100)%	"
ATI	HYT	Subsidiary	Freight revenue	117,543	11 %	"	-		(32,425)	19%	"
CST	ATI	Subsidiary	Freight cost	(110,356)	(100)%	"	-		25,964	100%	"
ATI	CST	Subsidiary	Freight revenue	110,356	10 %	"	-		(25,964)	(15)%	"
APT	ATI	Subsidiary	Freight cost	(121,805)	(100)%	"	-		19,062	100%	"
ATI	APT	Subsidiary	Freight revenue	121,805	11 %	"	-		(19,062)	(11)%	"

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	348,559	Note 1	-		-	-	Note 2
"	CTU	Subsidiary	342,417	"	-		-	-	"
"	CHM	Subsidiary	342,724	"	-		-	-	"
"	CPC	Subsidiary	214,970	"	-		-	-	"
"	CHN	Subsidiary	153,550	"	-		-	-	"
"	CPG	Subsidiary	307,100	"	-		-	-	"
"	CPN	Subsidiary	234,010	"	-		-	-	"
"	CVTR	Subsidiary	191,938	"	-		-	-	"
"	CCMP	Subsidiary	191,938	"	-		-	-	"
"	CMTUK	Fellow subsidiary	6,479,810	"	-		-	-	"
CMTS	CMTI	Parent company	737,040	"	-		-	-	"
"	CVST	Fellow subsidiary	193,473	"	-		-	-	"
"	CACE	Fellow subsidiary	193,473	"	-		-	-	"
ATI	THE COMPANY	Parent company	161,178	4.22	-		161,178	-	"
CPD	CMTHK	Parent company	245,680	Note 1	-		-	-	"

Note 1: Accounts receivable from related parties are not applied 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	607,675	Price depends on the market, and the receivables depend on funding demand in the credit period	13.78%
1	ATI	THE COMPANY	2	Accounts receivable	161,178	-	0.79%
2	CST	ATI	2	Operating revenues	110,356	-	2.50%
3	HYT	ATI	2	"	117,543	-	2.67%
4	APT	ATI	2	"	121,805	-	2.76%
5	CMTHK	CTD	3	Accounts receivable	348,559	-	1.70%
5	"	CTU	3	"	342,417	-	1.67%
5	"	CHM	3	"	342,724	-	1.68%
5	"	CPC	3	"	214,970	-	1.05%
5	"	CHN	3	"	153,550	-	0.75%
5	"	CPG	3	"	307,100	-	1.50%
5	"	CPN	3	"	234,010	-	1.14%

(Continued)

**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
5	CMTHK	CVTR	3	"	191,938	-	0.94%
5	"	CCMP	3	"	191,938	-	0.94%
5	"	CMTUK	3	"	6,479,810	-	31.68%
6	CMTS	CMTI	3	"	737,040	-	3.60%
6	"	CVST	3	"	193,473	-	0.95%
6	"	CACE	3	"	193,473	-	0.95%
7	CPD	CMTHK	3	"	245,680	-	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.

(b) Information on investees:

The following is the information on investees year ended December 31, 2022:

