中國航運股份有限公司
Chinese Maritime Transport Ltd.

Annual Report 2020

June 4, 2021

http://www.cmt.tw

Stock Code: 2612

TWSE MOPS: http://mops.twse.com.tw

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Overseas Securities Exchange: None

Corporate Website: http://www.cmt.tw

Contents

1. Letter to Shareholders

Dear Shareholders,

COVID-19 devastated the global economy in 2020. Due to the sharp decline in exports from major mining countries, global iron ore trade volume fell and the bulk shipping market hit rock bottom in the first half of the year. As the pandemic spread around the world, border controls and home quarantine were imposed in all countries. Most services and manufacturing operations were suspended. Although COVID-19 was contained well domestically, economic activity inevitably declined.

In 2020, Chinese Maritime Transport Ltd. earned comprehensive net operating income of NT$3.13 billion and operating income of NT$170 million. Non-operating income and expenses totaled NT$180 million. CMT's earnings after tax of NT$329 million in 2020 was on par with earnings after tax of NT$324 million in 2019. Earnings per share was NT$1.67.

Prior to the outbreak of COVID-19, the market was anticipating that Brazil's iron ore exports would bounce back in 2020 in the wake of 2019's Brumadinho dam disaster. Instead, the pandemic affected port operations around the globe and crew changes were suspended in most ports. Ships were also forced to postpone routine repairs and maintenance. As the pandemic spread from Q1 2020, Brazil's iron ore production plummeted as well as market confidence and freight rates. The Baltic Exchange Capesize Index (BCI) hit a record-low of -372 points, while the time-charter equivalent (TCE) fell to US$1,992. Supply and demand did not start returning to normal until the end of Q2.

China has recovered strongly from COVID-19 and was the only major economy in the world to report a positive GDP growth rate of 2.3 percent in 2020. Domestic infrastructure, property development, automotive manufacturing and export demand propelled sales of steel products and demand for raw materials. As a result, the average iron ore price in 2020 hit US$108 per tonne. In 2020, China imported a record 1.145 billion tonnes of iron ore, along with 238 million tonnes of coal.

Market supply and demand continued growing in the second half of the year. The BCI reached the highest mark for the year of 4,440 points in Q3, while the highest TCE of US$34,896 was recorded in October. The average BCI and TCE in 2020 were 1,450 points and US$13,070, respectively. During huge market fluctuations in 2020, CMT continued to renew charters throughout the year. Shipping revenues were also on par despite a slight fall of 15.87 percent. Global fleet tonnage remained in surplus in 2020, with large bulk carrier tonnage (deadweight tonnage between 100,000 to 400,000 tonnes) growing by 3.69 percent.

CMT's container trucking and terminal cost ratio fluctuated with fuel prices. With average cost of goods purchased falling from 2019 to 2020, our container trucking and terminal revenues and profit fell by, respectively, 24 percent and 57 percent amid global container liner mergers, alliances, and pandemic-related delays. In addition, new drivers needed for replacement were in short supply. In 2021, we will make fleet quality and competitiveness a priority.

We are also committed to digital information management and corporate sustainability. As we branch out into different areas, we are cautiously optimistic about our future endeavors.

Due to redevelopment projects in other nearby terminals, we see a great deal of potential in our Taoyuan container terminal presented by land re-development of other terminals. With a number of container terminals exiting the market and the continued development of Port of Taipei, there are challenges to overcome but also new opportunities. Therefore, we are actively reallocating resources to our inland haulage and warehouse logistic operations in preparation for future market changes.

Looking ahead to 2021, the global bulk shipping market will still be challenged by volatile market fluctuations and unforeseeable circumstances. New COVID-19 variants will emerge rapidly in comparison to the slow rate of vaccination in many countries. At this point, it would be overly optimistic to expect that lockdowns and restrictions will be completely lifted. Major world economies face a long and unpredictable road ahead.

Although China appears to have COVID-19 under control and its economy has firmly recovered, high raw material prices could suppress demand for raw materials including iron ore unless steel mills are able to maintain or improve their margins. While mining operations in Brazil have gradually returned to normal, the industry will be keeping an eye out for unforeseen weather or other disruptions going forward.

Demand for smaller size bulk carriers spiked from the fourth quarter of 2020. With expectations of Brazilian iron ore production rising year on year and Australian iron ore exports growing steadily, the industry is optimistic about Capesize market and it is projected that the bulk shipping market will recover and exceed expectation in 2021.

Close to 100 Capesize ships with deadweight tonnage of over 100,000 tonnes are scheduled for delivery in 2021, but the new environmental regulations have discouraged shipowners to order new ships while scrapping is expected to accelerate in near term. The International Maritime Organization will be passing draft revisions for an Energy Efficiency Existing Ship Index (EEXI) and carbon intensity indicator (CII) to reduce maritime carbon emissions. In the future, ships may resort to slow steaming to reduce fuel consumption. Shipbuilders, meanwhile, will focus on designing efficient vessels powered by renewable energy.

The global shipping and manufacturing supply chain has experienced enormous changes, and China-US trade relations require repairing under the Biden administration. It also remains to be seen the long-term impact China's troubled trade relationship with Australia will have on demand for dry bulk. International sanctions and disputes will continue to affect the long-term international relations and trade strategies of various countries, while unnecessarily high tariffs could hinder or stall economic development. Whether it's bulk shipping, container trucking and terminal, CMT will continue to deliver value, reliability and quality through strategic and operational performance review, comprehensive integration of digital information technology, and stronger cooperation with our supply chain partners.

On the tonnage optimization and replacement program, CMT has contracted with Qingdao Beihai Shipbuilding Heavy Industry Co., Ltd. to build two 210,000 DWT Newcastlemax bulker carriers for deliveries in 2023. Focusing on "Smart Ship" standard and to comply with highest criteria of The IMO EEDI Phase III-compliant, energy efficient "eco-ships" will be constructed with advanced technologies to meet the needs of customers whilst fully comply with current and future international environmental regulations.

We will always stay nimble to take advantage of great opportunities and uphold the ESG principles of environmental protection, social responsibility and corporate governance in order to realize our targets of energy conservation, safety management, and regulatory compliance; so we can deliver the greatest possible value to our shareholders and society through our continued commitment to corporate sustainability.

William Peng
Chairman

2. Corporate Information

2.1 Date of Establishment

Date of Incorporation:	Jan. 31, 1978
Date of Business License Issuance:	March 6, 1978
First Day of Operations:	June 1, 1978

Company Headquarters and Branch Offices:
Headquarters:
9F, 15 Jinan Road, Section 1, Taipei City
(02) 2396-3282

Branch Office:
12F, 15 Jinan Road, Section 1, Taipei City
(02) 2396-3780

Taipei Sales Office:
12F, 15 Jinan Road, Section 1, Taipei City
(02) 2396-3930

Keelung Office:
6 Gongjian North Road, Qidu District, Keelung City
(02) 2451-1439

Taoyuan Office:
641 Zhonghua Road, Bade District, Taoyuan City
(03) 369-9172-3

Taichung Office:
472 Ziqiang Road, Taichung Harbor-Related Industrial Park, Wuqi District, Taichung City
(04) 2639-3055-7

Kaohsiung Office:
2-1 Dongya Road, Siaogang District, Kaohsiung City
(07) 811-5106-9

2.2 Company History

Jan 1978	Company incorporated as Associated Transport Ltd., Inc. with capital of NT$11.38 million from an investment of US$300,000
Jun 1978	Start of operations
Feb 1979	Capital increase by retained earnings to NT$16 million
Feb 1982	Capital increase by retained earnings to NT$23 million
Mar 1984	Capital increase by retained earnings to NT$28 million
Apr 1985	Capital increase by retained earnings to NT$40 million
Jun 1986	Capital increase by retained earnings to NT$45.3 million
May 1987	Capital increase by cash to NT$95.3 million

Jun 1988 Capital increase by retained earnings to NT$126.3 million

Dec 1989 Capital increase by cash and merger of Associated Transport Ltd. with Mao Lian Transport Ltd. to NT$280 million

Aug 1990 Capital increase by capital reserve and cash to NT$420 million

Oct 1991 Capital increase by capital reserve and cash to NT$504 million

Oct 1992 Capital increase by retained earnings to NT$529.2 million

Jul 1993 Capital increase by retained earnings to NT$608.58 million

Jul 1994 Capital increase by capital reserve to NT$669.438 million

Oct 1994 IPO on Taiwan Stock Exchange

Mar 1995 Order placed for four 1,500 TEU container ships from CSBC Corp.

Sep 1995 Capital increase by capital reserve and retained earnings to NT$830.103 million

Oct 1995 ISO 9002 certification received

Sep 1996 Capital increase by capital reserve and retained earnings to NT$1.376 billion

Jul 1997 Capital increase by retained earnings and cash to NT$1.312 billion

May 1998 Delivery of 151,013-DWT Capesize bulk carrier “China Prosperity”

Jul 1998 Capital increase by capital reserve and retained earnings to NT$1.653 billion

Jul 1999 Capital increase by retained earnings to NT$1.835 billion

Aug 2000 Capital increase by retained earnings and capital reserve to NT$2.019 billion

Aug 2001 Sale of four 1,500 TEU container ships to Yang Ming Marine Transport Corp.

Nov 2001 Delivery of 152,011-DWT Capesize bulk carrier “China Fortune” and 151,688-DWT Capesize bulk carrier “China Act”

Aug 2002 Company name changed from Associated Transport Ltd. to Chinese Maritime Transport Ltd.

Jun 2003 Order placed for two Capesize bulk carriers from Shanghai Waigaoqiao Shipbuilding Co.

Jul 2004 Company name changed to Chinese Maritime Transport Ltd.

Sep 2004 Acquisition of United Terminals Ltd. (later renamed CMT Logistics Co., Ltd. in April 2006)

Jun 2005 Delivery of 175,000-DWT Capesize bulk carrier “China Peace”

Jul 2005 Capital increase by retained earnings to NT$2.120 billion

Jun 2006 Delivery of 175,000-DWT Capesize bulk carrier “China Progress”

Aug 2006	Capital increase by retained earnings to NT$2.332 billion
Sep 2007	Capital increase by retained earnings to NT$2.565 billion; contract received for construction of one 176,000-DWT Capesize bulk carrier to be delivered in 2011
May 2008	Contract received for construction of one 177,000-DWT Capesize bulk carrier to be delivered in 2009
Aug 2009	Delivery of 177,000-DWT Capesize bulk carrier “China Pride”
Apr 2010	Order placed for one 206,000-DWT Capesize bulk carrier to be delivered in 2013
May 2010	Order placed for two 203,000-DWT Capesize bulk carriers from CSBC Corp. to be delivered in 2012
Jun 2010	Resolution passed to partner with CPC Corp. and U-Ming Marine Transport Corp. on oil tanker venture “Taiwan Global Energy Maritime Co., Ltd.”
Jul 2010	Sale of “China Fortune” (Year Built: 1992)
Apr 2011	Sale of “China Prosperity” (Year Built: 1986)
Jun 2011	Final shipment of 100 FUSO tractors received
Nov 2011	Delivery of 203,000-DWT Capesize bulk carrier “China Triumph” by CSBC Corp.
Dec 2011	“Sky Blue No. 1” refitted for Tamsui River / Blue Highway cruises
Jan 2012	Delivery of 203,000-DWT Capesize bulk carrier “China Prosperity” by CSBC Corp.
Jul 2012	Delivery of 206,000-DWT Capesize bulk carrier “China Pioneer” by Shanghai Waigaoqiao Shipbuilding Co.
Apr 2013	Delivery of 206,000-DWT Capesize bulk carrier “China Fortune” by Shanghai Waigaoqiao Shipbuilding Co.
Jun 2013	Order placed for one 208,000-DWT Capesize bulk carrier from Shanghai Waigaoqiao Shipbuilding Co.
Aug 2013	Order placed for one 180,000-DWT Capesize bulk carrier from Qingdao Beihai Shipbuilding Heavy Industry Co., Ltd.
Dec 2013	Order placed for one 180,000-DWT Capesize bulk carrier from Qingdao Beihai Shipbuilding Heavy Industry Co., Ltd.
Dec 2014	“Sky Blue No. 1” sold
Aug 2016	Financial Supervisory Commission approves declaration of cash capital reduction; paid-in capital now stand at NT$1,974,845,930. Delivery of 180,000-DWT Capesize bulk carrier “China Harmony” by Qingdao Beihai Shipbuilding Heavy Industry Co., Ltd.
Jan 2017	Delivery of 208,000-DWT Capesize bulk carrier “China Enterprise” by Shanghai Waigaoqiao Shipbuilding Co.
Sep 2017	Delivery of 180,000-DWT Capesize bulk carrier “China Honour” by Qingdao Beihai

Shipbuilding Heavy Industry Co., Ltd.

CMT launched operations on June 1, 1978. In the 43 years since, capital increases and the cash reduction in 2016 have raised paid-in capital from NT$11.38 million to the current NT$1.975 billion. Our primary business arms, operated through wholly owned offshore subsidiaries, include bulk shipping, inland container transportation (haulage), and warehouse logistics. CMT is also the general agent of Saudi Airlines Cargo Co. LLC in Taiwan. In all of our businesses, our quality of service has won praise from shipping and import-export companies.

3. Corporate Governance

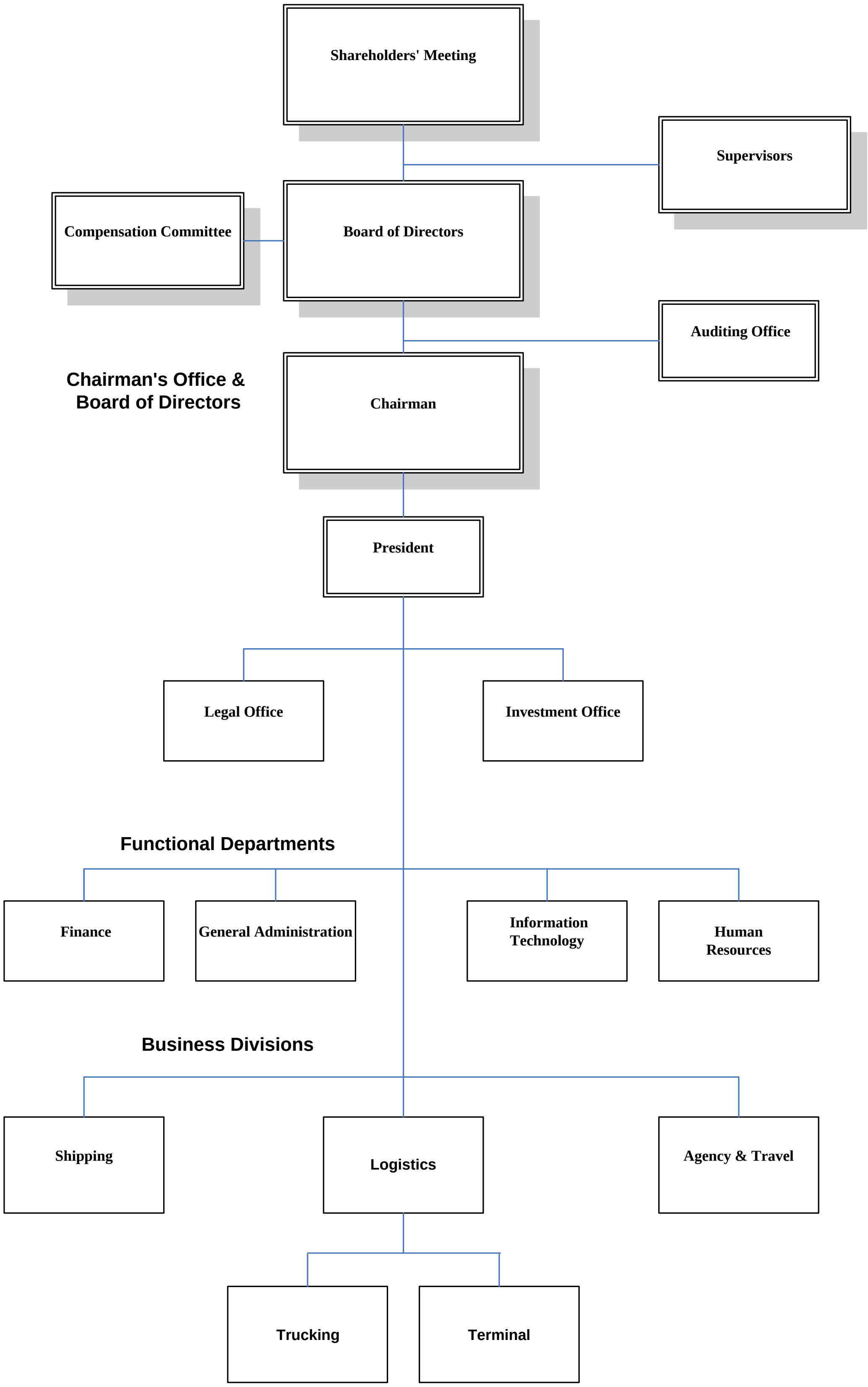
3.1 Organization

3.1.1 Organization Structure: Please refer to the organization chart on the following page.

3.1.2 Primary Departments and Functions

Department	Functions
Shipping	Management of Capesize carrier operations, including sales and purchases, supervision of new ship construction, component and material supply, crew management, and safety inspection
Logistics - Trucking	Long- and short-distance inland haulage; seaport loading; door-to-door service; container depots, cleaning and maintenance
Logistics - Terminal	Cargo terminals; container repair and maintenance; container storage
Agency & Travel	General agent for Saudi Airlines Cargo Co. LLC; travel agency; ticketing services for major domestic and foreign airlines
Finance	Accounting system setup; account management; provision of transparent and credible financial information; operations analysis; tax planning; long- and short-term financial planning; fund procurement and payment
Information Technology	Information system setup; information facility maintenance; information security management; efficient provision of operational information to management
Personnel	Human resources management; recruiting and hiring; labor insurance; wage and benefit planning; labor relation management
General Administration	General administration; sanitation; maintenance of a safe and healthy working environment
Audit Office	Reports directly to the Board of Directors. Execution of audits under the company's internal control system; legal compliance of operations; annual audit
Legal Office	Contract drafting and review; litigation and non-litigation dispute settlement; legal support for operational decisions; legal advice for all departments; legal compliance of operations and protection of legal rights
Investment Office	Investment strategy and planning, assessment, execution, and supervision and management

CMT Organization Chart



3.2 Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, Department and Branch Heads

3.2.1 Directors and Supervisors

3.2.1.1 Names of Directors and Supervisors and Shares Held

April 25, 2021

Title	Nationality or Country of Registration	Name (Note 1)	Gender	Date of Appointment	Term	First Date of Appointment (Note 2)	Shares Held on Date of Appointment		Shares Held Currently (Note 2)		Shares Held by Spouse and Minor Children		Shares Held by Nominee Shareholder		Education	Other Positions	Executive Officers, Directors and Supervisors That Are Spouses or First-/Second-Degree Relatives		
							shares	Shareholding (%)	shares	Shareholding (%)	shares	Shareholding (%	shares	Shareholding (%			Title	Name	Relationship
Chair	Hong Kong	AGCMT Group Ltd.	M	Jul.1,2019	Three Years	Jul.1,1998	41,881,297	21.2	41,881,297	21.2	0	0	0	0	Masters from Columbia University	Director of Offshore Subsidiaries	Director	John Y.K. Peng	Father
		Representative: William Peng.		Jul.1,2019		Jul.1,1998	0	0	0	0									
Director	ROC.	AGCMT Group Ltd.	M	Jul.1,2019	Three Years	Jul.1,1998	41,881,297	21.2	41,881,297	21.2	0	0	0	0	Mechanical Engineering Degree from Villanova University	CMT Honorary Chair; AGCMT Chair	Chair	William Shih-Hsiao Peng	Son
		Representative: John Y.K. Peng		Jul.1,2019		Jun.7,1982	1,980,225	1.0	1,980,225	1.0									
Director	ROC.	AGCMT Group Ltd.	M	Jul.1,2019	Three Years	Jul.1,1998	41,881,297	21.2	41,881,297	21.2	0	0	0	0	Navigation, National Taiwan Ocean University	Hope Investment Chair; Associated Group Motors Corp. Chair	None	None	None
		Representative: Muh-Haur Jou		Jul.1,2019		Jul.1,1998	0	0	0	0									
Director	ROC.	AGCMT Group Ltd.	M	Jul.1,2019	Three Years	Jul.1,1998	41,881,297	21.2	41,881,297	21.2	0	0	0	0	University of Strathclyde Glasgow, UK;	CMT President; Offshore Subsidiary Director; Global Energy Maritime Co. Director	None	None	None
		Representative: James S.C. Tai		Jul.1,2019		Jul.1,2019	0	0	0	0									
Director	ROC	AGCMT Group Ltd.	M	Jul.1,2019	Three Years	87.07.01	41,881,297	21.2	41,881,297	21.2	0	0	0	0	Master of Shipping and Transportation Management, National Taiwan University	CMT Executive Vice President	None	None	None
		Representative: Char-Lie Mei		Jul.1,2020		Jul.1,2020	0	0	0	0									

Independent Director	ROC	Chao Donald Kuo-Liang	M	Jul.1,2019	Three Years	Jul.1,2016	0	0	0	0	0	0	0	0	Master of Science in Shipping and Shipbuilding Management, Massachusetts Institute of Technology	None	None	None	None
Independent Director	ROC	Lai Shih-Sheng Paul	M	Jul.1,2019	Three Years	Jul.1,2016	0	0	0	0	0	0	0	0	Doctor of Philosophy in Civil Engineering, Massachusetts Institute of Technology	Dah Chung Bills Finance Corp. Director; Wanhwa Enterprise Co. Chief Advisor	None	None	None
Supervisor	ROC	Jingmao Management Consulting Co., Ltd.	M	Jul.1,2019	Three Years	Jul.1,2013	770	-	770	-	0	0	0	0	Economics, National Taiwan University	None	None	None	None
		Representative: Spencer Yang		Jul.1,2019		Jul.1,2019	0	0	0	0									
Supervisor	ROC	Jingmao Management Consulting Co., Ltd.	M	Jul.1,2019	Three Years	Jul.1,2013	770	-	770	-	0	0	0	0	Master of Shipping Technology, National Taiwan Ocean University	None	None	None	None
		Representative: Bing-Hsiu Kuo		Jul.1,2019		Jul.1,2019	0	0	0	0									

1.Corporate shareholders should be listed by name and representative. Representatives of corporate shareholders should specify the name of the corporate shareholder and fill out the table below.

2.Information on corporate shareholders and their representatives can be found, respectively, above and below in the “Date of Appointment,” “First Date of Appointment,” “Shares Held on Date of Appointment,” and “Shares Currently Held” columns.

3. If the chair and president are the same person, spouses, or first-degree relatives, an explanation including rationale, necessity and countermeasures must be provided, e.g. to increase the number of independent board seats when non-employee board members have a majority.

3.2.1.2 Major Corporate Shareholders (Table 1)

Apr. 25, 2021

Name	Main Shareholder of Corporate Shareholder
AGCMT Group Ltd.	Giant International Holdings Pte. Ltd. (Singapore)
Associated International Inc.	AGCMT Group Ltd.