Name of investor	Name of investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			The highest holdings in the period	Net Income		Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of Ownership	Carrying Value	Percentage of Ownership (%)	(Losses) of the Investee	Share of profits/losses of investee	
THE COMPANY	CMTS	Singapore	Investment holding of ship- owning companies	-	4,282	-	- %	-	0.34 %	55,539	191	Note 1, Note 4, Note 5
"	CMTHK	Hong Kong	Investment holding of ship- owning companies	34,356	34,356	12,000	100 %	9,916,413	100 %	457,121	457,121	Note 1, Note 4
"	CMTI	Singapore	Investment holding of ship- owning companies	585,272	585,272	21,000	100 %	873,307	100 %	204,567	204,567	"
"	CMTUK	United Kingdom	Investment holding of ship- owning companies	629,280	-	21	100 %	727,436	100 %	80,213	80,213	"
"	CMTL	Taiwan	Warehouse management	743,058	743,058	24,550	100 %	1,171,733	100 %	86,962	86,962	"
"	AGMI	"	Investment	41,000	41,000	4,100	100 %	42,356	100 %	70	70	"
"	HIL	"	"	400,000	400,000	40,000	100 %	751,774	100 %	11,442	11,442	"
"	MHI	"	"	271,300	271,300	37,130	100 %	397,424	100 %	(63,959)	(63,959)	"
"	ATI	"	Container trucking	500,000	500,000	50,000	100 %	645,719	100 %	85,598	85,598	"
"	TRV	"	Travel	20,000	20,000	2,000	100 %	2,776	100 %	(450)	(450)	"
"	TGEM	"	Bulk-carrier transportation	601,200	601,200	61,623	12 %	635,606	12 %	133,834	16,060	Note 2
"	AGM	"	Automobile and its parts manufacturing	62,880	62,880	70,000	70 %	21,870	70 %	6,287	(18,928)	Note 1, Note 4
"	HYT	"	Container trucking	75,000	75,000	7,500	71.43 %	96,466	71.43 %	23,923	17,088	"
"	MHT	"	"	78,750	-	7,875	72.41 %	106,295	72.41 %	14,788	10,708	"
"	APT	"	"	107,100	-	10,710	78.12 %	120,710	78.12 %	2,795	2,184	"
CMTS	CFR	Singapore	Bulk-carrier transportation	-	706,330	-	- %	-	100 %	85,714	Part has been recognized as investment incomes (losses) by CMTS	Note 1, Note 3, Note 4, Note 5
"	CEP	"	"	-	709,401	-	- %	-	100 %	112,806	"	"
CMTHK	CPS	Hong Kong	Bulk-carrier transportation	61,420	61,420	2,000	100 %	62,133	100 %	673	Has been recognized as investment incomes (losses) by CMTHK	Note 1, Note 3, Note 4
"	CHT	"	Bulk-chartering services	307	307	10	100 %	5,612	100 %	(80)	"	"
"	CHI	"	Investment management	307	307	-	100 %	(819)	100 %	(138)	"	"
"	CIM	"	"	30,710	30,710	10	100 %	31,226	100 %	(155)	"	"

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Name of investor	Name of investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			The highest holdings in the period	Net Income		Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of Ownership	Carrying Value	Percentage of Ownership (%)	(Losses) of the Investee	Share of profits/losses of investee	
CMTHK	CPG	Hong Kong	Bulk-carrier transportation "	-	184,260	-	- %	-	100 %	72,719	Part has been recognized as investment incomes (losses) by CMTHK	Note 1, Note 3, Note 4, Note 5
"	CPC	"	"	-	168,905	-	- %	-	100 %	28,886	"	"
"	CPN	"	"	-	737,040	-	- %	-	100 %	(24,051)	"	"
"	CPD	"	"	-	1,289,820	-	- %	-	100 %	61,690	"	"
"	CTD	"	"	-	399,230	-	- %	-	100 %	117,720	"	"
"	CTU	"	"	-	399,230	-	- %	-	100 %	60,330	"	"
"	CHM	"	"	-	460,650	-	- %	-	100 %	123,205	"	"
"	CHN	"	"	-	460,650	-	- %	-	100 %	153,166	"	"
CMTI	CMTS	Singapore	Investment holding of ship-owning companies	1,506,172	1,500,866	63,135	100 %	1,444,821	100 %	163,356	Part has been recognized as investment incomes (losses) by CMTI	"
"	CCMP	"	Bulk-carrier transportation	-	201,613	-	- %	-	100 %	(5,868)	"	"
"	CVTR	"	"	-	386,946	-	- %	-	100 %	(8,173)	"	"
"	CACE	"	"	-	307,100	-	- %	-	100 %	(2,225)	"	"
"	CVST	"	"	-	307,100	-	- %	-	100 %	(2,223)	"	"
CMTUK	CPG	Hong Kong	"	184,260	-	6,000	100 %	195,282	100 %	72,719	Part has been recognized as investment incomes (losses) by CMTUK	"
"	CPC	"	"	168,905	-	5,500	100 %	174,981	100 %	28,886	"	"
"	CPN	"	"	737,040	-	240	100 %	694,773	100 %	(24,051)	"	"
"	CPD	"	"	1,289,820	-	420	100 %	1,287,978	100 %	61,690	"	"
"	CTD	"	"	399,230	-	13,000	100 %	393,832	100 %	117,720	"	"
"	CTU	"	"	399,230	-	13,000	100 %	384,953	100 %	60,330	"	"
"	CHM	"	"	460,650	-	150	100 %	453,070	100 %	123,205	"	"
"	CHN	"	"	460,650	-	150	100 %	466,529	100 %	153,166	"	"
"	CFR	Singapore	"	706,330	-	29,900	100 %	692,124	100 %	85,714	"	"
"	CEP	"	"	709,401	-	23,100	100 %	699,730	100 %	112,806	"	"
"	CCMP	"	"	390,017	-	12,700	100 %	383,598	100 %	(5,868)	"	"
"	CVTR	"	"	386,946	-	12,600	100 %	378,155	100 %	(8,173)	"	"
"	CACE	"	"	307,100	-	10,000	100 %	304,575	100 %	(2,225)	"	"
"	CVST	"	"	307,100	-	10,000	100 %	304,577	100 %	(2,223)	"	"
ATI	CST	Taiwan	Container trucking	86,642	86,642	8,200	100 %	97,975	100 %	3,851	Has been recognized as investment incomes (losses) by ATI	Note 1, Note 4
"	HYT	"	"	28,932	28,932	3,000	28.57 %	38,584	28.57 %	23,923	6,835	"
"	MHT	"	"	30,568	30,568	3,000	27.59 %	40,501	100.00 %	22,529	11,821	"
"	APT	"	"	30,719	30,719	3,000	21.88 %	33,809	100.00 %	9,907	7,723	"
"	PTL	"	"	30,000	30,000	3,000	100 %	28,414	100 %	(1,329)	Has been recognized as investment incomes (losses) by ATI	"