3.2.1.3 Major Shareholder of Main Corporate Shareholder (Table 2)

Apr. 25, 2021

Name	Major Shareholder of Corporate Shareholder
AGCMT Group Ltd.	Giant International Holdings Pte. Ltd. (Singapore)

3.2.1.4 Director and Supervisor Information

criteria / name	At Least Five Years Work Experience and Professional Qualifications			Criteria for Independent Directors (Note 1)												Number of Independent Board Seats Held in Other Publicly Traded Companies
	College-level or Above Teaching Experience in Commerce, Law, Finance, Accounting or Business Management	Professional Licenses or Certificates in Judicial, Prosecutorial, Legal, Accounting, or Business Management Fields	Work Experience in Commerce, Law, Finance, Accounting or Business Management	1	2	3	4	5	6	7	8	9	10	11	12	
William Peng			✓			✓		✓	✓	✓	✓	✓		✓		0
Muh-Haur Jou			✓							✓	✓	✓		✓		0
John Y. K. Peng			✓			✓		✓	✓	✓	✓	✓	✓	✓		0
James S.C. Tai		✓	✓			✓	✓	✓		✓	✓	✓	✓	✓		0
Char-Lie Mei		✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓		0
Donald Kuo-Liang Chao			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Paul Shih-Sheng Lai	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Spencer Yang			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		0
Bing-Hsiu Kuo	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		0

Note 1: A check mark indicates the criterion applies to the director or supervisor in the two years prior to their appointment and/or during their tenure with the company.

(1) Not an employee of the company or any of its affiliates.

(2) Not a director or supervisor of the company or any of its affiliates. This does not apply to independent directors appointed under the Securities and Exchange Act or local laws and that are concurrently employed by the company, its parent company, its subsidiaries, or other subsidiaries owned by the parent company.

(3) Not a shareholder whose shares, when combined with the shares of their spouse, minor children, and nominee shareholders, exceed 1 percent of the company's total outstanding shares; not one of the company's top 10 shareholders.

(4) Not the spouse; a first- or second-degree relative; or a first-, second-, or third-degree lineal relative of any executive officer described in (1) or any person in (2) or (3).

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the company's total shares; that is one of the company's top five shareholders; or that designates a representative to serve as a director or supervisor of the company under Article 27-1 or 27-2 of the Company Act.

(6) Not a director, supervisor, or employee of any company that is controlled by a person who controls the majority of the company's director seats or voting shares. This does not apply to independent directors appointed under the Securities and Exchange Act or local laws and that are concurrently employed by the company, its parent company, its subsidiaries, or other subsidiaries owned by the parent company.

(7) Not a director/governor, supervisor, or employee of any company/institution whose chair, CEO or other employee in an equivalent position is the same as the company, or the spouse of the chair, CEO, or other employee. This does not apply to independent directors appointed under the Securities and Exchange Act or local laws and that are concurrently employed by the company, its parent company, its subsidiaries, or other subsidiaries owned by the parent company.

(8) Not a director, supervisor, executive officer or shareholder that owns 5 percent or more of a specified company or institution that has a financial or business relationship with the company. This does not apply to independent directors appointed under the Securities and Exchange Act or local laws and that are concurrently employed by the company, its parent company, its subsidiaries, or subsidiaries owned by the parent company that hold between 20 and 50 percent of the company's shares.

(9) Not a professional individual or owner, partner, director, supervisor, executive officer of a sole proprietorship, partnership, company, or institution, or spouse thereof, that provides auditing services to the company or any of its affiliates, or that has provided commercial, legal, financial, accounting or related services to the company or any of its affiliates within the past two years for which compensation exceeded NT$500,000. Under the Securities and Exchange Act, Business Mergers and Acquisition Act and related laws, this does not apply to members of the company's compensation committee, public tender review committee, and special merger and acquisition committee.

(10) Not the spouse or first- or second-degree relative of another board member.

(11) Not a person to whom Article 30 of the Company Act applies.

(12) Not a "government agency," "juristic person," or "authorized representative" as defined in Article 27 of the Company Act.

3.2.2 President, Vice Presidents, Assistant Vice Presidents, and Department and Branch Heads

Apr. 25, 2021

Title	Nationality	Name	Gender	Date of Appointment	Shares Held		Shares Held by Spouse and Minor Children		Shares Held by Nominee Shareholder		Education	Other Positions	Executive Officers That Are Spouses or First-/Second-Degree Relatives		
					shares	Shareholding (%)	shares	Shareholding (%)	shares	Shareholding (%)			Title	Name	Relationship
President	ROC	James S.C. Tai	M	July 1, 2019	0	0	0	0	0	0	University of Strathclyde Glasgow, UK;	Director of Offshore Subsidiary; Global Energy Maritime Co. Director	None	None	None
Executive Vice President	ROC	Char-Lie Mei	M	May 1, 2020	0	0	0	0	0		Master of Shipping and Transportation Management, National Taiwan Ocean University	None	None	None	None
Senior Vice President	UK	Telvin Ju	M	Mar. 1, 2018	0	0	0	0	0	0	Ph.D. Department Chemistry, University of Miami, Florida, USA	ATI Chair; CMTL Supervisor; ADI Chair; AGH President; Hope Investment Chair	None	None	None
Vice President	ROC	David Hsu	M	Apr. 1, 2013	0	0	0	0	0	0	Master of Transportation Management, University of Maryland	ATI President; CMTL & Hope Investment Director	None	None	None
Vice President of Finance	ROC	Derry Sun	M	Oct. 1, 2020	0	0	0	0	0	0	MSc in Finance and Economics, University of Southampton, UK	ATI & CMTL Supervisor	None	None	None
Vice President of Shipping	ROC	Dino S.J. Chuu	M	Apr. 1, 2008	0	0	0	0	0	0	Doctor Engineer, Institute of Auxiliary Machine & Automation Hamburg University of Technology (TUHH); Master of Shipbuilding, National Taiwan University	None	None	None	None
Vice President of Shipping Business	ROC	James Tarng	M	July 1, 2017	0	0	0	0	0	0	Master of Business Administration, McMaster University	Global Energy Maritime Co. Supervisor	None	None	None
Vice President of IT	ROC	Philip Peng	M	Apr. 1, 2019	8,426	0.004	0	0	0	0	Master of Industrial Engineering, Texas Tech University; Master of Information Management, Texas A&M University	None	None	None	None

3.2.3 If the chair and president are the same person, spouses, or first-degree relatives, an explanation must be provided:

The company’s chair and president are not the same person.

3.3 Remuneration to Directors, Supervisors and Executive Officers in Last Fiscal Year

3.3.1 Remuneration to General and Independent Directors (Disclosure by Name and Remuneration Amount)

Unit: NT$1,000

Title	Name (Note 1)	Remuneration to Directors								Ratio of (A+B+C+D) to Net Income (%) (Note 10)		Remuneration to Concurrent Employees								Ratio of (A+B+C+D+E+F+G) to Net Income (%) (Note 10)		Remuneration from Non-subsidiary Investee
		Compensation (A) (Note 2)		Severance and Pension (B)		Director's Bonus (C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses and Special Allowances (E) (Note 5)		Severance and Pension (F)		Compensation (G) (Note 6)						
		CMT	All Companies in Financial Statement (Note 7)	CMT	All Companies in Financial Statement (Note 7)	CMT	All Companies in Financial Statement (Note 7)	CMT	All Companies in Financial Statement (Note 7)	CMT	All Companies in Financial Statement (Note 7)	CMT	All Companies in Financial Statement (Note 7)	CMT	All Companies in Financial Statement (Note 7)	CMT		All Companies in Financial Statement (Note 8)		CMT	All Companies in Financial Statement (Note 7)	Enterprises or Parent Company (Note 11)
																Cash	Stock	Cash	Stock			
Corporate Shareholder	AGCMT Group Ltd.	0	0	0	0	2,423	2,423	0	0	0.74%	0.74%	0	0	0	0	0	0	0	0	0.74%	0.74%	None
Chair	Representative: William Peng	9,920	12,089	0	0	0	0	140	156	3.06%	3.72%	9,724	18,681	252	474	424	0	424	0	6.22%	9.67%	6,463
Director	Representative: John Y.K. Peng																					
Director	Representative: Muh-Haur Jou																					
Director	Representative: James S.C. Tai																					
Director (Appointed July 1, 2020)	Representative: Char- Lie Mei																					
Director (Resigned July 1, 2020)	Representative: Telvin Ju																					

Independent Director	Donald Kuo-Liang Chao	821	821	0	0	0	0	30	30	0.52%	0.52%	0	0	0	0	0	0	0	0	0.52%	0.52%	None
Independent Director	Paul Shih-Sheng Lai																					

1. Please describe the remuneration policies, systems, standards, and structures for independent directors; how remuneration is determined; and how these relate to operating performance and future risk exposure:

   The company's independent directors execute actions in accordance with the scope of their duties. Remuneration is based on the amount of time independent directors contribute to operations, their responsibilities, risk exposure, and industry standards. Independent directors receive a monthly fixed payment regardless of profit/loss and a transportation subsidy for every board meeting attended. Independent directors are not eligible for annual profit distribution, severance pay, or fringe benefits.

2. Apart from the disclosures above, please describe any other services performed for any company included in the financial statement for which directors of the company received payment in the last fiscal year: None.

Remuneration Scale

Company Director Remuneration Scale	Directors			
	A+B+C+D		A+B+C+D+E+F+G	
	CMT (Note 8)	All Companies in Consolidated Financial Statement (H) (Note 9)	CMT (Note 8)	Parent Company and All Investee Enterprises (I) (Note 9)
Under NT$1,000,000	John Y.K. Peng, James S.C. Tai, Char-Lie Mei, Telvin Ju*, Donald Kuo-Liang Chao, Paul Shih-Sheng Lai	James S.C. Tai, Char-Lie Mei, Telvin Ju*, Donald Kuo-Liang Chao, Paul Shih-Sheng Lai	John Y.K. Peng, Donald Kuo-Liang Chao, Paul Shih-Sheng Lai	Donald Kuo-Liang Chao, Paul Shih-Sheng Lai
NT$1,000,000 to NT$2,000,000	None	John Y.K. Peng	Telvin Ju*	None
NT$2,000,000 to NT$3,500,000	Muh-Haur Jou, AGCMT Group Ltd.	AGCMT Group Ltd.	Muh-Haur Jou, Char-Lie Mei, AGCMT Group Ltd.	Char-Lie Mei, Telvin Ju*, AGCMT Group Ltd.
NT$3,500,000 to NT$5,000,000	None	Muh-Haur Jou	None	Muh-Haur Jou
NT$5,000,000 to NT$10,000,000	William Peng	William Peng	James S.C. Tai, William Peng	John Y.K. Peng, James S.C. Tai
NT$10,000,000 to NT$15,000,000	None	None	None	William Peng
NT$15,000,000 to NT$30,000,000	None	None	None	None
NT$30,000,000 to NT$50,000,000	None	None	None	None
NT$50,000,000 to NT$100,000,000	None	None	None	None
Over NT$100,000,000	None	None	None	None
Number of Directors	9	9	9	9

*Effective July 1, 2020, Char-Lie Mei replaced Telvin Ju as corporate shareholder representative.

1. Names of directors should be individually listed (corporate shareholders should be listed by both corporate name and name of representative). A differentiation should also be made between general directors and independent directors with each category of payment disclosed in aggregate. If a director also serves as president or vice president of the company, it should be disclosed in this form and the form below. (The company has two independent directors: Donald Kuo-Liang Chao and Paul Shih-Sheng Lai. James S.C. Tai was appointed to the board on July 1, 2019, replacing Steve Hong.)

2.Remuneration to directors in the last fiscal year, including salary, allowances, severance, bonuses and rewards.

3. Board-approved distribution of remuneration to supervisors in last fiscal year.

4. Benefits provided to directors in the last fiscal year, including transportation, special expenses, subsidies, housing, and car service. Further information including nature and cost of asset along with actual or fair market value should be disclosed for all benefits provided exclusively to one director, e.g. housing/rent and car/transportation/gas. If a director is provided with a driver, disclose information on the driver's remuneration but do not include this sum in the director's remuneration.

5. The wages, allowances, severance, bonuses, rewards, and subsidies (including transportation, housing, etc.) provided to directors that were also employed by the company in the last fiscal year. Further information including nature and cost of asset along with actual or fair market value should be disclosed for all benefits provided

exclusively to one director, e.g. housing/rent and car/transportation/gas. If a director is provided with a driver, disclose information on the driver's remuneration but do not include this sum in the director's remuneration. Salary recognized as "share-based payments" under IFRS 2, including employee stock warrants, new restricted employee shares and stock subscriptions should be included in remuneration.

6. The amount directors also employed by the company in the last fiscal year as president, vice president, other executive officer or employee receiving employee renumeration (including stock and cash) received from Board-approved distribution of director's remuneration in the last fiscal year. If this amount cannot be estimated, provide an estimate for the current year based on the actual distribution ratio from the previous year. In addition, Appendix 1-3 should be filled out.

7. All payments from any company listed in the consolidated financial statement (including the company) to any of the company's directors should be disclosed.

8. All forms of remuneration by the company to its directors should be disclosed by director.

9. Remuneration by any company listed in the consolidated financial statement (including the company) to any of the company's directors should be disclosed by director.

10. "Net income" refers to the net income reported on parent company-only or individual financial reports in the last fiscal year.

11. a. Any remuneration to company directors from non-subsidiary investee enterprises or the parent company should be disclosed in this column. (If none, write "none.")
b. Any remuneration to company directors from non-subsidiary investee enterprises or the parent company should be included in column "I" and the column name should be changed to "Parent Company and Investee Enterprises."
c. "Remuneration" refers to compensation paid to company directors for serving as director, supervisor or manager at a non-subsidiary investee enterprise or the parent company, including administrative expenses and other compensation.

12. The names and remuneration to directors or supervisors that meet any of the following criteria should be disclosed:
(1) If the company reported a net loss in either the parent company-only or individual financial report in the last three fiscal years. This does not apply if a net gain large enough to offset accumulated losses was reported in the parent company-only or individual financial report in the last fiscal year.
(2) If the company had an insufficient director or supervisor shareholding percentage for three or more consecutive months in the last fiscal year.
(3) If the company had an average director or supervisor share pledge ratio of over 50 percent during any three months in the last fiscal year
(4) If the total remuneration paid to all of the company's directors and supervisors by the company and all other companies listed in the financial statement exceeded 2 percent of net income and any individual director or supervisor receiveed over NT$15 million
(5) If the company ranked in the lowest corporate governance evaluation tier in the last fiscal year or as of the publication date of the annual report, or if the company has been subjected to changes in trading method; suspended from trading; delisted; or excluded from evaluation by the Corporate Governance Evaluation Committee.
(6) If the average annual salary of full-time, non-executive employees was less than NT$500,000 in the last fiscal year.

13. If 12-1 or 12-5 apply, disclose the amounts received by the five highest-paid executive officers.

*Due to differences between remuneration disclosure regulations and tax laws, the information provided here is for disclosure only and should not be used for taxation purposes.

3.3.2 Remuneration to Supervisors (Disclosure by Name and Remuneration Amount)

Unit: NT$1,000

Title	Name	Remuneration to Supervisors						Ratio of (A+B+C) to Net Income (Note 8)		Parent Company and All Investee Enterprises (D) (Note 9)
		Compensation (A) (Note 2)		Bonuses (B) (Note 3)		Allowances (C) (Note 4)				
		CMT	All Companies in Financial Statement (Note 5)	CMT	All Companies in Financial Statement (Note 5)	CMT	All Companies in Financial Statement (Note 5)	CMT	All Companies in Financial Statement (Note 5)	
Corporate Supervisor	Jingmao Management Consulting Co., Ltd.	0	0	970	970	0	0	0.29%	0.29%	None
Corporate Representative	Spencer Yang	606	606	0	0	30	30	0.18%	0.18%	None
Corporate Representative	Bing-Hsiu Kuo	606	606	0	0	30	30	0.18%	0.18%	None

1. Names of supervisors should be individually listed (corporate shareholders should be listed by both corporate name and name of representative.
2. Remuneration to supervisors in the last fiscal year, including salary, allowances, severance, bonuses and rewards.
3. Board-approved distribution of remuneration to supervisors in last fiscal year.
4. Benefits provided to supervisors in the last fiscal year, including transportation, special expenses, subsidies, housing, and car service. Further information including nature and cost of asset along with actual or fair market value should be disclosed for all benefits provided exclusively to one supervisor, e.g. housing/rent and car/transportation/gas. If a supervisor is provided with a driver, disclose information on the driver's remuneration but do not include this sum in the supervisor's remuneration.
5. All payments from any company listed in the consolidated financial statement (including the company) to any of the company's supervisors should be disclosed.
6. All forms of remuneration by the company to its supervisors should be disclosed by supervisor.
7. Remuneration by any company listed in the consolidated financial statement (including the company) to any of the company's supervisors should be disclosed by supervisor.
8. "Net income" refers to the net income reported on parent company-only or individual financial reports in the last fiscal year.
9. a. Any remuneration to company supervisors from non-subsidiary investee enterprises or the parent company should be disclosed in this column. (If none, write "none.")

   b. Any remuneration to company supervisors from non-subsidiary investee enterprises or the parent company should be included in column "D" and the column name should be changed to "Parent Company and Investee Enterprises."

   c. "Remuneration" refers to compensation paid to company supervisors for serving as director, supervisor or manager at a non-subsidiary investee enterprise or the parent company, including administrative expenses and other compensation.

*Due to differences between remuneration disclosure regulations and tax laws, the information provided here is for disclosure only and should not be used for taxation purposes.

3.3.3 Remuneration to President and Vice Presidents (Disclosure by Name and Remuneration Amount)

Unit: NT$1,000

Title	Name	Salary (A) (Note 2)		Severance and Pension (B)		Bonuses and Other Special Allowances (C) (Note 3)		Employee Bonus (D) (Note 4)				Ratio of (A+B+C+D) to Net Income (Note 8)		Remuneration from Non-subsidiary Investee Enterprises or Parent Company (Note 9)
		CMT	All Companies in Financial Statement (Note 5)	CMT	All Companies in Financial Statement (Note 5)	CMT	All Companies in Financial Statement (Note 5)	CMT		All Companies in Financial Statement		CMT	All Companies in Financial Statement (Note 5)	
								Cash	Stock	Cash	Stock			
President	James S.C. Tai	9,646	11,418	360	360	3,069	3,254	525	0	525	0	4.13%	4.73%	1,536
Executive Vice President	Char-lie Mei													
Senior Vice President	Telvin Ju													
Vice President	David Hsu													

Remuneration Scale

Executive Officer Remuneration Scale	Executive Officers	
	CMT (Note 6)	Parent Company and Investee Enterprises (E) (Note 7 and 9)
Under NT$1,000,000	None	None
NT$1,000,000 to NT$2,000,000	Telvin Ju	Telvin Ju
NT$2,000,000 to NT$3,500,000	Char-Lie Mei, David Hsu	Char-Lie Mei
NT$3,500,000 to NT$5,000,000	None	David Hsu
NT$5,000,000 to NT$10,000,000	James S.C. Tai	James S.C. Tai
NT$10,000,000 to NT$15,000,000	None	None
NT$15,000,000 to NT$30,000,000	None	None
NT$30,000,000 to NT$50,000,000	None	None
NT$50,000,000 to NT$100,000,000	None	None
Over NT$100,000,000	None	None
Number of Executive Officers	4	4

1. Names of the president and vice president(s) should be individually listed with each category of payment disclosed in aggregate. If a president or vice president is also a company director, it should be disclosed in this form and the form above (1).

2. Salary, bonuses and severance paid to the president and vice president(s) in the last fiscal year.

3. The bonuses, rewards, subsidies (including transportation, housing, etc.), and other remuneration provided to the company president and vice president(s) in the last fiscal year. Further information including nature and cost of asset along with actual or fair market value should be disclosed for all benefits provided exclusively to one director, e.g. housing/rent and car/transportation/gas. If a president or vice president is provided with a driver, disclose information on the driver's remuneration but do not include this sum in the president or vice president's remuneration. Salary recognized as "share-based payments" under IFRS 2, including employee stock warrants, new restricted employee shares and stock subscriptions should be included in remuneration.

4. Board-approved distribution of president and vice president(s)'s employee remuneration in the last fiscal year, including stock and cash. If this amount cannot be estimated, provide an estimate for the current year based on the actual distribution ratio from the previous year. In addition, Appendix 1-3 should be filled out.

5. All payments from any company listed in the consolidated financial statement (including the company) to the company's president and vice president(s) should be disclosed.

6. All forms of remuneration by the company to its president and vice president(s) should be disclosed by executive officer.

7. Remuneration by any company listed in the consolidated financial statement (including the company) to the company president or vice president(s) should be disclosed by executive officer.

8. "Net income" refers to the net income reported on parent company-only or individual financial reports in the last fiscal year.

9. a. Any remuneration to the company president or vice president(s) from non-subsidiary investee enterprises or the parent company should be disclosed in this column. (If none, write "none.")

   b. Any remuneration to the company president or vice president(s) from non-subsidiary investee enterprises or the parent company should be included in column "E" and the column name should be changed to "Parent Company and Investee Enterprises."

   c. "Remuneration" refers to compensation paid to the company president and vice president(s) for serving as director, supervisor or manager at a non-subsidiary investee enterprise or the parent company, including administrative expenses and other compensation.

*Due to differences between remuneration disclosure regulations and tax laws, the information provided here is for disclosure only and should not be used for taxation purposes.

Distribution of the Remuneration of Employee to the Managers

Unit:NT$1,000

Dec. 31, 2020

	Title (Note 1)	Name (Note 1)	Stock Amount	Cash Amount (Estimate)	Total Amount	Ratio of Total Amount to Net Income (%)
Executive Officer	President	James S.C. Tai	0	932	932	0.28%
	Executive Vice President	Char-Lie Mei				
	Senior Vice President	Telvin Ju				
	Vice President	David Hsu				
	Vice President of Finance	Derry Sun				
	Vice President of Shipping	Dino S. J. Chuu				
	Vice President of Shipping Business	James Tarng				
	Vice President of IT	Philip Peng				

1. Names and titles should be individually listed but profit distribution can be disclosed in aggregate.

2. Remuneration to executive officers approved by the board of directors (including stock and cash) in the last fiscal year. If this cannot be estimated, provide an estimate for the current year based on the actual distribution amount from the previous year. “Net income” refers to net income in the last fiscal year.

3. “Executive officers” as defined in Taiwan-Finance-Securities-III-0920001301 (dated Mar. 27, 2003):
   (1) president or equivalent
   (2) vice president or equivalent
   (3) assistant vice president or equivalent
   (4) financial supervisor or equivalent
   (5) accounting supervisor or equivalent
   (6) other managers or authorized personnel

4. If directors or the president and vice president(s) are also receiving employee compensation (including stock and cash), fill out this form along with Table 1-2.