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 into 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.

(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.	46,455,297	23.52 %

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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**(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:

	2022				
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 1,767,859	2,587,515	54,625	-	4,409,999
Intersegment revenue	-	-	-	-	-
	<u>\$ 1,767,859</u>	<u>2,587,515</u>	<u>54,625</u>	<u>-</u>	<u>4,409,999</u>
Segment operating income	<u>\$ 262,819</u>	<u>840,447</u>	<u>(47,609)</u>	<u>(126,454)</u>	<u>929,203</u>
Reportable segment assets					<u>\$ 20,450,968</u>
	2021				
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 1,732,374	1,792,804	28,604	-	3,553,782
Intersegment revenue	-	-	-	-	-
	<u>\$ 1,732,374</u>	<u>1,792,804</u>	<u>28,604</u>	<u>-</u>	<u>3,553,782</u>
Segment operating income	<u>\$ 153,863</u>	<u>347,074</u>	<u>(21,293)</u>	<u>(125,657)</u>	<u>353,987</u>
Reportable segment assets					<u>\$ 19,078,411</u>

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

(c) Entity-wide information

- (i) The Group's industrial information is the same as that in reportable segments.
- (ii) The geographic information of the Group sales that was presented by customer location, and the non-current assets that were presented by location were as follows:

1) Revenue from external customers:

<u>Continent</u>	<u>2022</u>	<u>2021</u>
Asia	\$ 1,822,484	1,760,978
America	289,182	209,419
Europe	1,465,997	1,004,178
Oceania	<u>832,336</u>	<u>579,207</u>
	<u>\$ 4,409,999</u>	<u>3,553,782</u>

2) Non-current Assets:

<u>Country</u>	<u>2022</u>	<u>2021</u>
Taiwan	\$ 2,546,153	2,515,911
Hong Kong	7,136,042	6,865,691
Singapore	<u>4,438,752</u>	<u>2,252,879</u>
	<u>\$ 14,120,947</u>	<u>11,634,481</u>

Non-current assets include property, plant and equipment, investment property, intangible assets, and other assets, not including financial instruments, deferred tax assets.

(iii) Major customers

Sales to individual customers constituting over 10% of the total revenue in the consolidated statements of comprehensive income of 2022 and 2021 are summarized as follows:

<u>Customer</u>	<u>Nature of services</u>	<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
F Company	Vessel transportation	\$ 830,708	19	577,760	16
R Company	Vessel transportation	744,087	17	532,791	15
S Company	Vessel transportation	461,740	10	271,343	8
A Company	Container transportation	<u>362,051</u>	<u>8</u>	<u>497,410</u>	<u>14</u>
		<u>\$ 2,398,586</u>	<u>54</u>	<u>1,879,304</u>	<u>53</u>