3.3.4 Provide a comparative analysis of total remuneration to the company’s directors, supervisors, president and vice president(s) by the company and all companies in the consolidated financial statement in the last two fiscal years as a percentage of the net income reported in parent company-only or individual financial statements. In addition, describe remuneration policies, standards, and composition; how remuneration is determined; and how these relate to operating performance and future risk exposure.

3.3.4.1 Remuneration to Net Income Ratio

Title	Total Remuneration Paid to Directors, Supervisors, President, and Vice Presidents by the Company and All Companies in the Consolidated Financial Statement as a Percentage of Net Income	
	2020	2019
Director	7.32%	7.77%
Supervisor	0.66%	0.57%
President and Vice Presidents	4.73%	7.95%

3.3.4.2 Remuneration includes salary, annual bonuses, performance bonuses, severance and pension, car/fuel/transportation subsidies, and director/supervisor/employee rewards. The contribution rate of board-approved remuneration to employees, directors and supervisors in 2020 was 1 percent of pretax income, excluding employee, director and supervisor rewards. The president and vice presidents' salaries, bonuses and rewards are determined by internal wage standards and the scope of their responsibilities, and are adjusted using general wage standards. Bonus distribution depends on the company's business performance achievement rate and individual performance evaluations. In other words, rewards and bonuses strongly depend on company performance. Other benefits like car/gas/transportation are provided based on position and business needs.

3.3.4.3 Remuneration levels are directly connected to director and executive officer performance evaluations in accordance with Article 16 of the company's articles of association, which authorizes the board of directors to set remuneration levels based on level of participation in company operations and industry standards. Company directors receive a fixed monthly payment along with a board meeting attendance subsidy. Executive officers receive a fixed monthly payment based on professional ability, responsibilities and industry standards. In addition, the company may distribute variable performance bonuses to executive officers based on annual targets, profit, and collective and individual performance.

3.3.4.4 Remuneration to directors and supervisors decreased by 2.7 percent from 2019 to 2020. This was primarily due to remuneration adjustments and company policies. The total remuneration of the president and vice presidents and their remuneration ratio also decreased from 2019 to 2020. This was primarily due to the retirement of executive officer(s) in 2020.

3.4 Corporate Governance Implementation

3.4.1 Director Attendance at Board of Directors Meetings

Six (A) meetings were held in 2020. Attendance details are as follows:

Title	Name (Note 1)	Meetings Attended (B)	Attendance by Proxy	Attendance Rate (%) (B/A) (Note 2)	Remarks
Chair	AGCMT Group Ltd. Representative: William Peng	6	0	100%	
Director	AGCMT Group Ltd. Representative: John Y.K. Peng	4	2	66.7%	
Director	AGCMT Group Ltd. Representative: James S.C. Tai	6	0	100%	
Director	AGCMT Group Ltd. Representative: Muh-Haur Jou	6	0	100%	
Director	AGCMT Group Ltd. Representative: Char-Lie Mei	3	0	100%	Appointed by corporate shareholder on July 1, 2020
Director	AGCMT Group Ltd. Representative: Telvin Ju*	3	0	100%	Replaced by corporate shareholder on July 1, 2020
Independent Director	Donald Kuo-Liang Chao	6	0	100%	
Independent Director	Paul Shih-Sheng Lai	6	0	100%	

1. Corporate shareholders with representatives on the board should be listed by company name and representative name.

2. (1) If a director or supervisor resigned before the end of the year, disclose the date of departure under "Notes."

Attendance rate (%) should be calculated based on number of board meetings held and number of board members present.

(2) If a director or supervisor was replaced before the end of the year, disclose the names of both the outgoing and incoming directors or supervisors (indicating which is which) and the date of the change. Attendance rate (%) should be calculated based on number of board meetings held and number of board members present.

Other Items for Disclosure:

1. Disclose the date, session, proposals, opinions of independent directors and the company's response to said opinions of every board meeting in which the following condition(s) applied:

(1) Matters specified in Article 14-3 of the Securities and Exchange Act

Date and Session of Board Meeting	Matters Specified in Article 14-3 of the Securities and Exchange Act	Opinions of Independent Directors	Company's Response to Opinions of Independent Directors
Feb. 7, 2020 Fourth Meeting of the 16th Board	·Proposal to retain an accounting firm for 2020 Resolution: Passed by all directors present.	Approved by Independent Directors	None
May 13, 2020 Sixth Meeting of the 16th Board	·Proposal to issue secured ordinary bonds ・Proposal to have endorsement provided by AGCMT Group Resolution: Passed by all directors present.	Approved by Independent Directors	None
Aug. 11, 2020 Seventh Meeting of the 16th Board	·Proposal regarding appointment and dismissal of finance and accounting managers and internal evaluations of managers Resolution: Passed by all directors present.	Approved by Independent Directors	None
Dec. 8, 2020 Ninth Meeting of the 16th Board	・Proposal to sale securities Resolution: Passed by all directors present.	Approved by Independent Directors	None

(2) Apart from the items above, other board resolutions that independent directors opposed or reserved judgment either on record or in a written statement: None.

2. If there were any resolutions that involved a director avoiding a conflict of interest, disclose the name of the director, the proposal in question, the reason for avoidance of conflict of interest, and whether the director voted: The board did not have any conflicts of interest in 2020.

3. Board of Directors Performance Evaluations:

Evaluation Cycle: Annually

Evaluation Period: Jan. 1, 2020 to Dec. 31, 2020

Evaluation Scope: The performance of the board as a whole as well as the performance of individual board members and functional committee members

Evaluation Method: Collective self-evaluation by the board as well as self-evaluations by individual board members

Evaluation Criteria:

(1) Board of Directors Performance Evaluation: level of participation in company operations; improvement in quality of board resolutions; composition and structure of the board; continuing education and training of directors; legal compliance and internal controls

(2) Board Member Performance Evaluation: level of familiarity with company operations and awareness of responsibilities; level of participation in company operations; management of internal relationships and communication; professional expertise and continuing education; internal controls

(3) Functional Committee Member Performance Evaluation: composition of the board and awareness of responsibilities; level of participation in company operations; improvement in quality of functional committee resolutions; internal controls

2020 Evaluation Results (full score is 5): The board of directors collectively earned a score of 4.8, while board members earned a score of 4.39 to 5 and the functional committee earned a score of 4.91. These excellent results will be reported on the Mar. 19, 2021 board of directors meeting.

4. Evaluation of goals set to strengthen function of board of directors in current year and last fiscal year (e.g. establishing audit committee, improving information transparency) and implementation of said goals: In 2020, the board passed new risk management policies and an intellectual property management plan to strengthen information security and supervision and create value for the company.

3.4.2 Audit Committee Attendance or Supervisor Attendance at Board of Director Meetings

3.4.2.1 Audit Committee Attendance: The company does not have an audit committee.

3.4.2.2 Supervisor Attendance at Board of Directors Meetings

Six (A) meetings were held in 2020. Attendance details are as follows:

Title	Name	Meetings Attended (B)	Attendance Rate (%) (B / A) (Note)	Remarks
Supervisor	Jingmao Management Consulting Co., Ltd. Representative: Spencer Yang	6	100%	
Supervisor	Jingmao Management Consulting Co., Ltd. Representative: Bing-Hsiu Kuo	6	100%	

Other Items for Disclosure:

1. Composition and Responsibilities of Board Supervisors:

(1)Communication between supervisors and company employees/shareholders (e.g. communication channels and format):

Information on the company’s supervisors is published in the company’s annual report and on the company’s website; company employees and shareholders are free to make recommendations to supervisors in any number of ways. The company has open channels of communication.

(2)Communication between supervisors and the company’s internal audit manager and accountant (e.g. communication on issues such as company finances or sales; communication format and results):

After completing its audit, the audit office will present its audit report to supervisors and independent directors for review before the end of the following month. If any issues are discovered, supervisors should immediately communicate their concerns to the audit manager. The audit manager will also brief the board of directors on the audit. The company's accountant will periodically, or whenever necessary, open communication with supervisors on financial issues.

2. If any supervisor stated an opinion during a board meeting, disclose the date and session of the board meeting as well as the proposal in question, the resolution, and how the company responded to the statement of opinion: Not applicable.

1. If a supervisor resigned before the end of the year, disclose the date of departure in the “Remarks” column. Attendance rate (%) should be calculated based on the number of board meetings the supervisor attended during their tenure.

2. If a supervisor was replaced before the end of the year, disclose the names of both the outgoing and incoming supervisors (indicating in the “Remarks” column which is which) and the date of the change. Attendance rate (%) should be calculated based on the number of board meetings the supervisors attended during their tenure or the year.

3.4.3 Corporate Governance Implementation, Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reason for Deviation

Evaluation Criteria	Implementation Status (Note)			Deviation and Reason
	Y	N	Additional Information	
1. Has the company issued and disclosed its corporate governance principles in accordance with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	V		The company's [Corporate Governance Best Practice Principles] are disclosed on the Market Observation Post System website.	No Deviation
2. Shareholder Structure and Rights (1) Does the company have an internal SOP for processing shareholder recommendations, concerns, disputes, and litigation, and is it followed?	V		The company's spokesperson or acting spokesperson processes all shareholder feedback. The company reaches out to shareholders via email and phone or meets with them in person to hear their concerns and feedback.	No Deviation
(2) Does the company maintain an updated list of its major shareholders and the entities that control said shareholders?	V		The company maintains a shareholder list that includes its top shareholders. Equity transfers by shareholders with a stake of over 10 percent are reported monthly. Information on the company's top ten shareholders, including the number of shares they hold, can be found on the company's website and in the company's annual report.	No Deviation
(3) Has the company established and does it maintain risk management controls and firewalls (ethical walls) between itself and its affiliates?	V		The management rights and responsibilities of the company, including finances, accounting and operations, are completely independent from its affiliates. Risk management mechanisms are present in the company's internal controls.	No Deviation
(4) Does the company have and has it implemented internal controls to prevent insider trading?	V		The company has an internal [Code of Conduct] to prevent insider trading. In addition, its internal controls include a management SOP for preventing insider trading resulting from negligence. The company ensures that incoming directors, supervisors, and executive officers have a full understanding of laws relating to internal conduct. It also provides employees with an educational handbook on confidentiality and insider trading regulations.	No Deviation

Evaluation Criteria	Implementation Status (Note)			Deviation and Reason
	Y	N	Additional Information	
3. Board Composition and Function (1) Has the company established and implemented policies to diversify board membership?	V		The company's [Corporate Governance Best Practice Principles] are publicly disclosed. Article 11 of said principles stipulates that the composition of the board should be diverse. The current board is made up of members with diverse industry backgrounds. For more information on the implementation of our policy, see page 31.	No Deviation
(2) Apart from the compensation committee and audit committee, which are legally required, has the company established or demonstrated willingness to establish other functional committees?		V	The company has a compensation committee but not any other functional committees at present time.	See "Additional Information"
(3) Does the company have guidelines for how board performance evaluations are conducted and a set evaluation format? Are performance evaluations conducted annually and periodically? Are the results of performance evaluations submitted to the board, and are they referenced when setting the remuneration and deciding on the reelection of individual directors?	V		The company has performance evaluation guidelines for its board of directors in place; said guidelines are available for perusal on the company's website. Performance evaluations are conducted annually. Results are referenced in setting the remuneration of individual directors and are published in the Q1 board of directors report of each year. The results of the 2020 performance evaluation can be found on Page 25, and were published in the board of directors report issued on Mar. 19, 2020.	No Deviation
(4) Does the company periodically evaluate the independence of its auditor?	V		The board evaluates the independence of the company's auditor annually based on the following criteria: *Whether it has a business or interested party relationship with the company *Whether it is representing the company in legal proceedings against a third party *Whether it accepted any high-value gifts from an employee of the company or anyone affiliated with the company *Whether it was coerced into making any inappropriate disclosures by the company *The level of familiarity between the audit team and company employees *Whether it has a "potential employment" relationship with the company *Whether the company has placed any pressure on the auditor to limit the normal scope of its audit	No Deviation

Evaluation Criteria	Implementation Status (Note)			Deviation and Reason
	Y	N	Additional Information	
4. Has the company established a corporate governance team and has it assigned an employee or employees to the team to handle all corporate governance-related matters (including but not limited to providing board members with all information needed to conduct company affairs; assisting board members with legal compliance; ensuring the legal compliance of board and shareholder meetings; and publishing board and shareholder meeting minutes)?	V		The company's board passed a motion on Aug. 14, 2017 to assign a dedicated corporate governance officer to handle all corporate governance-related matters, with personnel support to be provided by other departments. Our corporate governance officer has over three years of experience overseeing internal auditing, finance and shareholder affairs at a publicly listed company. The scope of the corporate governance officer's responsibilities is defined in Article 2 of the company's Corporate Governance Best Practice Principles. His primary responsibilities include providing board members with all information needed to conduct company affairs; assisting board members with legal compliance; ensuring the legal compliance of board and shareholder meetings; and planning corporate governance training programs for the board and the company's executive officers. Corporate governance implementation in 2020 is detailed below: (1) A proposal to notify board members of the next board meeting and send them information relating to the next board meeting at least seven days prior to the meeting was approved. In addition, board members are to be notified of any potential conflict of interest they may have with a resolution, and must be sent the minutes of the meeting within 20 days of the meeting. (2) Annual training for the board was held. (3) The board's annual performance evaluation was completed. (4) The company's articles of association were revised in response to legal amendments and submitted to the board. (5) Board affairs, the annual report, and agenda handbooks were prepared. (6) Major announcements made at board and shareholder meetings were reviewed to ensure accuracy and legality. (7) The board received its annual corporate governance briefing. (8) An intellectual property management plan was submitted to the board and passed.	No Deviation

Evaluation Criteria	Implementation Status (Note)			Deviation and Reason
	Y	N	Additional Information	
5. Has the company established communication channels for stakeholders (including but not limited to shareholders, employees, clients and suppliers), and does it maintain a section on its website for stakeholders to contact the company about corporate social responsibility issues?	V		To protect stakeholder rights, the company's website has a contact section and email for stakeholders (stakeholder@agcmt.com.tw). The board is apprised of stakeholder relations annually. Different types of stakeholders and the issues that concern each group include the following: *Employees: occupational safety and health, labor relations, ethical management, benefit systems, education and training *Shareholders: operations and performance, legal compliance, investment environment *Clients: product and service quality, market presence, supplementary business-side measures *Suppliers: supplier evaluations, anti-corruption measures, legal compliance *Community groups: environmental protection, legal compliance	No Deviation
6. Does the company retain a professional transfer agency to organize its shareholder meetings?	V		The company retains KGI Securities to organize shareholder meetings.	No Deviation
7. Transparency (1) Does the company have a website and does it disclose financial and corporate governance information on said website? (2) Does the company utilize any other disclosure methods (e.g. English website, designated personnel that collate and disclose company information, spokesperson system, information from institutional investor conferences posted to the company website)?	V V		The company's financial reports, corporate governance policies, articles of association and Chinese/English presentations from its institutional investor conferences can all be found on its website (http://www.cmt.tw). The website is maintained and updated by the company's web team.	No Deviation
(3) Does the company publish and report its annual financial statements within two months of the end of the fiscal year, and does it publish and report its financial statements for the first three quarters of the year along with its monthly updates before the reporting deadline?	V	V	Financial statements for Q1 were issued on May 13, 2020. Financial statements for Q2 were issued on Aug. 11, 2020. Financial statements for Q3 were issued on Nov. 13, 2020. Financial statements for 2020 were issued on Mar. 19, 2021. Monthly financial updates were all issued before the reporting deadline.	See "Additional Information"

Evaluation Criteria	Implementation Status (Note)			Deviation and Reason
	Y	N	Additional Information	
8. Does the company have and provide any other material information that would help stakeholders better understand the company's implementation of corporate governance measures (including but not limited to employee rights, employee welfare, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk assessment standards, implementation of client policies, and the purchase of liability insurance for directors and supervisors)?	V		The company provides employees with continual vocational training to strengthen their professional abilities. The company's employee welfare committee holds numerous outreach programs for employees every year. The company's website provides a dedicated communication channel for stakeholders and the company has a dedicated team charged with handling stakeholder-related issues. Disclosures on the continuing education of the company's directors and supervisors can be found in the corporate governance section (3.4.8) of this report. The company's risk management policy has already been approved by the board. Details on implementation can be found in the risk assessment section (7.6) of this report. Since 2008, the company has maintained directors and officers liability insurance for the board. The policy covers legal liability for damages incurred within the normal scope of doing business. In 2020, Fubon Insurance underwrote the company's US$6 million policy.	No Deviation
9. Please specify the changes that have been made in response to last year's corporate governance evaluation report from the Taiwan Stock Exchange's Corporate Governance Center, and any prioritized changes and measures if no response has been made.	V		The company has made the following changes in response to the center's evaluation report: * Performance evaluations are now conducted annually for the board as a whole, individual board members, and functional members. Results are disclosed in the company's annual report. * Risk management policies are now in place and an intellectual property management plan has been submitted to the board. Prioritized changes for the future: * The evaluation of criteria that received zero points * The company's corporate governance policies will be disclosed on the company's website	See "Additional Information"
Note: Please answer "yes" or "no" to all criteria listed regardless of answer, and use the "Additional Information" column if further explanation is needed.				

1. The company's board-approved Corporate Governance Best Practice Principles details diversification policies for the board, with the relevant clause listed below:
   Article 3-11 "Reinforcing the Function of the Board of Directors"
   The company's board of directors has responsibilities to shareholders. Corporate governance measures are implemented in accordance with the Company Act, the company's articles of association, or shareholder meeting resolutions.

   The structure of the company's board of directors should be based on the company's actual operating needs and shareholder stakes, with a minimum of five seats. The composition of the board should be as diverse as possible, whether that means professional expertise, work experience or gender. To achieve corporate governance goals, the board as a whole should possess the following qualities: (1) sound business judgment; (2) accounting and financial analysis ability; (3) business management ability; (4) crisis management ability; (5) industry knowledge; (6) familiarity with international markets; (7) leadership ability; (8) decision-making ability.

2. Members of the 16th board, in place from July 2019 to June 2022, come from an array of backgrounds. The board is composed of seven directors, including two independent directors, and two supervisors. Independent directors make up 28.6 percent of the board, while 28.6 percent of directors are concurrent company employees. Twenty-nine percent of directors are under the age of 65, while 57 percent are between the ages of 65 and 74 and 14 percent are over the age of 75. As of Dec. 31, 2020, independent directors have a term of five years.

3. The company's directors come from various backgrounds and have a wealth of professional experience. Fifty-six percent of the board has experience in shipping and 22 percent has experience in finance. Eleven percent each has experience in, respectively, mechanical and civil engineering. The company's directors therefore complement each other in both the execution of their duties and corporate governance principles. The company highly values expertise and experience in shipping and aims to have at least 50 percent of board members with shipping backgrounds. The current board meets this goal.

Diversity Criteria / Title & Name	Gender	Board Diversity Status					
		Education	Business Management Ability	Industry Knowledge	Familiarity with International Markets	Leadership and Decision-making Ability	Accounting and Financial Analysis Ability
Chair William Peng	M	Masters Degree, Columbia University	✓	✓	✓	✓	✓
Director Muh-Haur Jou	M	Navigation, National Taiwan Ocean University	✓	✓	✓	✓	✓
Director John Y.K. Peng	M	Mechanical Engineering, Villanova University	✓	✓	✓	✓	✓
Director James S.C. Tai	M	Naval Architecture and Marine Engineering, University of Strathclyde, Glasgow, UK	✓	✓	✓	✓	✓
Director Mei Char-lie	M	Master of Shipping and Transportation Management, National Taiwan Ocean University	✓	✓	✓	✓	✓
Independent Director Donald Kuo-Liang Chao	M	Master of Science in Shipping and Shipbuilding Management, Massachusetts Institute of Technology	✓	✓	✓	✓	✓
Independent Director Paul Shih-Sheng Lai	M	Doctor of Philosophy in Civil Engineering, Massachusetts Institute of Technology	✓	✓	✓	✓	✓
Supervisor Spencer Yang	M	Economics, National Taiwan University	✓	✓	✓	✓	✓
Supervisor Bing-Hsiu Kuo	M	Master of Shipping Technology, National Taiwan Ocean University	✓	✓	✓	✓	-

3.4.4 Compensation Committee Composition and Operations

3.4.4.1 Compensation Committee Members

Title (Note 1)	Criteria / Name	At Least Five Years Work Experience and Professional Qualifications			Criteria for Independent Supervisors (Note 2)										Number of Seats on the Compensation Committees of Other Publicly Traded Companies
		College-level or Above Teaching Experience in Commerce, Law, Finance, Accounting or Business Management	Professional Licenses or Certificates in Judicial, Prosecutorial, Legal, Accounting, or Business Management Fields	Work Experience in Commerce, Law, Finance, Accounting or Business Management	1	2	3	4	5	6	7	8	9	10	
Independent Director	Donald Kuo-Liang Chao			Y	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent Director	Paul Shih-Sheng Lai	Y	Y	Y	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Other	You-Jiun Lung		Y	Y	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note 1: Please fill in the "Title" column with "director," "independent director," or "other."

Note 2: A check mark indicates the criterion applies to the member in the two years prior to their appointment and/or during their tenure with the company.

(1) Not an employee of the company or any of its affiliates.

(2) Not a director or supervisor of the company or any of its affiliates. This does not apply to independent directors who were appointed under the Securities and Exchange Act or local laws and that are concurrently employed by the company, its parent company, its subsidiaries, or other subsidiaries owned by the parent company.

(3) Not a shareholder whose shares, when combined with the shares of their spouse, minor children, and nominee shareholders, exceed 1 percent of the company's total outstanding shares; not one of the company's top 10 shareholders.

(4) Not the spouse; a first- or second-degree relative; or a first-, second-, or third-degree lineal relative of any executive officer described in (1) or any person in (2) or (3).

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds in excess of 5 percent of the company's total shares; that is one of the company's top five shareholders; or that designates a representative to serve as a director or supervisor of the company under Article 27-1 or 27-2 of the Company Act. This does not apply to independent directors who were appointed under the Securities and Exchange Act or local laws and that are concurrently employed by the company, its parent company, its subsidiaries, or other subsidiaries owned by the parent company.

(6) Not a director, supervisor, or employee of any company that is controlled by a person who controls the majority of the company's board seats or voting shares. This does not apply to independent directors who were appointed under the Securities and Exchange Act or local laws and that are concurrently employed by the company, its parent company, its subsidiaries, or other subsidiaries owned by the parent company.

(7) Not a director/governor, supervisor, or employee of any company or institution whose chair, CEO or other employee in an equivalent position is the same as the company, or the spouse of the chair, CEO, or other employee. This does not apply to independent directors appointed under the Securities and Exchange Act or local laws and that are concurrently employed by the company, its parent company, its subsidiaries, or other subsidiaries owned by the parent company.

(8) Not a director, supervisor, executive officer or shareholder that owns in excess of 5 percent of a specified company or institution that has a financial or business relationship with the company. This does not apply to independent directors appointed under the Securities and Exchange Act or local laws and that are concurrently employed by the company, its parent company, its subsidiaries, or subsidiaries owned by the parent company that hold between 20 and 50 percent of the company's shares.

(9) Not a professional individual or owner, partner, director, supervisor, executive officer of a sole proprietorship, partnership, company, or institution, or spouse thereof, that provides auditing services to the company or any of its affiliates, or that has provided commercial, legal, financial, accounting or related services to the company or any of its affiliates within the past two years for which compensation exceeded NT$500,000. Under the Securities and Exchange Act, Business Mergers and Acquisition Act and related laws, this does not apply to members of the company's compensation committee, public tender review committee, and special merger and acquisition committee.

(10) Not a person to whom Article 30 of the Company Act applies.

3.4.4.2 Attendance at Compensation Committee Meetings

3.4.4.2.1 The company's compensation committee has three members.

3.4.4.2.2 The current committee's term runs from July 1, 2019 to June 30, 2022. Two (A) committee meetings were held in 2020. Attendance details are as follows:

Title	Name	Meetings Attended (B)	Attendance by Proxy	Attendance Rate (%) (B/A) Note)	Remarks
Convener	Donald Kuo-Liang Chao	2	0	100%	None
Committee Member	Paul Shih-Sheng Lai	2	0	100%	None
Committee Member	You-Jiun Lung	2	0	100%	None

Other Items for Disclosure

1. If the board chose not to adopt a recommendation or revision proposed by the compensation committee, disclose the date and session of the relevant meeting, along proposal and resolution in question and the company's response: None.

2. If a compensation committee member opposed or reserved judgment on a proposal either on record or in a written statement, disclose the date and session of the relevant meeting, along with the proposal and resolution in question, the stated opinion of every committee member, and the company's response: None.

3. The compensation committee's resolutions to proposals in 2020, along with the company's response, were as follows:

Meeting Date	Proposal	Resolution	Company's Response
Feb. 7, 2020	Remuneration proposal for the collective board	Independent directors with a conflict of interest excused themselves and the proposal was passed by the remaining members of the committee	Submitted to and approved by the board
Mar.23, 2020	Employee and board remuneration allocation plan	Approved by the committee	Submitted to and approved by the board
	Assessment of director, supervisor, and executive officer salaries	Approved by the committee	Submitted to and approved by the board

4. Scope of the Compensation Committee's Responsibilities:

(1) Defining and periodically reviewing the company's remuneration policies, system, standards and structure against the performance evaluations of directors, supervisors, and executive officers.

(2) Periodically reviewing the remuneration of directors, supervisors, and executive officers.

Note: If a member of the compensation committee was replaced before the end of the year, disclose the names of both the outgoing and incoming members (indicating which is which) and the date of the change. Attendance rate (%) should be calculated based on number of committee meetings held and number of members present.

3.4.5 Corporate Social Responsibility Implementation, Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies," and Reason for Deviation

Evaluation Criteria	Implementation and Status (Note 1)			Deviation and Reason
	Y	N	Additional Information (Note 2)	
1. Has the company performed an operational risk assessment of environmental, social, and governance issues based on the materiality principle, and does it have relevant risk management policies in place? (Note 2)	V		The materiality assessment has been completed. A task force led by the company president and made up of managers from relevant departments drafted feasible risk management mechanisms and implemented a risk response plan to minimize potential losses. The company's risk control policy was passed by the board on Dec. 8, 2020. The board is briefed on risk management once a year.	No Deviation
2. Does the company have a dedicated (concurrent) department to implement corporate social responsibility? Has the board assigned senior management to a corporate social responsibility team, and does the officer or team report to the board on implementation?	V		The company's corporate social responsibility team is headed by the president of the company, with support from the General Administration Department, Personnel Department, and Ship Management Department. The team monitors the economic, environmental, social and labor issues resulting from company operations and assesses how they are handled. The board is briefed by the team once a year.	No Deviation
3. Environmental Issues (1) Does the company have industry-appropriate environmental management policies?	V		The company's fleet was outfitted in accordance with the International Convention for the Prevention of Pollution from Ships. The fleet is also compliant with the International Safety Management Code (which includes environmental protection measures) in accordance with Chapter IX of the International Convention for the Safety of Life at Sea. The fleet is certified by Lloyd's Register and is maintained by the company's Shipping Department.	No Deviation
(2) Is the company committed to improving its resource use efficiency, and does it use renewable materials to minimize the environmental impact of its operations?	V		The company has adopted numerous measures to minimize its environmental impact, including energy-efficient lighting in offices, fewer tube lights, turning off office electronics that are not in use, thermostat controls during the summer, waste paper recycling, trash sorting, reduction of waste volume, and using electronic documents whenever possible.	No Deviation

Evaluation Criteria	Implementation and Status (Note 1)			Deviation and Reason
	Y	N	Additional Information (Note 2)	
(3) Has the company assessed potential climate change-related risks and opportunities, both present and future, and has it adopted climate-related countermeasures?	V		The company is compliant with environmental laws and regulations. In accordance with the International Convention for the Control and Management of Ships' Ballast Water and Sediments issued by the International Maritime Organization's Marine Environment Protection Committee, ballast water equipment has already been installed on the majority of the ships. The remaining ships will have the equipment installed the next time they undergo dock repairs. On the sulfur emissions front, the fuel tanks of company ships have been thoroughly cleaned and are now filled with compliant low-sulfur fuel. The company has also replaced its inland container tractors with newer, environmental models.	No Deviation
(4) Does the company have statistics on its greenhouse gas emissions, water consumption, and waste volume in the last two years, and does it have management policies in place to reduce energy consumption, carbon emissions, greenhouse gas emissions, water consumption and waste generation?	V		The company's Capesize bulk carriers, container tractors, and warehouse logistics machinery are inspected to ensure they meet greenhouse gas emission standards. CO2 emissions: 2020: 358,845 tons 2019: 385,182 tons (publicly disclosed in the corporate governance section of the Market Observation Post System website) Field and office water consumption: 2020: 11,368 m^3 2019: 12,351 m^3 Recyclable waste: 2020: Scrap iron and hardware: 22,601 kg 2019: Scrap iron and hardware: 38,216 kg 2020: Used engine oil: 23,318 L 2019: Used engine oil: 26,418 L The company's environmental policies and implementation of said policies are disclosed on the company's website. Concrete actions that have been taken include the installation of ballast water equipment, cleaning of fuel tanks and switch to low-sulfur fuel, periodic maintenance of diesel engines and generators, replacement of energy-inefficient key reserve parts, and fuel usage controls. In addition, propeller caps have been installed to boost propulsive efficiency and underwater hulls are cleaned and sprayed with anti-fouling paint for improved drag reduction and fuel efficiency. Other measures implemented over the years include the purchase of low-emission tractors, the promotion of energy-efficient driving practices, the installation of Water-Efficiency Label facilities, periodic inspections of water pipeline networks for leak prevention, and implementation of trash sorting and recycling.	No Deviation

Evaluation Criteria	Implementation and Status (Note 1)			Deviation and Reason
	Y	N	Additional Information (Note 2)	
4. Social Issues (1) Does the company have management policies and procedures compliant with relevant laws and the International Bill of Human Rights?	V		To live up to its corporate social responsibility and uphold the basic human rights of employees and stakeholders, the company adheres to the principles contained within the International Bill of Human Rights, which includes the International Covenant on Civil and Political Rights; International Covenant on Economic, Social and Cultural Rights; Convention on the Rights of Persons with Disabilities; and the Convention on the Elimination of All Forms of Discrimination Against Women. The company is also compliant with Taiwan's Labor Standards Act, Act of Gender Equality in Employment, Employment Service Act, and other relevant laws. It provides a safe, healthy working environment through management principles that promote diversity and tolerance, fair wage and benefit evaluations, and freedom from discrimination. It also holds quarterly capital-labor meetings to ensure the rights of both sides remain protected.	No Deviation
(2) Does the company have and has it implemented reasonable employee welfare measures (including salary, paid time off, and other benefits), and are employee salaries a reasonable reflection of performance and achievements?	V		The company's employee welfare measures are detailed on Page 65 of this report. The company adjusts wage levels annually based on operational performance.	No Deviation
(3) Does the company provide employees with a safe, healthy work environment? Does it provide regular safety and health education for employees?	V		Company facilities are inspected and cleaned three times a day and disinfected regularly. Machinery and fire safety inspections are also conducted regularly. The company provides annual health exams and vocational safety training for employees. In 2020, 303 employees attended 1,085 hours of labor safety, vocational safety, and sanitation and hygiene training.	No Deviation
(4) Does the company offer career development and training programs for employees?	V		The company's rotational transfer system provides employees with training opportunities and helps them develop professional skills. The company encourages employees to boost their competitiveness by pursuing further education and improving their professional English fluency. In 2020, 111 employees attended 624 hours of professional courses.	No Deviation

Evaluation Criteria	Implementation and Status (Note 1)			Deviation and Reason
	Y	N	Additional Information (Note 2)	
(5) Is the company compliant with relevant laws, regulations and international standards governing customer health and safety, privacy, marketing preferences and labeling? Does the company have consumer protection policies and standard operating procedures for processing consumer complaints?	V		The company’s bulk shipping, inland trucking and warehouse logistics operations are compliant with, respectively, the International Safety Management Code, Regulations for Automobile Transportation Operators, and Regulations Governing the Customs Management of Container Terminals. As the company’s operations do not include design, production, manufacturing or sales, the consumer-related policies are not applicable to the company.	No Deviation
(6) Does the company have supplier management policies? Does it require its suppliers to be compliant with environmental and occupational safety regulations, and labor and human rights standards? What is the status of implementation of these policies?	V		The company’s supplier management policies and the status of their implementation are disclosed on the company’s website. The company asks its suppliers to self-evaluate annually on product quality, delivery, operations and sustainability. The company uses these self-evaluations to gauge suppliers’ environmental, social and governance performance and decide which suppliers to work with. This is one way the company upholds environmental protection and labor rights.	No Deviation
5. Does the company reference international reporting standards and guidelines in the preparation of non-financial disclosure reports, including its corporate social responsibility report? Has the veracity of the information contained in said report(s) been verified by a third-party certification body?	V		The company has not issued a corporate social responsibility report at this time and will reference international reporting standards and guidelines when it does so in the future.	No Deviation
6. If the company has established its own corporate social responsibility guidelines in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies,” please specify the status of said guidelines and any deviations from the official principles: Not applicable.				
7. Is there any other material information that would assist the public in understanding the company's corporate social responsibility implementation? Details on implementation can be found on the company's website. The company is dedicated to social welfare and is a long-term supporter of social welfare programs. It partners with charitable foundations including the Formosan Diabetes Care Foundation, Taiwan Fund for Children and Families, World Vision Taiwan, Taipei Medical University's Penghu volunteer clinic, and the Taipei City Department of Social Welfare's meal program for the disadvantaged to help disadvantaged families and groups. The company's efforts in this area not only provide the families of employees with a healthy growth environment, but also maximizes shareholder rights in a way that allows the company to live up to its social responsibility.				

Note 1: Please specify the key policies and measures that have been adopted for all criteria checked "Yes," along with the status of implementation. Please specify the reasons for deviation, along with the policies, strategies and measures that will be adopted in the future for all criteria checked "No."

Note 2: "Materiality principle" refers to environmental, social and governance issues that have a significant impact on the company's investors and stakeholders.

3.4.6 Ethical Corporate Management Implementation, Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies,” and Reason for Deviation

Evaluation Criteria	Implementation and Status			Deviation and Reason
	Y	N	Additional Information	
1. Establishment of ethical management policies and plans				
(1) Does the company have a board-approved ethical management policy? Is this policy included in the company’s articles of association and external documents, and has the board of directors and senior management demonstrated an active commitment to implementing it?	V		Ethical management policies are included in the company’s “Ethical Management Guidelines,” “Code of Conduct,” and “Code of Conduct Implementation Guidelines.” After these policies were approved by the board, they were immediately disclosed on the company’s website. The company is proactive in implementing ethnical management policies and reaffirms the importance of ethical management during internal meetings. The company also closely monitors its relationships with customers, suppliers and stakeholders for bribery. The company discloses all material information immediately to strengthen its internal audit system. Employee education and training programs are regularly held.	No Deviation
(2) Does the company have risk assessment mechanisms for unethical conduct? Does it regularly assess business activities within its scope of operations that are at higher risk for unethical conduct? Does it have preventive measures that at a minimum include the measures set forth in Article 7-2 of “Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies”?	V		The company has policies and guidelines for preventing unethical conduct. These policies include the preventive measures set forth in Article 7-2 of “Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies.” All relevant information is disclosed on the company’s website. All company employees are expected to comply with the company’s conduct guidelines, and violators are penalized.	No Deviation
(3) Does the company have set procedures for preventing unethical conduct, a code of conduct, a penalty system for breach of conduct and grievance procedures? Have these procedures been implemented, and are they periodically reviewed and revised?	V		The company complies with ethical management guidelines and strictly prohibits employees from offering or accepting bribes. Political contributions are also prohibited. Operating procedures are set forth in the “Code of Conduct Implementation Guidelines,” which are regularly reviewed for appropriateness and efficacy.	No Deviation

Evaluation Criteria	Implementation and Status			Deviation and Reason
	Y	N	Additional Information	
2. Implementation of Ethical Management (1) Does the company evaluate the ethical management records of the companies it does business with, and does it include explicit ethical conduct clauses in its contracts with them?	V		Before the company enters into major transactions, it evaluates suppliers or customers it would potentially work with. The company does not work with suppliers or customers that have a record of unethical conduct.	No Deviation
(2) Does the company have a dedicated ethical management office that is overseen by the board, and does the office brief the board on the status of ethical management policy implementation, prevention of unethical conduct, and supervision at least once a year?	V		The company's ethical management operations are directed by a part-time unit at its headquarters. Its chief responsibilities include drafting legally compliant anti-corruption measures; designing a reporting system; organizing training courses; implementing a clear, defined, and effective penalty-reward system; and reporting to the board on the above operations once a year.	No Deviation
(3) Does the company have a conflict of interest prevention policy, and does it provide suitable reporting channels for such conflicts?	V		The company has conflict of interest avoidance clauses in its "Code of Conduct," and has a conflict of interest reporting channel on its website. CMT employees are prohibited from using company resources or transferring benefits to themselves or their friends and family in the course of doing business. They are also prohibited from abusing their position for personal gain.	No Deviation
(4) Does the company have an effective ethical accounting system and internal control system that are used by the company's internal audit office to draft audit plans based on unethical conduct risk assessments, or does it commission an accountant to perform these checks?	V		The company has excellent accounting and internal control systems, and its audit plans are conducted based on the company's internal self-evaluation and risk assessment system. The company's annual audit includes spot checks of areas or items that are deemed higher risk for unethical conduct.	No Deviation

Evaluation Criteria	Y	N	Implementation and Status Additional Information	Deviation and Reason
(5) Does the company regularly provide internal and external ethical management education and training?	V		The company's employees regularly take part in external ethical management education and training. The company also keeps employees up-to-date on internal ethical management policies. In 2020, 720 employees attended 1,939 hours of ethical management and social responsibility courses.	No Deviation
3. Implementation of corporate whistleblowing system (1) Does the company have an explicit whistleblowing policy and reward system, along with a convenient reporting channels? Does it assign suitable personnel to oversee internal investigations?	V		The company's tip processing procedure is detailed in the board-approved "Code of Conduct Implementation Guidelines." Cases are processed by a board supervisor. There is also a reporting email account, stakeholder@agcmt.com.tw, that can be found on the company's website. If it becomes necessary, cases may be resolved through the judicial system.	No Deviation
(2) Does the company have a standard operating procedure for investigating tips or complaints, and does it have confidentiality mechanisms in place?	V		The company's operating procedures have been approved by the board. When a tip is received, it is processed in the following manner: *If the tip involves a director or executive officer, it will be handled by a supervisor. If it becomes necessary, the legal department will provide assistance. *If the tip proves to be true, the employee involved will be punished immediately. If necessary, damages may be paid. *The name, title, and violation of the employee, along with the resolution, will be internally disclosed without delay. *If evidence of inappropriate conduct is found, the company should review its internal controls and operating procedures, and draw up measures to prevent something similar from happening again.	No Deviation
(3) Does the company have a system in place to protect whistleblowers from retaliation?	V		The identities of whistleblowers are kept confidential and the company promises to protect them from retaliation.	No Deviation

Evaluation Criteria	Implementation and Status			Deviation and Reason
	Y	N	Additional Information	
4. Reinforcing information disclosure (1) Does the company disclose its ethical management policy and its status of implementation on its website and the Market Observation Post System website?	V		The company's ethical management policies are disclosed on its website and on the Market Observation Post System website	No Deviation
5.If the company has established its own ethical corporate management guidelines in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please specify the status of said guidelines and any deviations from the official principles: The company has established ethical corporate management guidelines and its everyday operations are in compliance with these guidelines.				
6. Is there any other material information that would assist the public in understanding the company's ethical corporate management practices (e.g. company reviews of its ethical management principles)?: The company is in compliance with the Company Act, Securities and Exchange Act, and regulations governing the management of public companies. These laws and regulations provide the foundation for the company's ethical corporate management practices. The company closely monitors legal developments and periodically reviews its articles of association.				

3.4.7 If the company has established its own corporate governance guidelines or regulations, please disclose where they can be found: The company's board-approved "Corporate Governance Best Practice Principles" can be found on the company's website, http://www.cmt.tw, and on the Market Observation Post System website, http://mops.twse.com.tw.

3.4.8 Other Key Corporate Governance-Related Information for Disclosure

3.4.8.1 Director and Supervisor Training in 2020

Title	Name	Date	Organizer	Course Name	Hours
Director	Muh-Haur Jou	July 28, 2020	Securities and Futures Institute	The Corporate Risk Impact of the New Labor Incident Act	3
		July 28, 2020		The Function of a Corporate Board from a Corporate Fraud Prevention Perspective	3
Director	James S.C. Tai	June 12, 2020	Taiwan Corporate Governance Association	Top Ten Corporate Governance Lessons	3
		Aug. 7, 2020		Key Technologies in 5G and IoT and Their Market Applications	3
Director	Char-Lie Mei	Oct. 23, 2020	Taiwan Corporate Governance Association	Information Security: Challenges and Countermeasures	3
		Nov. 17, 2020		Corporate Governance Evaluation Indicators: Intellectual Property Management	3
Independent Director	Paul Shih-Sheng Lai	Oct. 16, 2020	Taiwan Corporate Governance Association	Tax Management Trends in the Post-Pandemic Era	3
		Dec. 22, 2020		The Role of Independent Directors in Corporate Operations and Governance	3

Independent Director	Donald Kuo-Liang Chao	Sept. 22, 2020	Taiwan Corporate Governance Association	The Capital Market and Corporate Governance	3
		Oct. 14, 2020		Establishing and Operating an Audit Committee	3
Supervisor	Spencer Yang	Sept. 11, 2020	Taiwan Corporate Governance Association	Corporate Governance: Case Studies	3
		Oct. 14, 2020		Establishing and Operating an Audit Committee	3
Supervisor	Bing-Hsiu Kuo	Oct. 14, 2020	Taiwan Corporate Governance Association	Establishing and Operating an Audit Committee	3
		Oct. 27, 2020		ESG Development Trends and Social Responsibility Investment	3

3.4.8.2 Executive Officer Corporate Governance Training in 2020

Title	Name	Date	Organizer	Course Name	Hours
President	James S.C. Tai	June 12, 2020	Taiwan Corporate Governance Association	Top Ten Corporate Governance Lessons	3
		Aug. 7, 2020		Key Technologies in 5G and IoT and Their Market Applications	3
Executive Vice President	Char-Lie Mei	Oct. 23, 2020	Taiwan Corporate Governance Association	Information Security: Challenges and Countermeasures	3
		Nov. 17, 2020		Corporate Governance Evaluation Indicators: Intellectual Property Management	3
Vice President of Finance	Derry Sun	Oct.12-13, 2020	Accounting Research and Development Foundation	An Accounting Executive's First Term	12
		Oct. 19-21, 2020			18
Corporate Governance Officer	Catherine Kuei-Huei Huang	July 24, 2020	Taiwan Corporate Governance Association	Ethical Corporate Management, Corporate Governance and Corporate Social Responsibility	3
		Oct. 14, 2020		Establishing and Operating an Audit Committee	3
		Oct. 16, 2020	Taiwan Stock Exchange	Corporate Governance and Ethical Board of Directors Conference	3
		Oct. 30, 2020	Taiwan Corporate Governance Association	How to Review Financial Reports for Audit Committees	3
		Nov. 27, 2020		Advanced Practices for Audit Committees	3

3.4.8.3 For material disclosures, the company follows the “Verification and Public Disclosure of Material Information by Public Companies,” “Regulations Governing the Scope of Material Information and the Means of its Public Disclosure” under the Securities and Exchange Act, and “Insider Trading Prevention Management Operations” as stipulated in the company’s internal controls.

3.4.9 Disclosures on the Implementation of Internal Controls

3.4.9.1 Statement on Internal Controls for 2020

Chinese Maritime Transport Ltd.
Statement on Internal Controls

Date: March 19, 2021

The company declares the following regarding its internal control system and the results of its internal control self-evaluation in 2020:

1. The company understands and acknowledges that it is the responsibility of the Board of Directors and executive officers to establish, implement, and uphold an internal control system, and it has established such a system. The system exists to reasonably ensure effective and efficient business operations, including profitability, performance and asset security; reliable, timely, and transparent financial reporting; and compliance with relevant laws and regulations.

2. No matter how well designed an internal control system is, it will have inherent limitations. As such, an effective internal control system can only reasonably ensure the three goals listed above. In addition, the efficacy of an internal control system will change with environmental and operational changes. The company's internal control system therefore includes self-monitoring mechanisms that allow areas that are lacking to be addressed once they are recognized.

3. The company evaluates the effectiveness of the design and implementation of its internal control system using the five management control criteria categories listed in "Regulations Governing Establishment of Internal Control Systems by Public Companies," which include 1) control environment; 2) risk assessment; 3) control operations; 4) information and communication; 5) supervision. Each category has its own audit criteria. For more information, see "Regulations Governing Establishment of Internal Control Systems by Public Companies."

4. The company uses the internal control criteria categories listed above to evaluate the design and efficacy of its internal control system.

5. Based on the results of its internal evaluation, the company holds that the design and implementation of its internal control system, along with the supervision and management of its subsidiaries, were reasonably effective in achieving the goals of effective and efficient operations; reliable reporting; and legal compliance as of Dec. 31, 2020.

6. This statement will be a key part of the company's annual report and prospectus, and will be publicly disclosed. The company will face legal liability for fraud, concealment or unlawful practices under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

7. This statement was unanimously approved by all seven of the company's directors during a board meeting held on March 19, 2021.

Chinese Maritime Transport Ltd.

Chair: William Peng

President: James S. C. Tai

3.4.9.2 If the company commissioned an accounting firm to perform its internal control evaluation, disclose the report here: Not applicable.

3.4.10 If the company or any of its employees were legally punished in the last fiscal year and as of the publication date of this report, or if the company punished an employee for violating internal controls, describe the penalty, violation and response by the company: Not applicable.

3.4.11 Major Shareholder and Board Resolutions in the Last Fiscal Year and as of the Publication Date of This Report

3.4.11.1 Major Shareholder Resolutions and Status of Implementation in the Last Fiscal Year and as of the Publication Date of This Report

Date	Resolution	Implementation
May 13, 2020	1.Approved 2019 financial statements 2.Approved 2019 profit distribution proposal 3.Approved revisions to company's articles of association 4.Approved revisions to company's board of directors and supervisors election rules 5. Approved removal of non-competition clause for corporate shareholder representatives	1.The company distributed cash dividends of NT$0.8 per share for 2019 with a record date of July 14, 2020 and stock dividend payment date of Aug. 7, 2020. 2. All resolutions passed at the shareholder meeting have been duly implemented.

3.4.11.2 Major Board Resolutions in the Last Fiscal Year and as of the Publication Date of This Report

Date	Resolution
Feb. 7, 2020	1.Approved resolution to convene 2020 shareholder meeting 2.Approved revisions to company's articles of association 3.Approved revisions to company's board of directors and supervisors election rules 4.Approved management transfer 5.Approved engagement of CPA for 2020 6. Approved collective remuneration proposal for the board
Mar. 23, 2020	1.Approved employee and board remuneration distribution proposal 2.Approved individual and consolidated financial statements for 2019 3.Approved profit distribution proposal for 2019 4.Approved 2019 operating report 5.Approved effectiveness assessment and statement of declaration on internal controls 6. Approved removal of non-competition clause for managers 7.Approved additions to 2020 shareholder meeting agenda 8.Approved management hire
May 13, 2020	1. Approved proposal to issue secured ordinary bonds 2. Approved cash increase for subsidiaries 3. Approved Associated Transport Inc. endorsement proposal
Aug. 11, 2020	1. Approved management transfer 2. Approved cash increase for subsidiary 3. Approved revisions to "Internal Audit Implementation Regulations"
Nov. 13, 2020	1. Approved operating plan and budget for 2021 2. Approved audit plan for 2021
Dec. 8, 2020	1. Approved corporate risk control policy 2. Approved securities sale proposal

Date	Resolution
Jan. 8, 2021	Approved securities sale proposal
Mar.19, 2021	1. Approved employee and board remuneration distribution proposal 2. Approved individual and consolidated financial statements for 2020 3. Approved resolution to convene 2020 shareholder meeting 4. Approved revisions to company's articles of association 5. Approved revisions to shareholder meeting regulations 6. Approved effectiveness assessment and statement of declaration on internal controls 7. Approved engagement of CPA for 2021
May 12, 2021	1. Approved profit distribution for 2020 2. Approved revisions to statement of declaration on internal controls 3. Approved new proposal for convening shareholder meeting 4. Approved proposal to provide collateral for subsidiary financing
May 20, 2021	Approved proposal to endorse loan for subsidiaries

3.4.12 Objections to major board resolutions in the last fiscal year and as of the publication date of this report from individual directors or supervisors, for which there is either a written or video record of said objection: None.

3.4.13 Resignation or Termination of Key Personnel in the Last Fiscal Year and as of the Publication Date of This Report

Title	Name	Date of Hire	Date of Resignation or Termination	Reason for Resignation or Termination
Vice Chair	AGCMT GROUP Representative: Muh-Haur Jou	July 1, 2019	July 1, 2020	Retired as vice chair; appointed to board of directors
Finance Manager	Derry Sun	Oct. 1, 2020	None	New hire
Finance Manager	Yeh Man-Hung	July 1, 2000	Sept. 30, 2020	Retirement
Audit Manager	Derry Sun	July 1, 2016	Sept. 30, 2020	Transfer
Audit Manager	Chen Fang	Oct. 1, 2020	None	Transfer

Note: "Related parties" refers to a company's chair, president, accounting manager, finance manager, internal audit manager, corporate governance manager, and research and development manager. For corporations, both the name of the corporation and the name of its representative should be disclosed.

3.5 CPA Fees

3.5.1 CPA Fees

CPA Firm	Auditors		Audit Period	Remarks
KPMG Taiwan	Samuel Au	Isabella Lou	Jan. 1, 2020 to Dec. 31, 2020	None

Unit: NT$1,000

Fee Scale \ Fee Type		Audit Fees	Non-Audit Fees	Total
1	Under NT$2,000	-	243	243
2	NT$2,000 to NT$4,000	-	-	-
3	NT$4,000 to NT$6,000	5,300	-	5,300
4	NT$6,000 to NT$8,000	-	-	-
5	NT$8,000 to NT$10,000	-	-	-
6	Over NT$10,000	-	-	-

CPA Firm	Auditors	Audit Fees	Non-Audit Fees					Audit Period	Remarks
			System Design	Business Registration	Human Resources	Other	Subtotal		
KPMG Taiwan	Samuel Au	5,300	-	-	-	243	243	Jan. 1, 2020 to Dec. 31, 2020	Non-audit fees: corporate bond issuance and transfer pricing fee
	Isabella Lou								

* Individually list non-audit fees by service category. If non-audit fees listed under “Other” account for 25 percent of total non-audit fees, provide further information in the “Remarks” column.

3.5.2 If the company replaced its CPA firm and audit fees for the fiscal year the replacement took place are lower than the previous year, disclose the difference in audit fees from the two years, the percentage of reduction, and the reason: Not applicable

3.5.3 If the audit fee is over 15 percent less than the previous year, disclose the difference in audit fees from the two years, the percentage of reduction, and the reason: Not applicable

3.6 CPA Replacement

3.6.1 Former CPA: Not applicable
3.6.2 Succeeding CPA: Not applicable
3.6.3 Response from former CPA: Not applicable

3.7 Was the company’s chair, president, finance manager or accounting manager employed by the CPA firm or any of its subsidiaries or affiliates at any point in the last year: No.

3.8 Changes in the Shareholdings of Directors, Supervisors, Executive Officers and Major Shareholders in the Last Fiscal Year and as of the Publication Date of This Report

3.8.1 Changes in Shareholdings

Title (Note 1)	Name	2020		As of Apr. 25, 2021	
		Increase (Decrease) in Shareholding	Increase (Decrease) in Pledged Shares	Increase (Decrease) in Shareholding	Increase (Decrease) in Pledged Shares
Director (Major Shareholder)	AGCMT Group Ltd.	1,043,000	1,200,000	0	0
Major Shareholder	Associated International Inc.	1,565,000	0	0	0
Director	Representative: William Peng	0	0	0	0
Director	Representative: Muh-Haur Jou	0	0	0	0
Director	Representative: John Y.K. Peng	0	0	0	0
Director	Representative: James S.C. Tai	0	0	0	0
Director	Representative: Char-Lie Mei	0	0	0	0
Supervisor	Jingmao Management Consulting Co., Ltd.	0	0	0	0
Supervisor	Representative: Spencer Yang	0	0	0	0
Supervisor	Representative: Bing-Hsiu Kuo	0	0	0	0
President	James S.C. Tai	0	0	0	0
Executive Vice President	Char-Lie Mei	0	0	0	0
Senior Vice President	Telvin Ju	0	0	0	0
Vice President	David Hsu	0	0	0	0
Assistant Vice President	Derry Sun	0	0	0	0
Assistant Vice President	Dino S.J. Chuu	0	0	0	0
Assistant Vice President	James Tarng	0	0	0	0
Assistant Vice President	Philip Peng	0	0	0	0
Corporate Governance Officer	Catherine Huang	0	0	0	0

Note: "Major shareholders" refers to shareholders that hold over 10 percent of the company's total shares. Major shareholders should be listed individually.

3.8.2 Share transfers where the recipient was a related party: None

3.8.3 Pledge of shares where the recipient was a related party: None

3.9 Top Ten Shareholders and Disclosures of Familial Relationships

Apr. 25, 2021

Name	Shares Held		Shares Held by Spouse and Minor Children		Shares Held by Nominee Shareholder		Top Ten Shareholders That Are Spouses or First-/Second-Degree Relatives		Notes
	Shares Held	Shareholding %	Shares Held	Shareholding %	Shares Held	Shareholding %	Name	Relationship	
Associated International Inc.	79,685,475	40.35%	0	0	0	0	AGCMT Group Ltd.	Parent Company	None
Associated International Inc. Representative: David Yu	0	0	0	0	0	0	None	None	None
AGCMT Group Ltd.	42,924,297	21.74%	0	0	0	0	Associated International Inc.	Subsidiary	None
AGCMT Group Ltd. Representative: John Y.K. Peng	1,980,225	1.00%	0	0	0	0	AGCMT Group Ltd.	Chair	None
J.P. Morgan Securities PLC	1,773,570	0.9%	0	0	0	0	None	None	None
KGI Securities Co. Ltd.	1,470,000	0.74%	0	0	0	0	None	None	None
KGI Securities Co. Ltd. Representative: Hsu Daw-yi	0	0	0	0	0	0	None	None	None
Morgan Stanley & Co. International PLC	1,140,247	0.58%	0	0	0	0	None	None	None
Hsien-Tse Chen	785,400	0.4%	0	0	0	0	Sui-Sui Chen Shih-Wei Chen	Father / Son Father / Son	None
Sui-Sui Chen	650,410	0.33%	0	0	0	0	Hsien-Tse Chen Shih-Wei Chen	Father / Son Siblings	None
Yu-Ping Lin	600,000	0.3%	0	0	0	0	None	None	None
Shih-Wei Chen	599,110	0.3%	0	0	0	0	Hsien-Tse Chen Sui-Sui Chen	Father / Son Siblings	None

3.10 Shareholdings and Syndicated Shareholdings in the Same Investee Company by the Company and Its Directors, Supervisors, Executive Officers, and Investee Companies Under Direct or Indirect Control

Unit: 1,000 shares
Dec. 31, 2020

Investee (Note 1)	Shareholdings of the Company		Shareholdings of Directors, Supervisors, Executive Officers or Investee Companies Under the Company's Direct or Indirect Control		Syndicated Shareholdings	
	Shares Held	Shareholding	Shares Held	Shareholding	Shares Held	Shareholding
Chinese Maritime Transport (S) Pte Ltd.	217	0.34%	62,918	99.66%	63,135	100%
Chinese Maritime Transport (HK) Ltd.	12,000	100%	0	0	12,000	100%
Hope Investment Ltd.	68,500	100%	0	0	68,500	100%
CMT Logistics Co., Ltd.	23,650	100%	0	0	23,650	100%
Mo Hsin Investment Ltd.	27,130	100%	0	0	27,130	100%
AGM Investment Ltd.	100	100%	0	0	100	100%
Associated Transport Inc.	50,000	100%	0	0	50,000	100%
CMT Travel Service Ltd.	2,000	100%	0	0	2,000	100%
Global Energy Maritime Co., Ltd.	61,623	12%	0	0	61,623	12%
United Nan Hai Petroleum Inc. (Note 2)	100	100%	0	0	100	100%
United Nan Hai Development Inc. (Note 2)	100	100%	0	0	100	100%
Associated Group Motors Corp.	3,000	30%	7,000	70%	10,000	100%

Note 1: Investments accounted for under the equity method

Note 2: United Nan Hai Petroleum Inc. was liquidated on Feb. 23, 2021. United Nan Hai Development Inc. is in the process of being liquidated.

4. Capital Overview

4.1 Equity and Shares

4.1.1 Share Source

4.1.1.1 Share Source and Type

Unit: NT$1

Month and Year	Offering Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	NT$	Shares	NT$	Capital Source	Capital Increase via Non-cash Assets	Other
April 30, 1978	NT$10	1,138,506	11,385,060	1,138,506	11,385,060	Company Incorporated	None	MOEADOC-67-6365
Feb. 25, 1979	NT$10	1,600,000	16,000,000	1,600,000	16,000,000	Capital increase by retained earnings of NT$4,614,940	None	MOEADOC-68-15457
Feb. 10, 1982	NT$10	2,300,000	23,000,000	2,300,000	23,000,000	Capital increase by retained earnings of NT$7 million	None	MOEADOC-71-23516
March 7, 1984	NT$10	2,800,000	28,000,000	2,800,000	28,000,000	Capital increase by retained earnings of NT$5 million and shareholder change	None	MOEAIC-73-Commerce-2133
April 17, 1985	NT$10	4,000,000	40,000,000	4,000,000	40,000,000	Capital increase by retained earnings of NT$12 million	None	MOEAIC-74-Commerce-2947
June 7, 1986	NT$10	4,530,000	45,300,000	4,530,000	45,300,000	Capital increase by retained earnings of NT$5.3 million	None	MOEAIC-75-Commerce-3529
May 8, 1987	NT$10	9,530,000	95,300,000	9,530,000	95,300,000	Capital increase by cash of NT$50 million	None	MOEAIC-76-Commerce-3493
June 18, 1988	NT$10	12,630,000	126,300,000	12,630,000	126,300,000	Capital increase by retained earnings of NT$31 million	None	MOEAIC-77-Commerce-5188
Dec. 25, 1989	NT$10	28,000,000	280,000,000	28,000,000	280,000,000	Capital increase by acquisition of Mao Lian Transport of NT$78 million and cash of NT$75.7 million	None	MOEAIC-79-Commerce-3573
Aug. 19, 1990	NT$10	42,000,000	420,000,000	42,000,000	420,000,000	Capital increase by capital reserve of NT$80 million and cash of NT$60 million	None	MOEAIC-79-Commerce-6607
Oct. 2, 1991	NT$10	60,000,000	600,000,000	50,400,000	504,000,000	Capital increase by capital reserve of NT$42 million and by retained earnings of NT$42 million	None	MOEAIC-80-Commerce-8303 Taiwan-Finance-Securities-80-I- 02714
Oct. 15, 1992	NT$10	60,000,000	600,000,000	52,920,000	529,200,000	Capital increase by retained earnings of NT$25.2 million	None	Taiwan-Finance-Securities-81-I-02577
July 27, 1993	NT$10	60,858,000	608,580,000	60,858,000	608,580,000	Capital increase by retained earnings of NT$79.38 million	None	Taiwan-Finance-Securities-82-I-01588

Month and Year	Offering Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	NT$	Shares	NT$	Capital Source	Capital Increase via Non-cash Assets	Other
July 20, 1994	NT$10	66,943,800	669,438,000	66,943,800	669,438,000	Capital increase by capital reserve of NT$60.86 million	None	Taiwan-Finance-Securities-83-I-27062
Sept. 17, 1995	NT$10	120,000,000	1,200,000,000	83,010,312	830,103,120	Capital increase by capital reserve of NT$93.72 million and retained earnings of NT$66.94	None	Taiwan-Finance-Securities-84-I-24683
Sept. 10, 1996	NT$10	120,000,000	1,200,000,000	103,762,890	1,037,628,900	Capital increase by capital reserve of NT$49.81 million and retained earnings of NT$157.72 million	None	Taiwan-Finance-Securities-85-I-41691
July 16, 1997	NT$10	131,214,436	1,312,144.360	131,214,436	1,312,144.360	Capital increase by cash of NT$150 million and retained earnings of NT$124.52 million	None	Taiwan-Finance-Securities-86-I-45238
July 28, 1998	NT$10	267,600.000	2,676,000,000	165,330,189	1,653,301,890	Capital increase by capital reserve of NT$118.09 million and retained earnings of NT$223.06 million	None	Taiwan-Finance-Securities-87-I-47298
July 30, 1999	NT$10	267,600,000	2,676,000,000	183,516,509	1,835,165,090	Capital increase by retained earnings of NT$181.86 million	None	Taiwan-Finance-Securities-88-I-59514
Aug. 25, 2000	NT$10	267,600,000	2,676,000,000	201,868,159	2,018,681,590	Capital increase by capital reserve of NT$91.75 million and retained earnings of NT$91.75 million	None	Taiwan-Finance-Securities-89-I-60789
July 27, 2005	NT$10	267,600,000	2,676,000,000	211,961,567	2,119,615,670	Capital increase by retained earnings of NT$100.93 million	None	Financial-Supervisory-Securities-I-0940130573
July 4, 2006	NT$10	267,600,000	2,676,000,000	233,157,724	2,331,577,240	Capital increase by retained earnings of NT$211.96 million	None	Financial-Supervisory-Securities-I-0950128261
Aug. 8, 2007	NT$10	360,000,000	3,600,000,000	256,473,497	2,564,734,970	Capital increase by retained earnings of NT$233.16 million	None	Financial-Supervisory-Securities-I-0960042157
Aug. 3, 2016	NT$10	360,000,000	3,600,000,000	197,484,593	1,974,845,930	Capital decrease by cash of NT$589.89 million	None	Financial-Supervisory-Securities-I-1050028822

Share Type	Authorized Capital			Remarks
	Issued Shares	Unissued Shares	Total Shares	
Common Stock	197,484,593	162,515,407	360,000,000	Listed Stock

4.1.1.2 Information relating to shelf registration: Not applicable

4.1.2 Shareholder Structure

April 25, 2021

Shareholder / Quantity	Government Agencies	Financial Institutions	Other Institutions	Domestic Individuals	Foreign Institutions and Individuals	Total
No. of Shareholders	0	0	147	28,749	62	28,958
No. of Shares Held	0	0	125,734,266	66,331,207	5,419,120	197,484,593
Shareholding Percentage	0	0	63.67%	33.59%	2.74%	100%

4.1.3 Share Distribution

4.1.3.1 Common Stock

April 25, 2021

Shareholding Tier	No. of Shareholders	No. of Shares Held	Shareholding Percentage
1 to 999	18,299	2,592,024	1.31%
1,000 to 5,000	8,229	17,133,447	8.68%
5,001 to 10,000	1,308	10,102,527	5.12%
10,001 to 15,000	358	4,446,639	2.25%
15,001 to 20,000	278	4,924,875	2.49%
20,001 to 30,000	193	4,837,767	2.45%
30,001 to 40,000	88	3,127,752	1.58%
40,001 to 50,000	53	2,489,544	1.26%
50,001 to 100,000	98	7,107,720	3.6%
100,001 to 200,000	29	4,288,520	2.17%
200,001 to 400,000	12	3,372,814	1.71%
400,001 to 600,000	5	2,651,340	1.34%
600,001 to 800,000	2	1,435,810	0.73%
800,001 to 1,000,000	0	0	0
Over 1,000,001	6	128,973,814	65.31%
Total	28,958	197,484,593	100.00%

4.1.3.2 Preferred Stock : The company has not issued any preferred stock.

4.1.4 Top Ten Shareholders

April 25, 2021

Shareholder	No. Shares Held	Shareholding Percentage
Associated International Inc.	79,685,475	40.35%
AGCMT Group Ltd.	42,924,297	21.74%
John Y.K. Peng	1,980,225	1.00%
J.P. Morgan Securities PLC	1,773,570	0.90%
KGI Securities Co., Ltd.	1,470,000	0.74%
Morgan Stanley & Co. International PLC	1,140,247	0.58%
Hsien-Tse Chen	785,400	0.40%
Sui-Sui Chen	650,410	0.33%
Yu-Ping Lin	600,000	0.30%
Shih-Wei Chen	599,110	0.30%

4.1.5 Share Price, Net Worth, Earnings, and Dividends in the Last Two Fiscal Years

Share Information / Year			2019	2020	As of March 31, 2021
Share Price (Note 1)	Highest		41.00	39.00	37.65
	Lowest		28.60	18.25	29.00
	Average		33.86	31.13	34.34
Net Worth Per Share	Pre-Distribution		50.30	49.37	50.81
	Post-Distribution		49.50	47.77	Not applicable
Earnings Per Share	Weighted Average Shares		197,484,593	197,484,593	197,484,593
	Earnings Per Share (Note 3)		1.64	1.67	1.12
Dividend Per Share	Cash Dividends		0.8	1.6	Not applicable
	Stock Dividends	0	0	Not applicable	Not applicable
		0	0	Not applicable	Not applicable
	Accumulated (Unpaid) Dividends		0	0	Not applicable
Return on Investment	Price-Earnings Ratio (Note 4)		19.32	15.37	Not applicable
	Price-Dividend Ratio (Note 5)		39.6	16.04	Not applicable
	Cash Dividend Yield Ratio (Note 6)		2.53%	6.24%	Not applicable

Note 1: Disclose the highest and lowest market share price in each year and calculate that year's average market price using transaction value and volume.

Note 2: Post-distribution figures provided should be based on the board resolution in the following year.

Note 3: The company did not make any retroactive adjustments to EPS as it did not issue any stock dividends in the last two years.

Note 4: Price-earnings ratio = average market price / earnings per share

Note 5: Price-dividend ratio = average market price / cash dividend per share

Note 6: Cash-dividend yield ratio = cash dividend per share / average market price

4.1.6 Dividend Policy and Implementation

4.1.6.1 Dividend policy: Any surplus at the end of the year is first used to pay Taiwan's "profit-seeking enterprise income tax" and offset losses from previous years. Next, 10 percent is set aside for the legal reserve and the balance is used to offset any provisions against shareholder equity decreases in the year or special reserves. Any remaining balance should be combined with undistributed earnings from the beginning of the period. The board will draft a surplus distribution proposal that will be submitted for approval at the next annual general meeting. Cash dividends cannot be less than 10 percent of total distributed dividends.

4.1.6.2 Proposed dividend distribution at the most recent annual general meeting: Profit distribution for 2020 was proposed as a cash dividend of NT$1.6 per share.

4.1.6.3 Major changes expected to the company's dividend policy: None.

4.1.7 Impact on operations and earnings per share of any stock dividend distribution proposed at the most recent annual general meeting: Not applicable

4.1.8 Employee and Director/Supervisor Compensation

4.1.8.1 The percentages or ranges for employee and director/supervisor compensation are set forth in the company's articles of incorporation. If the company is profitable in a given year, it should distribute 0.5 to 2 percent of said profits to employees and a maximum of 2 percent to directors and supervisors. The compensation calculation for employees and directors/supervisors is based on profit before tax (excluding employee and director/supervisor compensation).

4.1.8.2 The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

(1)Basis for estimating the amount of employee compensation in 2020: 1 percent of profit before tax

(2)Basis for estimating the amount of director and supervisor compensation in 2020: 1 percent of profit before tax

(3)A discrepancy between the actual distributed amount and the estimated figure is regarded as an estimate change, and the profit/loss for 2021 should be adjusted.

4.1.8.3 Board-approved distribution of compensation:

(1)The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed.

a. Employee compensation: NT$3,393,575

b. Director and supervisor compensation: NT$3,393,575

c. Bonus shares: NT$0

(2)The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company-only financial reports or individual financial reports for the current period and total employee compensation: Not applicable

4.1.8.4 The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price of the shares distributed), and if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

(1)Recognized employee compensation totaled NT$3,652,624 in the last fiscal year, which was the same as the actual amount distributed.

(2)Recognized director and supervisor compensation totaled NT$3,652,624 in the last fiscal year, which was the same as the actual amount distributed.

4.1.9 Stock buyback: Not applicable

4.2 Corporate Bonds

4.2.1 Unretired Bonds

Bond Type		Secured corporate bond (first domestic issue of 2017)	Secured corporate bond (first domestic issue of 2020)
Issue Date		April 10, 2017	Aug. 28, 2020
Par Value		NT$1 million	NT$1 million
Place of Issue and Transaction (Note 1)		Not applicable	Not applicable
Issue Price		100% par value	100% par value
Total Proceeds		NT$800 million	NT$2.5 billion Four types issued (A/B/C/D) with different conditions Type A: NT$1 billion; Type B/C/D: NT$500 million each
Interest Rate		Fixed annual rate of 1.13%	Type A/B: fixed annual rate of 0.64% Type C/D: fixed annual rate of 0.66%
Term to Maturity		Five years on April 10, 2022	Five years on Aug. 28, 2025
Guarantor		Shanghai Commercial and Savings Bank	Type A and C: Mega International Commercial Bank Type B and D: Shanghai Commercial and Savings Bank
Trustee		Taipei Fubon Bank	Taipei Fubon Bank
Underwriter		Shanghai Commercial and Savings Bank	Mega International Commercial Bank
Certifying Attorney		Hui-Ya Shen	Hui-Ya Shen
Auditor		Chris Yen	Samuel Au and Isabella Lou
Repayment Method		50 percent repayment each three and five years, respectively, from issue date	Cash repayment on maturity date
Unpaid Principal Balance		NT$400 million	NT$2.5 billion
Redemption or Early Repayment Clauses		None	The company should exercise its buyback right for Type C and/or D bonds in full on the interest date three years to the issue date. If it does not exercise its buyback right, the principal for Type C or D bonds will be repaid on the maturity date five years to the issue date.
Restrictions (Note 2)		None	None
Credit Rating Agency, Rating Date and Corporate Bond Rating		Not applicable	Not applicable
Other Attached Rights	Amount of common stock that has been converted (swapped or subscribed), global depository receipts, or other securities as of publication date of this report	Not applicable	Not applicable
	Issuance and conversion (swap or subscription) rules	Not applicable	Not applicable

Potential dilution of shareholder equity and impact on current shareholder rights of issuance and conversion, exchange or subscription rules, or terms and conditions of issuance	Not applicable	Not applicable
Financial Custodian	Not applicable	Not applicable

Note 1: Disclose overseas issuance if applicable.

Note 2: e.g. restrictions on distribution of cash dividends and foreign investment, or requirement to maintain a certain asset ratio, etc.

4.2.2 Convertible bonds: None

4.2.3 Exchangeable bonds: None

4.2.4 Shelf offerings for issuance of corporate bonds: None

4.2.5 Corporate bonds with stock options: None

4.2.6 Private placement bonds: None

4.3 Preferred stock: None

4.4 Global depository receipts: None

4.5 Employee stock options: None

4.6 Restricted stock awards: None

4.7 New share issuance from merger, acquisition or transfer of shares: None

4.8 Capital Utilization Plan and Implementation

Disclose any uncompleted public issue or private placement of securities and/or completed issues and placements that have yet to yield benefits: None

5. Operations

5.1 Our Businesses

5.1.1 Business Scope
5.1.1.1 Primary Business Activities
5.1.1.1.1 Shipping
5.1.1.1.2 Trucking
5.1.1.1.3 Logistics
5.1.1.1.4 Agency and Other
5.1.1.2 Departmental Revenue vs. Total Revenue

Departmental Revenue	Percent of Total Operating Revenue in 2020
Shipping Revenue	51%
Trucking Revenue	35%
Logistics Revenue	13%
Agency and Other Revenue	1%

5.1.1.3 Current Services
5.1.1.3.1 Shipping

(1) The company has incorporated wholly owned subsidiaries in Singapore and Hong Kong as a "foreign investor." Both subsidiaries operate their own fleets.

(2) Global Energy Maritime Co., a joint venture with CPC Corp. and U-Ming Marine Transport Corp., is an oil transportation company that generates a stable income stream. The company keeps a close watch on potential shipping-related investment opportunities.

5.1.1.3.2 Trucking

(1) Import/export container transportation operations includes transporting empty and full containers between container terminals, container yards and manufacturing plants for shipping or manufacturing clients.

(2) Inland trucking operations include warehousing, container cleaning and maintenance, and container depot services.

5.1.1.3.3 Logistics

Operations include container freight station, container yard, bonding, warehouse logistics, and container cleaning and maintenance services.

5.1.1.3.4 Agency and Other

(1) The company is the general agent for Saudi Airlines Cargo Co. LLC and its cargo operations in Taiwan, overseeing cargo and passenger operations in Taiwan for the airline.

(2) Operations include travel agency and ticketing services.

5.1.1.4 Services Under Development

The company is in the process of expanding its fleet and diversifying profit-centered transportation services. The latter could include the construction of new container depots and working with partners to develop online/intelligent transportation systems. To become a full-service provider for clients, the company will use its advantages in shipping and inland transportation to strengthen the integration of upstream and downstream systems.

5.1.2 Industry Overview
5.1.2.1 Current State of Industry and Industry Developments
5.1.2.1.1 Shipping

(1) No country escaped the wrath of the COVID-19 pandemic in 2020 and there was major interference in the Capesize shipping market in the first half of the year. With the freight index plummeting, the Baltic Capesize

Index (BCI) averaged just 600 points in the first half of the year compared to 1,134 points (a slide of 47 percent) in the same period the previous year.

As the pandemic slowly came under control, mining and port operations gradually resumed. The swift recovery of China's construction and manufacturing sectors had a huge impact on demand for iron ore and import prices. Iron ore exports from Australia grew throughout the year, as did exports from Brazil in the second half of the year. Likewise, the BCI climbed throughout the second half of the year, hitting a high of 4,440 points for the year and closing the second half of the year with an average of 2,292 points. This was a slide of 32 percent from 2019's H2 average of 3,370 points.

Despite the impact of the pandemic on the Capesize market in 2020 and the average bulk shipping spot rate falling nearly 30 percent from 2019 to 2020, China's iron ore imports increased by 9 percent to 1.145 billion tons. This was a testament to the strength of China's economic recovery and the power of its demand for imported raw materials. China will therefore continue to directly impact the global Capesize dry bulk shipping market.

Clarksons Research is forecasting 3.7 percent growth in global dry bulk trade and 2.6 percent growth in bulk shipping capacity in 2021. This would mark the first time in recent years that shipping demand would surpass available tonnage. With the global vaccination rate gradually rising and world economies starting to turn the corner, the outlook on the Capesize bulk shipping market is positive. Meanwhile, the Sino-American trade war will continue impacting global economic development as it drags on under the new administration in the US. In the absence of a consensus between the two sides, the road to recovery for the bulk shipping market is filled with uncertainty and tension.

(2) The number of new Capesize bulk carriers delivered in 2020 rose from 2019 to 112, while 56 carriers were scrapped. Global shipbuilders are forecasting fewer deliveries year on year for the next three years, with 82 deliveries expected in 2021. The surplus of available tonnage will likely suppress freight prices below 2020 levels. With low-sulfur fuel rules going into effect worldwide on Jan. 1, 2020 and the continuous implementation of new environmental standards, shipping companies could accelerate replacement of older vessels in the next two years to minimize tonnage.

5.1.2.1.2 Trucking

(1) Despite the pandemic, Taiwan's economy was relatively stable in 2020. However, cost of trucking went up in Taiwan due to 1) the global imbalance in shipping supply and demand, and 2) bottleneck congestion in the shipping chain. In response to industry adjustments worldwide, the company's inland trucking subsidiary, Associated Transport Inc., has actively sought to diversify risk by expanding its customer base to reduce reliance on a small number of customers, and expanding its trucking operations.

(2)Diesel accounts for a significant portion of the company's trucking costs, and the company has several countermeasures in place. Apart from clauses in its contracts with customers allowing adjustments to trucking prices based on fuel price fluctuations, the company is replacing over half of its fleet with newer vehicles compliant with the government's fifth edition of emission standards.

(3) The company maximizes operational efficiency through upgrades and advancements to its digital operation system, trucking operating system, mobile dispatch equipment and system, and logistic repair and maintenance system.

5.1.2.1.3 Logistics

(1) The company's wholly owned subsidiary, CMT Logistics Co., Ltd., operates a 33,421-ping (1,189,119 square-foot) container terminal in Taoyuan's Yangmei District. The station provides fast in-and-out service for containers and goods. In recent years, container terminal operations have been negatively affected by migration of industry, financial crises, and stagnant US and European economies. The company has been able to minimize the impact of these challenges and still meet projected targets with its specialized services and expansive customer base.

(2) The company is expanding its container freight station export warehouse operations as part of a push to generate more income by growing its customer base through quality services.

(3) The company is ISO 9001-certified and authorized to operate under the Customs Administration's autonomous management system. It was also certified as an authorized economic operator (AEO) in December 2013, with its last three-year renewal approved in 2019. These certifications elevate the

company's quality of service by creating new opportunities for customers in the international trade supply chain.

5.1.2.2 Upstream, Midstream and Downstream Industry Associations

5.1.2.2.1 Shipping

(1) Upstream from ship owners are raw material suppliers, raw material buyers, vessel-operating common carriers, and other ship owners. Downstream from ship owners are shipyards, ship brokers, and investment companies.

(2) Upstream from ship management companies are ship owners; downstream from ship management companies are crew placement agencies, ship repair facilities, and ship spare part suppliers.

5.1.2.2.2 Trucking

Upstream from domestic trucking operators are shipping companies and cargo owners; downstream are third-party logistics (3PL) drivers. The company's management system enables downstream 3PL operators to efficiently complete upstream assignments.

The company operates its own container trucking fleet, which is advantageous for meeting customers' needs. The company has built an excellent reputation for providing transparent, satisfaction-guaranteed services.

5.1.2.2.3 Logistics

Container terminals are downstream from shipping operations, midstream from shipping companies and freight forwarders, and upstream from cargo owners. Apart from providing shipping companies and freight forwarders with quality service, the company takes the initiative to ask upstream cargo owners to ask their designated shipping companies to use the company's services.

5.1.2.3 Product Development Trends and Competition

5.1.2.3.1 Shipping

The number of new ship deliveries and growth rate of new tonnage are both expected to go down year on year for the next three years. With the COVID-19 pandemic slowly coming under control, the International Monetary Fund is forecasting 5.5 percent growth for the world economy in 2021, which would be a boost to the shipping market. Meanwhile, raw material prices should be buoyed by China's ever-increasing demand for and imports of high-quality iron ore and coal. Rising iron ore production and the promulgation of various marine environmental laws will motivate ship owners to accelerate their ship replacement timelines. The shipping market could therefore see continued growth.

5.1.2.3.2 Trucking

The company's trucking operations are recognized for their safe and punctual service, digital operations and low-emission fleet. After expanding its customer base, the company will be able to adjust its customer ratio based on customers' acceptable price levels.

5.1.2.3.3 Logistics

The company's container terminals primarily serve northern Taiwan. Warehouse operations, including import/export services, bonded warehouses and non-customs controls, generate steady revenue. Meanwhile, internet and big data analysis applications help improve service quality, lower cost, boost efficiency and competitiveness, and ultimately allow the company to thrive in an era of low profits and rapid change.

5.1.3 Technology and R&D

Due to its scope of operations (bulk shipping, trucking, and warehousing and logistics), the company does not have research and development plans.

5.1.4 Long- and Short-term Development Plans

5.1.4.1 Shipping

5.1.4.1.1 Short-term Plans

(1) Maximizing profits through the implementation of different operating formats based on the operating cost of individual ships

(2) Picking and choosing the right opportunities and lease periods for individual carriers in the face of rising shipping costs

5.1.4.1.2 Long-term Plans

(1) Operating a highly efficient fleet: The company has already taken delivery of and is now operating three IMO-compliant Capesize carriers. The company's fleet has an average age of nine years.

(2) Activating shipbuilding plans at an opportune time and prioritizing long-term, stable, and deep-niche leases.

5.1.4.2 Trucking and Logistics

5.1.4.2.1 Short-term Plans

(1) The company is committed to providing a full suite of container transport services through the creation of an intelligent scheduling system and multifaceted trucking operations. In response to market demand, it is also planning a logistics warehouse complex at Taichung Harbor-Related Industrial Park, where the company's Taichung branch operates.

(2) The company is always in the process of improving the efficiency of trucking operations, lowering ever-rising operating costs, fine-tuning business strategies and activating employees. On the container terminal front, short-term plans include replacing machinery and equipment, reducing maintenance and repair costs, acquiring new environmental vehicles and electric stackers, and establishing standard operating procedures to improve overall service quality.

5.1.4.2.2 Long-term Plans

Apart from integrating its subsidiaries' warehouse logistics operations as part of its quest to be a full-service provider, the company is also developing an online platform to facilitate industry cooperation and balance market supply and demand. It hopes the platform can help eliminate price competition in the market.

5.2 Market, Production and Sales

5.2.1 Market Analysis

5.2.1.1 Primary Service Areas

(1) Shipping: Overseas market focusing on international routes

(2) Trucking: All of Taiwan

(3) Logistics: Container terminals in Taoyuan, Hsinchu and Miaoli

5.2.1.2 Competition and Market Share

(1) Shipping: In the bulk shipping market, there is a three-way relationship between ship owners, cargo owners and carriers. Generally speaking, this is a relationship of competition and cooperation rather than opposition. In addition, mutual cooperation has replaced cut-throat competition in upstream/downstream and competitor relationships. Therefore, market share no longer holds the importance it once did in this industry.

(2) Trucking: Other container trucking companies in Taiwan

(3) Logistics: There are five container terminals in Taoyuan; the company has a market share of 50 percent.

5.2.1.3 Supply and Demand & Market Growth

5.2.1.3.1 Shipping

The company's foreign fleet of large bulk carriers is well-known in the international shipping market and consistently achieves stable profit growth.

5.2.1.3.2 Trucking and Logistics

The company's major customers are top players in the global shipping industry. With more container fleets docked, there will be higher demand for container-related services, including long- and short-haul container transport, cleaning, maintenance and repairs, and warehousing. There is cause for cautious optimism in the industry.

5.2.1.4 Competitive Niche & Development Outlook: Advantages, Disadvantages and Countermeasures

The company has achieved a reputation for excellence in the 43 years it has been operating. Apart from its Capesize fleet, it has a sizeable trucking fleet and maintains an excellent relationship with 3PL companies. In addition, the company's container terminals in Taoyuan and empty container stations in Taoyuan, Taichung and

Kaohsiung allow it to be a full-service provider for customers. The company is also an industry leader in utilizing information platforms, maintaining its own corporate website and allowing 3PL companies to request payment online. Customers, meanwhile, can easily track their containers online. Compared to its competitors, the company holds numerous competitive advantages.

5.2.1.4.1 Foreign Investment in Shipping

(1) Advantages

The company maintains a five-star fleet through its ship management system and has won praise from international customers, ship rating institutions, harbor inspection agencies and insurance companies alike. The company possesses operational advantages regardless of where shipping prices are, which provides charterers with certain assurances they can't find elsewhere.

(2) Disadvantages

Although the iron ore industry is doing everything it can to boost output, the International Maritime Organization's environmental regulations are hugely impacting both supply and demand in the market and public security. Meanwhile, the continuation of the COVID-19 pandemic means harbors can be shut down at a moment's notice. Ship supply will continue to outstrip demand in the short term, and shipping prices will remain suppressed.

5.2.1.4.2 Trucking

(1) Advantages

a. Information Advancement and Development

The company uses a self-developed software system to monitor dispatches in real time and relay relevant information to other offices. At the same time, 3PL companies can make payment requests online. The integration of older information platforms, simplification of operating procedures and processes, and reduction of labor costs all contribute to higher service quality.

b. Island-wide Operations

The company's headquarters and subsidiaries are based in Taipei, with branches in Keelung, Taoyuan, Taichung and Kaohsiung. Branches have a sizeable parking lot or mechanic workshop to provide support and flexibility to the company's fleet.

c. Contract Format and Revenue Stability

The company has long-term shipping contracts with numerous international container transport companies along with transport contracts with dozens of trucking customers. Business volume is very stable.

(2) Disadvantages

a. Container carriers are frequently forced by customers to lower prices following international shipping mergers. The result is a long-term relationship of imbalance between buyers and sellers.

b. Due to government policies disadvantageous to the transport industry, operating costs keep rising.

c. Cut-throat competition contributes to stagnant prices, which means a reasonable level of profit cannot be achieved in the industry.

5.2.1.4.3 Logistics

(1) Advantages

a. The company makes excellent use of its land, and location is a major advantage. Its container terminal in southern Taoyuan is conveniently located for north-south traffic. Manufacturers in the three areas of Taoyuan, Hsinchu and Miaoli that import and export containers out of Keelung can save on cartage fees by taking advantage of the company's services.

b. The company is able to meet the needs of shipping companies and freight forwarders with its high service quality.

c. The company owns a total of 5,225 pings (185,906 square feet) of warehouse space and 2,000 pings (71,160 square feet) of bonded warehouse space, which means there is high potential for expanding bonded warehouse operations.

d. The company's highly trained staff makes flexible scheduling possible.

e. Machinery and equipment are replaced annually to improve efficiency.

(2) Disadvantages

a. In a low-profit era, profits are further suppressed by merged shipping entities demanding lower prices.

b. Cargo volume has plummeted since manufacturers began moving operations to China.

c. Both commodities prices and labor costs continue rising, the latter due to Taiwan's five-day workweek policy (promulgated in 2017).

5.2.1.5 Key Shipping Industry Performance Indicators

Unit: Points

Key Performance Indicator \ Year		2019	2020	As of March 31, 2021
Baltic Capesize Index	High	5,043	4,440	3,194
	Low	92	-372	1,242
	Average	2,261	1,450	2,065
Baltic Dry Index	High	2,518	2,097	2,319
	Low	595	393	1,303
	Average	1,353	1,066	1,739
Earnings per Share (NT Dollar)		1.64	1.67	1.12

5.2.2 Usage and manufacturing processes of the company's main products: Not applicable

5.2.3 Status of main raw material supplies: Not applicable

5.2.4 Provide a list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the two most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures. If, before the date of publication of the annual report, there is any financial data for the most recent period audited and attested or reviewed by a CPA, it shall also be disclosed therewith.

5.2.4.1 Major Supplier Information (Consolidated Financial Statements)

Unit: NT$1,000

2020				2019			
Name	Amount	% of Annual Net Purchase	Relationship with Issuer	Name	Amount	% of Annual Net Purchase	Relationship with Issuer
Supplier A	117,641	9%	None	Supplier A	154,525	10%	None
Net Purchases	1,231,132	100%	-	Net Purchases	1,527,672	100%	-

Q1 2021			
Name	Amount	% of Annual Net Purchase	Relationship with Issuer
Supplier A	34,683	10%	None
Net Purchases	331,226	100%	-

5.2.4.2 Major Client Information (Consolidated Financial Statement)

2020				2019			
Name	Amount	% of Annual Net Sales	Relationship with Issuer	Name	Amount	% of Annual Net Sales	Relationship with Issuer
Client A	454,389	14%	None	Client A	738,508	20%	None
Client F	479,092	15%	None	Client F	550,602	15%	None
Client S	345,957	11%	None	Client S	463,144	12%	None
Client R	375,744	12%	None	Client R	330,962	9%	None
Net Sales	3,131,115	100%	-	Net Sales	3,762,725	100%	-

Q1 2021			
Name	Amount	% of Annual Net Sales	Relationship with Issuer
Client A	140,135	18%	None
Client F	113,706	14%	None
Client S	71,039	9%	None
Client R	114,161	14%	None
Net Sales	792,821	100%	-

5.2.5 Production volume in last two fiscal years: Not applicable

5.2.6 Sale Volume in the Last Two Fiscal Years (Consolidated Financial Statement) Unit: NT$1,000

Year	2020				2019			
Sales Volume	Domestic Sales		Foreign Sales		Domestic Sales		Foreign Sales	
Main Products	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Shipping	-	-	-	1,597,110	-		-	1,898,416
Trucking	-	1,490,667	-	-	-	1,829,819	-	-
Air Transport and Other	-	43,338	-	-	-	34,490	-	-
Total	-	1,534,005	-	1,597,110	-	1,864,309	-	1,898,416

5.3 Employee Information

5.3.1 Employee Statistics

Year		2019	2020	As of March 31, 2021
Number of Employees		57	57	57
Average Age		48.5 years	48.4	49
Years of Service		11.5	11.9	12.1
Education Level	Ph.D.	5.3%	5.3%	5.3%
	Master's	26.3%	29.8%	28.0%
	Bachelor's or Associate	61.4%	56.1%	57.9%
	High School	7.0%	7.0%	8.8%
	Below High School	0%	0%	0%

5.3.2 Employee Accreditation and Certification

Occupational Safety and Health Management Certification
Stacker Operator Certification
Class 3 Toxic Chemical Substance Technical Management Certification
Oracle Database Certification

ISO Internal Audit Certification
Internal Controls Auditor Certification
Sea Survival Certification
Personal Safety and Social Responsibility Certification
Proficiency in Survival Craft Certification
First Aid Certification
Radar Operation and Management Certification
Security Awareness and Responsibility Certification
Chief Security Officer (CSO) Training Certification
Global Maritime Distress and Safety System Operation Certification
Fire Safety and Basic/Advanced Firefighting Certification
International Safety Management Internal Auditor Certification
Electronic Navigation Chart Certification

5.4 Environmental Expenditures

5.4.1 Losses stemming from environmental pollution incidents in the most recent fiscal year and as of the publication date of this report: None

5.4.2 New countermeasures implemented in response to pollution-related losses: Not applicable

5.4.3 Environmental Disbursements and Measures

5.4.3.1 The company's container trailers are compliant with environmental regulations and emission standards. Its shipping fleet is also compliant with pollution standards set forth in international conventions and by the International Maritime Organization. The fleet has also been certified by the American Bureau of Shipping.

5.4.3.2 Ballast water treatment systems have already been installed on the majority of the company's ships. The remaining ships will undergo installation the next time they dock for repairs.

5.4.3.3 Apart from replacing older container trailers with new models compliant with the government's fifth edition of emission standards, the company will purchase trailers compliant with the sixth edition of emission standards.

5.4.3.4 The company's environmental expenditures in the last fiscal year and first quarter of this year (ballast water treatment systems, fifth-edition emission standard-compliant vehicles, etc.) totaled NT$36.35 million.

5.5 Labor Relations

5.5.1 Implementation of employee benefit, education, training, and pension programs; labor-management agreements; and protection of employee rights

5.5.1.1 The company is committed to employee welfare and has a legally required employee welfare committee in place to oversee employee welfare affairs. In addition, employees enjoy an annual company trip and receive bonuses and gifts on birthdays and holidays. The company also offers subsidies for weddings, funerals, birth of a child and hospitalization. In addition, employees receive educational grants for their children, a memorial ring upon retirement, and emergency subsidies.

5.5.1.2 The company distributes year-end bonuses every year, along with performance bonuses based on collective and individual performance. The industry indicators mentioned above are used to determine the scale of each year's pay raise. In 2020, employees enjoyed an average wage rise of 2.52 percent.

5.5.1.3 The company encourages employees to take paid leave days. The company's leave policy complies with the Labor Standards Act.

5.5.1.4 Employee education and training

5.5.1.4.1 Every company department allocates funds for continuing education and training every year. The company holds aperiodic internal training programs and encourages employees to attend external practical training classes and programs. These programs help to improve both the technical skills and competitiveness of employees.

5.5.1.4.2 In 2020, employees of the company and its subsidiaries attended 1,920 hours of internal education and training and 1,726 hours of external training. Company employees were certified in transportation of dangerous goods, occupational safety and health management, first aid, and electronic navigation charts through participation in these programs.

5.5.1.4.3 All crew members serving on the company's ships are required to hold a certificate of competency (management-, operational-, or assistant-level) issued by the government of the flag state or seafarer certification. Periodic retraining is also required, as is practical training and participation in electronic navigation charts, marine radio operation, emergency first aid, sea survival, firefighting, and security training exercises.

5.5.1.5 Corporate Pension Scheme and Implementation
5.5.1.5.1 Pension Scheme
Providing employees with a working environment in which they feel secure and can focus on contributing to the company includes allaying concerns about post-retirement financial security. The company is wholly responsible for pension contributions under its pension scheme and contributes 9 percent of employees' wages into its designated Bank of Taiwan pension reserve account every month. In accordance with Article 56-2 of the Labor Standards Act, the contribution difference is estimated at the end of the year and the amount of difference is transferred into the account before the end of March the following year. In the case of employees that switch from the previous pension scheme to the new pension scheme under the Labor Pension Act, the company will pay 6 percent of the employee's wage to the Bureau of Labor Insurance for deposit in the employee's individual pension account.

5.5.1.5.2 Implementation
2018: Two employees retired; actual pension payments of NT$10,976,000
2019: Three employees retired; actual pension payments of NT$14,462,000
2020: One employee retired; actual pension payments of NT$5,771,000
The balance of the company's employee pension reserve fund was NT$29,622,000 on Dec. 31, 2020.

5.5.1.6 Labor Agreements
(1) Departmental heads meet weekly to discuss issues or recommendations raised by base-level staff.

(2) Issues involving violations of labor rights should be investigated, with the results of the investigations submitted to the governing body for review.

(3) All managers, regardless of level, are available to discuss issues and resolutions with base-level staff. Managers should report any issues that have been brought to their attention.

(4) A meeting between labor and management representatives is convened quarterly to maintain excellent labor-management relations, promote cooperation, and protect labor rights including health, safety, welfare and reward/penalty systems.

5.5.1.7 Occupational and Personal Safety
(1)The company is responsible for providing a clean, safe working environment. Building maintenance is outsourced to a professional cleaning company with inspections taking place twice a day. The outside of the building is cleaned annually. The building, including drainage system, is disinfected twice a year. Planting and greening programs are also conducted twice a year.

(2) Fire safety equipment is inspected every six months. Emergency escape route lighting and elevators are tested and maintained every two weeks. All company locations have a rest area for cargo truck drivers.

(3) The company provides annual health checkups for employees. All employees are covered under group-term Nanshan and Fubon insurance policies.

(4) The company is committed to maintaining a pleasant and harmonious working environment and regards occupational safety as a fundamental responsibility.

5.5.1.8 Employee Conduct or Ethics Code

The company's employee conduct or ethics code is clearly stated in its personnel regulations. The code includes the following:

(1) Employees shall be loyal in their professional duties and follow company and government regulations.

(2) Employees shall not use their positions to benefit themselves or others, and shall not offer or accept bribes.

(3) Employees shall follow the proper procedures for requesting leave and shall not take unauthorized leave.

(4) Employees have an obligation of confidentiality and shall not disclose confidential information.

(5) Departmental managers are responsible for training, supervision and assessment.

5.5.2 Estimated labor dispute-related losses in the last fiscal year and as of the publication date of this report; estimated labor dispute-related losses in the present and future; and countermeasures: None

5.6 Major Contracts

Contract Type	Contracted Party	Contract Period	Contracted Service	Restrictions
Container Transport Contract (ATI)	OOCL (Taiwan) Co., Ltd.	Jan. 1, 2020 to Dec. 31, 2020 with automatic renewal	Long-haul Trucking	None
Container Transport Contract	CMA CGM Taiwan Ltd.	Jan. 1, 2021 to Dec. 31, 2021	Long-haul Trucking	None
Container Transport Contract	Maersk Taiwan Ltd.	Aug. 1, 2019 to July 31, 2021	Long-haul Trucking	None
Container Transport Contract	Ocean Network Express (Taiwan) Co., Ltd.	Jan. 1, 2020 to March 31, 2022	Long-haul Trucking	None
Container Transport Contract	HMM Shipping Agency Co., Ltd.	July 1, 2018 to June 30, 2019 with automatic renewal	Long-haul Trucking	None
Container Transport Contract	Hapag-Lloyd Taiwan Ltd.	Oct. 1, 2020 to May 31, 2021	Long-haul Trucking	None
Saudi Arabian Airlines General Sales Agency Contract (*)	Saudi Arabian Airlines	Jan. 1, 2020 to Dec. 31, 2020	Passenger Transport	None
Saudi Arabian Airlines General Sales Agency Contract (*)	Saudi Arabian Airlines	Jan. 1, 2020 to Dec. 31, 2020	Cargo	None

(*) Contract is automatically renewed on expiry date; letter of contractual commitment has been received.

6 Financial Position

6.1 Five-Year Financial Overview

6.1.1 Condensed Balance Sheets for the Last Five Years

Unit:NT$1,000

Line Item \ Year		Five-Year Financial Overview 2016	2017	2018	2019	2020	As of March 31, 2021
Current Assets		4,886,636	3,525,370	4,107,046	3,959,012	5,078,230	4,573,454
Property, Plant and Equipment		14,512,030	14,746,226	14,439,746	13,549,411	12,101,344	12,064,596
Intangible Assets		6,670	15,915	12,655	11,659	9,798	10,444
Other Assets		2,065,687	1,791,541	1,863,870	2,436,537	2,294,465	1,810,773
Total Assets		21,471,023	20,079,052	20,423,317	19,956,619	19,483,837	18,459,267
Current Liabilities	Before Distribution	3,978,017	1,928,220	2,338,599	3,109,700	3,504,621	2,354,125
	After Distribution	4,076,759	2,026,962	2,654,574	3,267,687	3,820,496	2,670,100
Non-current Liabilities		7,169,545	8,724,111	7,897,903	6,912,556	6,229,282	6,070,214
Total Liabilities	Before Distribution	11,147,562	10,652,331	10,236,502	10,022,256	9,733,903	8,424,339
	After Distribution	11,246,304	10,751,073	10,552,477	10,180,244	10,049,878	8,740,314
Equity Attributable to Owners of the Parent		10,323,461	9,426,721	10,186,815	9,934,363	9,749,934	10,034,928
Common Stock		1,974,846	1,974,846	1,974,846	1,974,846	1,974,846	1,974,846
Capital Reserve		53,411	53,411	53,411	53,411	53,411	53,411
Retained Earnings	Before Distribution	8,023,244	8,020,078	8,437,441	8,441,796	8,605,669	8,816,830
	After Distribution	7,924,502	7,921,336	8,121,466	8,283,808	8,289,694	8,500,855
Other Equity Interest		271,960	(621,623)	(278,883)	(535,690)	(883,992)	(883,992)
Treasury Stock		0	0	0	0	0	0
Non-controlling Interest		0	0	0	0	0	0
Total Equity	Before Distribution	10,323,461	9,426,721	10,186,815	9,934,363	9,749,934	10,034,928
	After Distribution	10,224,719	9,327,979	9,870,840	9,776,375	9,433,959	9,718,953

*If the company prepares parent company-only financial statements, it should also prepare condensed balance sheets and statements of comprehensive income for the last five years.

*Any financial information from the most recent period that has been audited or attested to by a CPA before the publication date of this report should be disclosed here.

Note: "After distribution" figures are based on a board resolution passed in the following year.

Condensed Statement of Comprehensive Income

Unit:NT$1,000

Line Item \ Year	Five-Year Financial Overview					As of March 31, 2021
	2016	2017	2018	2019	2020	
Operating Revenues	3,294,834	3,218,366	3,820,224	3,762,725	3,131,115	792,821
Gross Profit	807,737	558,192	969,688	829,148	547,852	136,032
Operating Income (Loss)	456,305	206,949	606,859	459,651	171,511	37,798
Non-operating Income and Expenses	(326,300)	(83,280)	(47,626)	(81,393)	180,548	187,671
Profit (Loss) Before Income Tax	130,005	123,669	559,233	378,258	352,059	225,469
Profit from Continuing Operations	47,941	98,052	513,711	323,842	329,039	220,685
Losses from Discontinued Operations	0	0	0	0	0	0
Profit (Loss) for the Year	47,941	98,052	513,711	323,842	329,039	220,685
Total Other Comprehensive Income (Loss) (After Tax)	(223,872)	(896,059)	337,780	(260,319)	(355,480)	64,309
Total Comprehensive Income (Loss)	(175,931)	(798,007)	851,491	63,523	(26,441)	284,994
Profit Attributable to Owners of the Parent	47,941	98,052	513,711	323,842	329,039	220,685
Profit Attributable to Non-controlling Interest	0	0	0	0	0	0
Comprehensive Income Attributable to Owners of the Parent	(175,931)	(798,007)	851,491	63,523	(26,441)	284,994
Comprehensive Income Attributable to Non-controlling Interest	0	0	0	0	0	0
Basic Earnings Per Share	0.21	0.50	2.60	1.64	1.67	1.12

*If the company prepares parent company-only financial statements, it should also prepare condensed balance sheets and statements of comprehensive income for the last five years.

*Any financial information from the most recent period that has been audited or attested to by a CPA before the publication date of this report should be disclosed here.

6.1.2 Parent Company-only Financial Statements

Condensed Balance Sheets

Unit:NT$1,000

Line Item \ Year		Five-Year Financial Overview				
		2016	2017	2018	2019	2020
Current Assets		1,290,150	405,598	458,171	512,139	1,249,450
Property, Plant and Equipment		556,741	505,990	510,927	509,573	513,496
Intangible Assets		6,670	15,915	12,655	11,659	9,798
Other Assets		14,112,829	12,804,367	13,512,122	13,730,002	13,537,045
Total Assets		15,966,390	13,731,870	14,493,875	14,763,373	15,309,789
Current Liabilities	Before Distribution	3,118,146	987,018	969,358	1,888,575	2,427,430
	After Distribution	3,216,888	1,085,760	1,285,333	2,046,563	2,743,405
Non-current Liabilities		2,524,783	3,318,140	3,337,702	2,940,435	3,132,425
Total Liabilities	Before Distribution	5,642,929	4,305,158	4,307,060	4,829,010	5,559,855
	After Distribution	5,741,671	4,403,900	4,623,035	4,986,998	5,875,830
Common Stock		1,974,846	1,974,846	1,974,846	1,974,846	1,974,846
Capital Reserve		53,411	53,411	53,411	53,411	53,411
Retained Earnings	Before Distribution	8,023,244	8,020,078	8,437,441	8,441,796	8,605,669
	After Distribution	7,924,502	7,921,336	8,121,466	8,283,809	8,289,694
Other Equity Interest		271,960	(621,623)	(278,883)	(535,690)	(883,992)
Total Equity	Before Distribution	10,323,461	9,426,712	10,186,815	9,934,363	9,749,934
	After Distribution	10,224,719	9,327,970	9,870,840	9,776,375	9,433,959

*If the company prepares parent company-only financial statements, it should also prepare condensed balance sheets and statements of comprehensive income for the last five years.

Note: “After distribution” figures are based on a board resolution passed in the following year.

Condensed Statements of Comprehensive Income

Unit:NT$1,000

Year / Line Item	Five-Year Financial Overview				
	2016	2017	2018	2019	2020
Operating Revenues	1,326,566	1,259,086	1,300,150	1,313,359	649,062
Gross Profit	147,744	160,551	152,499	132,170	95,773
Operating Income (Loss)	17,573	24,582	(3,315)	(23,680)	(69,909)
Non-operating Income and Expenses	74,641	68,763	543,216	381,637	402,479
Profit (Loss) Before Income Tax	92,214	93,345	539,901	357,957	332,570
Profit from Continuing Operations	47,941	98,052	513,711	323,842	329,039
Losses from Discontinued Operations	0	0	0	0	0
Profit (Loss) for the Year	47,941	98,052	513,711	323,842	329,039
Total Other Comprehensive Income (Loss) (After Tax)	(223,872)	(896,059)	337,780	(260,319)	(355,480)
Total Comprehensive Income (Loss)	(175,931)	(798,007)	851,491	63,523	(26,441)
Basic Earnings Per Share	0.21	0.50	2.60	1.64	1.67

Names and Audit Opinions of the Company's CPAs in the Last Five Years

Year	CPA	Audit Opinion
2016	Chris Yen, Isabella Lou	Unqualified opinion
2017	Michelle Wang, Isabella Lou	Unqualified opinion
2018	Michelle Wang, Isabella Lou	Unqualified opinion
2019	Michelle Wang, Isabella Lou	Unqualified opinion
2020	Samuel Au, Isabella Lou	Unqualified opinion

6.2 Five-Year Financial Analysis

6.2.1 Consolidated Financial Report

Item for Analysis \ Year		Financial Analysis				
		2016	2017	2018	2019	2020
Financial Structure (%)	Debt-asset Ratio	52	53	50	50	50
	Ratio of Long-term Capital to Property, Plant and Equipment	121	123	125	124	132
Solvency (%)	Current Ratio	123	183	176	127	145
	Quick Ratio	121	180	173	125	143
	Interest Coverage Ratio	1.75	1.60	3.34	2.60	3.34
Operating Ability	Receivables Turnover Rate (Times)	12.12	11.69	13.36	12.68	10.65
	Average Collection Days for Receivables	30	31	27	29	34
	Inventory Turnover Rate (Times)	Not applicable				
	Payables Turnover Rate (Times)	Not applicable				
	Average Days for Sale	Not applicable				
	Property, Plant and Equipment Turnover Rate (Times)	0.23	0.22	0.26	0.27	0.24
	Total Asset Turnover Rate (Times)	0.15	0.15	0.19	0.19	0.16
Profitability	Return on Assets (%)	0.89	1.30	3.48	2.54	2.28
	Return on Equity (%)	0.45	0.99	5.24	3.22	3.34
	Ratio of Income Before Tax to Paid-in Capital (%)	6.58	6.26	28.32	19.15	17.83
	Profit Margin Before Tax (%)	1.46	3.05	13.45	8.61	10.51
	Earnings Per Share (NT$)	0.21	0.50	2.60	1.64	1.67
Cash Flow	Cash Flow Ratio (%)	23.62	41.84	54.73	43.41	25.02
	Cash Flow Adequacy Ratio (%)	59.65	66.45	89.79	101.34	106.10
	Cash Flow Reinvestment Ratio (%)	3.84	2.93	4.70	4.21	0.35
Leveraging	Operating Leverage	3.95	8.10	3.57	4.63	10.43
	Financial Leverage	1.61	471.41	1.65	2.06	8.07

*If the company prepares parent company-only financial statements, it should also prepare parent company-only financial ratio analysis.

6.2.2 Parent Company-only Financial Report

Item for Analysis		Financial Analysis 2016	2017	2018	2019	2020
Financial Structure (%)	Debt-asset Ratio	35	31	30	33	36
	Ratio of Long-term Capital to Property, Plant and Equipment	2,308	2,519	2,650	2,527	2,509
Solvency (%)	Current Ratio	41	41	47	27	51
	Quick Ratio	41	40	47	27	51
	Interest Coverage Ratio	1.97	2.15	9.72	6.57	5.72
Operating Ability	Receivables Turnover Rate (Times)	7.71	7.47	7.79	7.47	4.89
	Average Collection Days for Receivables	47	49	47	49	75
	Inventory Turnover Rate (Times)	Not applicable				
	Payables Turnover Rate (Times)	Not applicable				
	Average Days for Sale	Not applicable				
	Property, Plant and Equipment Turnover Rate (Times)	2.37	2.37	2.56	2.58	1.27
	Total Asset Turnover Rate (Times)	0.08	0.09	0.09	0.09	0.04
Profitability	Return on Assets (%)	0.80	1.11	4.00	2.57	2.56
	Return on Equity (%)	0.45	0.99	5.24	3.22	3.34
	Ratio of Income Before Tax to Paid-in Capital (%)	4.67	4.73	27.34	18.13	16.84
	Profit Margin Before Tax (%)	3.61	7.79	39.51	24.66	50.69
	Earnings Per Share (NT$)	0.21	0.50	2.60	1.64	1.67
Cash Flow	Cash Flow Ratio (%)	8.43	0.99	11.87	13.28	19.17
	Cash Flow Adequacy Ratio (%)	53.71	79.64	93.22	103.12	143.76
	Cash Flow Reinvestment Ratio (%)	1.64	Note 1	0.12	Note 1	2.37
Leveraging	Operating Leverage	6.01	2.78	Note 2	Note 2	Note 2
	Financial Leverage	0.23	0.43	Note 2	Note 2	Note 2

Note 1: The amount of net cash flow from operations minus cash dividends is negative.

Note 2: The company operated at a loss for the year.

1. Financial Structure
(1) Debt-asset Ratio = Total liabilities / Total Assets

(2) Ratio of Long-term Capital to Property, Plant and Equipment = (Total Equity + Non-current Liabilities) / Net Worth of Property, Plant and Equipment

2. Solvency
(1) Current Ratio = Current Assets / Current Liabilities

(2) Quick Ratio = (Current Assets – Inventory – Prepaid Expenses) / Current Liabilities

(3) Interest Coverage Ratio = Income Before Income Tax and Interest Expenses / Current Interest Expenses

3. Operating Ability
(1) Receivables* Turnover Rate = Net Sales / Average Receivables* for Each Period
*including accounts receivable and notes receivable arising from business operations

(2) Average Collection Days for Receivables = 365 / Receivables Turnover Rate

(3) Inventory Turnover Rate = Cost of Sales / Average Inventory

(4) Payables** Turnover Rate = Cost of Sales / Average Payables** for Each Period
**including accounts payable and notes payable arising from business operations

(5) Average Days of Sale = 365 / Inventory Turnover Rate

(6) Property, Plant and Equipment Turnover Rate = Net Sales / Average Net Worth of Property, Plant and Equipment

(7) Total Asset Turnover Rate = Net Sales / Average Total Assets

4. Profitability
(1) Return on Assets = [Net Income + Interest Expenses(1 – tax rate)] / Average Total Assets

(2) Return on Shareholder Equity = Net Income / Average Net Shareholder Equity

(3) Profit Margin Before Tax = Net Income / Net Sales

(4) Earnings Per Share = (Profit and Loss Attributable to Owners of the Parent – Dividends on Preferred Shares) / Weighted Average Number of Issued Shares

5. Cash Flow
(1) Cash Flow Ratio = Net Cash Flow from Operating Activities / Current Liabilities

(2) Net Cash Flow Adequacy Ratio = Net Cash Flow from Operating Activities for the Most Recent Five Years / (Capital Expenditures + Inventory Increase + Cash Dividends)

(3) Cash Flow Reinvestment Ratio = (Net Cash Flow from Operating Activities – Cash Dividends) / Gross Property, Plant and Equipment Value + Long-term Investment + Other Non-current Assets + Working Capital (Note 2)

6. Leveraging
(1) Operating Leverage = (Net Operating Revenue – Variable Operating Costs and Expenses) / Operating Income (Note 3)

(2) Financial Leverage = Operating Income / (Operating Income - Interest Expenses)

Note 1: When the above formula for calculation of earnings per share is used during measurement, give special attention to the following matters:

(1) Measurement should be based on the weighted average number of common shares, not the number of issued shares at year end.

(2) In any case where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.

(3) In the case of capital increase out of earnings or capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.

(4) If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, then no adjustment need be made.

Note 2: Give special attention to the following matters when carrying out cash flow analysis:

(1) Net cash flow from operating activities means net cash inflows from operating activities listed in the statement of cash flows.

(2) Capital expenditures mean the amounts of cash outflows for annual capital investment.

(3) Inventory increase will only be entered when the ending balance is larger than the beginning balance. An inventory decrease at year end will be deemed zero for calculation.

(4) Cash dividends include cash dividends from both common shares and preferred shares.

(5) Gross property, plant and equipment value means the total value of property, plant and equipment prior to the subtraction of accumulated depreciation.

Note 3: Issuers shall separate operating costs and operating expenses by their nature into fixed and variable categories. When estimations or subjective judgments are involved, give special attention to their reasonableness and to maintaining consistency.

6.3 Supervisors' Report on the Last Fiscal Year's Financial Statement

Supervisors'Report

Chinese Maritime Transport Ltd.
2021 Annual General Meeting of Shareholders:

The company's 2020 parent company-only financial statements and consolidated financial statements were prepared by the Board of Directors and have been audited and certified by KPMG accountants Samuel Au and Isabella Lou. In accordance with Article 219 of the Company Act, we have carefully examined these statements, along with the business report and earnings distribution statement, and found no discrepancies. We hereby submit these statements to shareholders for review.

Supervisor: Spencer Yang

Supervisor: Bing-Hsiu Kuo

May 12, 2021

6.4 Financial Statement for the Last Fiscal Year

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. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2020 and 2019, the consolidated statement 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, 2020 and 2019, 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 audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, 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 5.34% of the total consolidated assets; and the related shares of profit of associates accounted for using the equity method constituted 16.54% of the total profit before tax for the years ended December 31, 2019.

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion and an unmodified opinion with Emphasis of Other Matter, 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:

1. 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 audit.

Audit Procedure:

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.

2. Assessment of impairment on property, plant and equipment

   Please refer to Note (4)(j) and Note (4)(m) for the accounting policies of impairment assessment of property, plant and equipment; Note (5)(a) for the assumptions and estimation uncertainty of impairment assessment of property, plant and equipment; and Note (6)(f) for the related disclosure of property, plant and equipment.

Description of key audit matters:

The main activities of the Group are bulk carrier operation, domestic container hauling and storage, and related business. The industry of the Group is affected by the variability of global economy and the highly competitive environment of shipping market, causing a drastic profit change in the shipping industry and posing a potential risk of impairment on transportation equipment of property, plant and equipment. Therefore, assessing whether an asset impairment incurs and conducting a test over the impairment are considered to be the key matters of our audit.

Audit Procedure:

Our principal audit procedures included: understanding and assessing the related policies, internal control and processing procedure of impairment assessment of the Company; evaluating the reasonability of discounting rate and external source information about estimating future cash flows, including reviewing the information source of the estimation; examining the input numbers of valuation model and equation, as well as recalculating and checking the correctness of the valuation model.

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 Supervisors) 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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain 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 Jui-Lan Lo.

KPMG

Taipei, Taiwan (Republic of China)
March 19, 2021

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note (6)(a))	$ 3,741,974	19	3,288,046	17
1110	Current financial assets at fair value through profit or loss (notes (6)(b) and (8))	634,690	3	14,050	-
1150	Notes and accounts receivable, net (note (6)(d))	285,637	2	273,636	1
1180	Accounts receivable due from related parties, net (notes (6)(d) and (7))	11,864	-	16,770	-
1470	Other current assets	70,779	-	62,481	-
1476	Other current financial assets (notes (6)(i) and (8))	333,286	2	304,029	2
		5,078,230	26	3,959,012	20
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (notes (6)(b) and (8))	208,915	1	119,554	-
1517	Non-current financial assets at fair value through other comprehensive income (notes (6)(c) and (8))	1,188,476	7	315,134	2
1550	Investments accounted for using equity method, net (notes (6)(e) and (8))	630,292	3	1,698,801	9
1600	Property, plant and equipment (notes (6)(f) and (8))	12,101,344	62	13,549,411	68
1755	Right-of-use assets (note (6)(g))	162,059	1	218,783	1
1760	Investment property, net (note (6)(h))	34,535	-	35,995	-
1780	Intangible assets	9,798	-	11,659	-
1840	Deferred tax assets (note (6)(n))	15,985	-	17,854	-
1900	Other non-current assets	35,579	-	8,626	-
1980	Other non-current financial assets (notes (6)(i) and (8))	18,624	-	21,790	-
		14,405,607	74	15,997,607	80
	Total assets	$ 19,483,837	100	19,956,619	100

	Liabilities and Equity	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note (6)(j))	$ 194,940	1	1,529,883	8
2130	Current contract liabilities (note (6)(q))	34,136	-	19,327	-
2150	Notes and accounts payable	166,033	1	239,126	1
2200	Other payables	138,795	1	180,638	1
2230	Current tax liabilities	10,752	-	27,630	-
2280	Current lease liabilities (note (6)(k))	44,533	-	52,509	-
2300	Other current liabilities	2,894	-	7,068	-
2320	Long-term liabilities, current portion (note (6)(j))	2,912,538	15	1,053,519	5
		3,504,621	18	3,109,700	15
	Non-Current liabilities:				
2530	Bonds payable (note (6)(j))	2,900,000	15	2,700,000	14
2540	Long-term borrowings (note (6)(j))	2,567,895	13	3,393,217	17
2570	Deferred tax liabilities (note (6)(n))	606,529	3	607,906	3
2580	Non-current lease liabilities (note (6)(k))	122,486	1	169,693	1
2640	Net defined benefit liabilities, non-current (note (6)(m))	31,702	-	40,779	-
2670	Other non-current liabilities, others	670	-	961	-
		6,229,282	32	6,912,556	35
	Total liabilities	9,733,903	50	10,022,256	50
	Equity attributable to owners of parent: (note (6)(o))				
3100	Common stock	1,974,846	10	1,974,846	10
3200	Capital surplus	53,411	-	53,411	-
	Retained earnings:				
3310	Legal reserve	1,747,570	9	1,715,537	9
3320	Special reserve	535,690	3	359,487	2
3350	Unappropriated earnings	6,322,409	33	6,366,772	32
		8,605,669	45	8,441,796	43
3400	Other equity interest	(883,992)	(5)	(535,690)	(3)
	Total equity	9,749,934	50	9,934,363	50
	Total liabilities and equity	$ 19,483,837	100	19,956,619	100

(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, 2020 and 2019

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

		2020 Amount	2020 %	2019 Amount	2019 %
4000					
	Operating Revenues (notes (6)(q), (7) and (14))				
4621	Freight revenue-vessel chartering	$ 1,597,110	51	1,898,416	50
4622	Freight revenue-container hauling and logistics	1,490,667	48	1,829,819	49
4623	Freight revenue-airline agent and others	43,338	1	34,490	1
		3,131,115	100	3,762,725	100
5000	**Operating costs (notes (6) (m), (s) and (12))**				
5621	Freight cost-vessel chartering	1,341,626	43	1,390,181	37
5622	Freight cost-container hauling and logistics	1,217,151	39	1,519,327	40
5623	Freight cost-airline agent and others	24,486	1	24,069	1
		2,583,263	83	2,933,577	78
5900	**Gross profit**	547,852	17	829,148	22
	Operating expenses:				
6000	Operating expenses (notes (6)(m), (s), (7) and (12))	376,325	11	369,477	10
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 (note (6)(d))	16	-	20	-
		376,341	11	369,497	10
6900	**Net operating income**	171,511	6	459,651	12
	Non-operating income and expenses:				
7010	Other income (note (6)(l))	33,760	1	20,818	-
7050	Finance costs (note (6)(r))	(150,245)	(5)	(237,044)	(6)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (note (6)(e))	68,886	2	65,147	2
7100	Interest income	25,064	1	74,166	2
7210	Gains (losses) on disposal of property, plant and equipment, net (note (6)(f))	(3,168)	-	3,399	-
7230	Foreign exchange gains or losses, net	(1,569)	-	(861)	-
7235	Gains (losses) on financial assets at fair value through profit or loss (note (6)(b))	438,392	14	(6,069)	-
7590	Miscellaneous disbursements	(318)	-	(949)	-
7225	Losses on disposal of investments, net (note (6)(e))	(230,254)	(7)	-	-
		180,548	6	(81,393)	(2)
7900	**Profit from continuing operations before tax**	352,059	12	378,258	10
7950	Less: Income tax expenses (note (6)(n))	23,020	1	54,416	1
	Profit (attributable to owners of parent)	329,039	11	323,842	9
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(m))	6,250	-	(4,277)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note (6)(c))	248,330	8	22,158	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, items that may not be reclassified to profit or loss	4,767	-	(1,408)	-
8349	Income tax related to items that may not be reclassified to profit or loss (note (6)(n))	1,250	-	(855)	-
		258,097	8	17,328	-
8360					
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation	(614,672)	(20)	(243,373)	(6)
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	729	-	(34,453)	(1)
8399	Income tax related to items that may be reclassified to profit or loss (note (6)(n))	(366)	-	(179)	-
	Total other comprehensive income that may be reclassified to profit or loss	(613,577)	(20)	(277,647)	(7)
8300	**Other comprehensive income**	(355,480)	(12)	(260,319)	(7)
	Comprehensive income (attributable to owners of parent)	$ (26,441)	(1)	63,523	2
	Earnings per share (note (6)(p))				
9750	Basic net income per share (NT dollars)	$ 1.67		1.64	
9850	Diluted net income per share (NT dollars)	$ 1.66		1.64	

(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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Share capital		Retained earnings				Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance at January 1, 2019	$ 1,974,846	53,411	1,664,166	621,623	6,151,652	8,437,441	(263,496)	(15,387)	(278,883)	10,186,815
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	51,371	-	(51,371)	-	-	-	-	-
Reversal of special reserve	-	-	-	(262,136)	262,136	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(315,975)	(315,975)	-	-	-	(315,975)
	-	-	51,371	(262,136)	(105,210)	(315,975)	-	-	-	(315,975)
Net income for the year ended December 31, 2019	-	-	-	-	323,842	323,842	-	-	-	323,842
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	(3,512)	(3,512)	(277,647)	20,840	(256,807)	(260,319)
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	320,330	320,330	(277,647)	20,840	(256,807)	63,523
Balance at December 31, 2019	**1,974,846**	**53,411**	**1,715,537**	**359,487**	**6,366,772**	**8,441,796**	**(541,143)**	**5,453**	**(535,690)**	**9,934,363**
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	32,033	-	(32,033)	-	-	-	-	-
Special reserve reversal	-	-	-	176,203	(176,203)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(157,988)	(157,988)	-	-	-	(157,988)
	-	-	32,033	176,203	(366,224)	(157,988)	-	-	-	(157,988)
Net income for the year ended December 31, 2020	-	-	-	-	329,039	329,039	-	-	-	329,039
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	(7,178)	(7,178)	(613,577)	265,275	(348,302)	(355,480)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	321,861	321,861	(613,577)	265,275	(348,302)	(26,441)
Balance at December 31, 2020	**$ 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**

(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, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	$ 352,059	378,258
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	931,692	964,024
Expected credit loss	16	20
Net (gain) loss on financial assets at fair value through profit or loss	(438,392)	6,069
Interest expense	150,245	237,044
Interest income	(25,064)	(74,166)
Dividend income	(13,616)	(6,009)
Share of profit of associates and joint ventures accounted for using equity method	(68,886)	(65,147)
Net (gain) loss on disposal of property, plant and equipment	3,168	(3,399)
Loss on disposal of investments accounted for using equity method, net	230,254	-
Others	(317)	-
Total adjustments to reconcile profit (loss)	769,100	1,058,436
Changes in operating assets:		
Decrease (increase) in notes and accounts receivable (including related parties)	(7,111)	12,467
Increase in other current assets	(12,620)	(51,465)
Decrease (increase) in other current financial assets	(13,048)	23,410
	(32,779)	(15,588)
Changes in operating liabilities:		
Increase (decrease) in notes and accounts payable	(73,093)	56,005
Increase (decrease) in current contract liabilities	14,809	(145)
Increase (decrease) in other current liabilities	(35,799)	4,331
Decrease in net defined benefit liabilities	(2,827)	(19,096)
	(96,910)	41,095
Total changes in operating assets and liabilities	(129,689)	25,507
Total adjustments	639,411	1,083,943
Cash inflow generated from operations	991,470	1,462,201
Interest received	30,111	75,102
Dividends received	52,052	84,829
Interest paid	(159,858)	(246,121)
Income taxes paid	(36,809)	(24,350)
Net cash flows from operating activities	876,966	1,351,661
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(109,750)	(268,003)
Proceeds from capital reduction of financial assets at fair value through profit or loss	5,500	-
Acquisition of financial assets at fair value through profit or loss	(326,105)	(50,397)
Proceeds from disposal of financial assets at fair value through profit or loss	48,996	13,553
Acquisition of investments accounted for using equity method	-	(30,000)
Proceeds from disposal of investments accounted for using equity method	358,940	-
Acquisition of property, plant and equipment	(113,809)	(243,127)
Proceeds from disposal of property, plant and equipment	13,507	7,284
Decrease (increase) in other non-current assets	(28,304)	9,158
Decrease in other non-current financial assets	(24,844)	(4,821)
Decrease in other non-current assets	3,166	140
Net cash flows used in investing activities	(172,703)	(566,213)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	(1,334,943)	590,130
Proceeds from issuance of bonds	2,500,000	-
Repayments of bonds	(400,000)	-
Repayments of long-term borrowings	(643,754)	(1,001,471)
Payment of lease liabilities	(46,581)	(51,079)
Cash dividends paid	(157,988)	(315,975)
Others	(291)	353
Net cash flows used in financing activities	(83,557)	(778,042)
Effect of exchange rate changes on cash and cash equivalents	(166,778)	(64,565)
Net increase (decrease) in cash and cash equivalents	453,928	(57,159)
Cash and cash equivalents at beginning of period	3,288,046	3,345,205
Cash and cash equivalents at end of period	$ 3,741,974	3,288,046

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2020 and 2019

(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, 2020 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)(ii) 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 19, 2021.

(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. ("FSC") 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, 2020:

- Amendments to IFRS 3 "Definition of a Business"
- Amendments to IFRS 9, IAS39 and IFRS7 "Interest Rate Benchmark Reform"
- Amendments to IAS 1 and IAS 8 "Definition of Material"
- Amendments to IFRS 16 "COVID-19-Related Rent Concessions"

(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, 2021, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform－Phase 2"

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

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

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

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

(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..

(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.

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding December 31, 2020	Shareholding December 31, 2019	Note
The Company	Chinese Maritime Transport(S) Pte. Ltd. (CMTS)	Investment holding of ship-owning companies	0.34	0.34	
〃	Chinese Maritime Transport (Hong Kong), Limited (CMTHK)	Investment holding of ship-owning companies	100	100	
〃	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. (CMTTSL)	Travel	100	100	
〃	United Nan Hai Petroleum INC (UNH)	Gasoline international trade	100	100	Note 2
〃	United Nan Hai Development Inc. (NHD)	Investment	100	100	Note 3
〃	CMT Leasing Co., Ltd. (CMTLL)	Car rental	-	-	Note 1
CMTS	China Fortune Shipping Pte Ltd. (CFR)	Bulk-carrier transportation	100	100	
〃	China Enterprise Shipping PTE. Ltd. (CEP)	Bulk-carrier transportation	100	100	
CMTHK	China Prosperity Shipping Ltd. (CPS)	Bulk-carrier transportation	100	100	
〃	China Peace Shipping Ltd. (CPC)	Bulk-carrier transportation	100	100	
〃	China Progress Shipping Ltd. (CPG)	Bulk-carrier transportation	100	100	
〃	China Pioneer Shipping Ltd. (CPN)	Bulk-carrier transportation	100	100	
〃	China Pride Shipping Ltd. (CPD)	Bulk-carrier transportation	100	100	
〃	CMT Chartering Ltd. (CCL)	Bulk-chartering services	100	100	
〃	China Triumph Shipping Ltd. (CTU)	Bulk-carrier transportation	100	100	
〃	China Trade Shipping Ltd. (CTD)	Bulk-carrier transportation	100	100	
CMTHK	China Harmory Shipping Ltd. (CHM)	Bulk-carrier transportation	100	100	
〃	China Honour shipping Ltd. (CHN)	Bulk-carrier transportation	100	100	
〃	CMT Investment CO., Limited (CHI)	Investment	100	100	
〃	Chinese Maritime Transport Ship Management (Hong Kong) Limited (CIM)	Investment management	100	100	
〃	Chinese Maritime Transport (S) Ptd. Ltd. (CMTS)	Investment holding of ship-owning companies	99.66	99.66	

ATI	Chang-Shun Transport CO., Ltd. (CST)	Container trucking	100	100
〃	Huang-Yuen Transport CO., Ltd. (HYT)	Container trucking	100	100
〃	Mao-Hua Transport CO., Ltd. (MHT)	Container trucking	100	100
〃	AG Prosperity Transport CO., Ltd. (APT)	Container trucking	100	100
〃	Pioneer Transport Co., Ltd. (PTL)	Container trucking	100	100

Note 1: Subsidiary incorporated in August 2018; and was dissolved in January 2019.

Note 2: Subsidiary incorporated in April 2013; and was liquidated on October 30, 2020, wherein the liquidation procedures has yet to be completed.

Note 3: Subsidiary incorporated in December 2015; and was liquidated on November 11, 2020, wherein the liquidation procedures has yet to be completed.

(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.

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 planed 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

(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.

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.

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 month 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.

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. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

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.

(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.

(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.

(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: 3~15 years.

3) Container transportation equipment: 1 ~7 years

4) Shipping transportation equipment: 2~20 years

5) Container terminal facility: 4~60 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:

1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

2) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3) the customer has the right to direct the use of the asset throughout the period of use only if either:

- the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or
- the relevant decisions about how and for what purpose the asset is used are predetermined and:
  - the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
  - the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

(ii) As a leasee

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.

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 is 3~7 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.

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.

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.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(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) 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 taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, 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 currenttax 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.

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; such reductions are reversed when the probability of future taxable profits improves.

(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 dirctors.

(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

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

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.

The followings are the related information about material risk contained in uncertainty of assumption and estimation which may lead to a material adjustment in the following year:

(a) Impairment assessment of property, plant and equipment

In the process of assessing asset impairment, the Group depends on the subjective judgement of its management, the usage of its asset, and the characteristics of the industry, to make decisions about the independent cash flows of certain asset groups, expected lifetime of the asset, as well as gain and loss that may arise in the future. The potential risk of asset impairment lies in the change in the overall economy, the assumption made by the management, and the future strategic plan of the Group.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Petty cash, checking accounts and demand deposits	$ 861,723	863,945
Time deposits	2,455,458	2,254,565
Cash equivalents-commercial paper and reverse repurchase agreement	424,793	169,536
	$ 3,741,974	3,288,046

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 is as follows:

	December 31, 2020	December 31, 2019
Current financial assets mandatorily measured as at fair value through profit or loss:		
Non-derivative financial instrument	$	
Domestic listed stocks	634,690	14,050
Non-current financial assets mandatorily measured as at fair value through profit or loss:		
Non-derivative financial instrument		
Domestic listed stocks	64,856	62,963
Domestic listed stocks under private placement	119,098	31,046
Domestic unlisted stocks	24,961	25,545
	$ 843,605	133,604
Current	$ 634,690	14,050
Non-current	208,915	119,554
	$ 843,605	133,604

The gain or loss on financial assets at fair value through profit or loss for the years ended December 31, 2020 and 2019 were a gain of $438,392 and a loss of $6,069, respectively.

During the years ended December 31, 2020 and 2019, the dividends of $9,708 and $336, respectively, related to investment at fair value through profit or loss, were recognized.

The Group did not provided any aforementioned financial assets as collateral as of December 31, 2019.

As of December 31, 2020, the financial assets measured at fair value through profit or loss of the Group had been pledged as collateral, please refer to note (8).

(ii) Debt investment information

The convertible bonds held by the Group was due on June 27, 2019, and converted to 4,798 thousand shares of common shares under private placement at $20.84 dollars per share. The equity investments were held for trading, therefore, they were classified as non-current financial assets at fair value through profit or loss on December 31, 2020 and 2019.

(iii) 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

	December 31, 2020	December 31, 2019
Equity investments at fair value through other comprehensive income		
Domestic listed stocks	$ 1,188,476	315,134

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

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes, rather than trading purposes.

The Group newly purchased those investments for strategic purposes amounting to $109,750 and $268,003 for the years ended December 31, 2020 and 2019, respectively.

During the years ended December 31, 2020 and 2019, the Group had recognized unrealized gain on financial assets at fair value through other comprehensive income of $248,330 and $22,158, respectively.

During the years ended December 31, 2020 and 2019, the dividends of $3,908 and $5,673, respectively, related to equity investment at fair value through other comprehensive income held on December 31, 2020 and 2019, were recognized.

There were no disposal of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments during the years ended December 31, 2020 and 2019.

(ii) The Group has lost its significant influence over Taiwan Navigation Co., Ltd. since December 2020. Please refer to Note 6(e)(vi) for the amount of $515,262 that had been reclassified from investment accounted for using equity method to financial asset at fair value through other comprehensive income.

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

(iv) As of December 31, 2020 and 2019, the financial assets measured at other comprehensive income of the Group had been pledged as collateral, please refer to note (8).

(d) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable	$ 11,115	8,952
Accounts receivable	286,560	281,612
Less: Loss allowance	(174)	(158)
	$ 297,501	290,406
Notes and accounts receivable, net	$ 285,637	273,636
Notes and accounts receivable due from related parties, net	$ 11,864	16,770

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:

	December 31, 2020		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$ 282,635	-	-
1 to 30 days past due	12,767	-	-
30 to 180 days past due	2,273	7.66%	174
More than 180 days past due	-	-	-
	$ 297,675		174

	December 31, 2019		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$ 274,795	-	-
1 to 30 days past due	15,016	-	-
30 to 180 days past due	752	20.88%	157
More than 180 days past due	1	100%	1
	$ 290,564		158

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

	2020	2019
Balance on January 1	$ 158	301
Impairment losses recognized	16	20
Amount written off	-	(163)
Balance on December 31	$ 174	158

The Group did not provide any aforementioned notes and accounts receivable as collaterals as of December 31, 2020 and 2019.

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:

	December 31, 2020	December 31, 2019
Associates	$ 630,292	1,698,801

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

	2020	2019
Associates	$ 68,886	65,147

(iii) Details of the material associate are as follows:

Name	Nature of the relationship	Principal place of business/ Country of incorporation	Effective ownership interest and voting right December 31, 2020	Effective ownership interest and voting right December 31, 2019
Taiwan Navigation Co., Ltd. (TNCL)	Entity in which the Group has significant influence and in which its main activities are sea shipping services and construction subcontractor, leasing and sales of commercial and residential buildings	Taiwan	Note	10.406%

Note: The Group had lost its significant influence over TNCL, resulting in its investments accounted for using equity method to be reclassified to financial asset at fair value through other comprehensive income.

The fair value of the shares of the listed material associate of the Group was as follows:

	December 31, 2020	December 31, 2019
TNCL	$ -	770,742

The following table summarizes the information of the Group's material associate adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

1) Summarized financial information of TNCL

	December 31, 2019
Current assets	$ 1,592,523
Non-current assets	13,521,227
Current liabilities	(505,748)
Non-current liabilities	(4,366,773)
Net assets (Attributable to the investee)	$ 10,241,229

	2019
Revenue	$ 3,113,990
Profit from continuing operations	601,096
Other comprehensive income	(237,376)
Total comprehensive income (Attributable to the investee)	$ 363,720

	2020	2019
Group's share of net assets attributable	$ 1,065,702	1,084,304
Total comprehensive income attributable	73,493	37,849
Dividends received by associates	(34,739)	(56,451)
Disposals	(478,179)	-
Reclassification to financial assets at fair value through other comprehensive income	(626,277)	-
Ending balance of net assets attributable	$ -	1,065,702

(iv) Summarized financial information of individually insignificant associates

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

	December 31, 2020	December 31, 2019
Carrying amount of individually insignificant associates' equity	$ 630,292	633,099

	2020	2019
Share of resells attributable to the Group:		
Profit from continuing operations	$ 25,566	2,599
Other comprehensive (loss) income	(24,677)	(11,160)
Comprehensive income	$ 889	(8,561)

(v) The Group disposed part of its investment in TNCL amounting to $358,940, in December 2020, resulting in a loss on disposal of $119,239 to be recognized under losses on disposal of investments.

(vi) The Company and its Group held 10.406% of shares of TNCL for long term equity investments and coordinating shipping business, and the Company obtained one seat of the board of directors. The Group accounted it by using equity method. In accordance with the investing business adjustment of the Group, the Company decided to dispose all of its investment in TNCL after the board of directors had reached a resolution on December 8, 2020. As of December 31, 2020, the shares of TNCL held by the Group had decreased to 5.48%, and the shares held by the Company were also reduced to approximately half of the shares held at the time when the Company was elected as corporate director. Furthermore, the Company will continue to dispose the rest of shares. According to Act 197 of Company Act, in case a director of a company whose shares are issued to the public that has been transferred during his/her term as a director, more than one half of a company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be discharged from the office of director. In light of the above matter, the Group has no intention of retaining any shares in TNCL, therefore, it had lost its significant influence over TNCL in December 2020, resulting in the Group to measure its financial asset with the fair value obtained at the date of losing significant influence amounting to $515,262, previously recognized as investment accounted for using equity method, to be reclassified to financial asset at fair value through other comprehensive income, and to recognize the loss measured at fair value amounting to $111,015, recorded under loss on disposal of investment.

The gain or loss on disposal mentioned above, includes the amount related to the associate, was reclassified from other comprehensive income to gain or loss.

(vii) In 2020 and 2019, the Group was distributed with cash dividends of $38,436 and $78,820, respectively, from the aforementioned investee companies.

(viii) Pledges

As of December 31, 2020, the Group did not provide investment accounted for using equity method as collateral.

As of December 31, 2019, the Group provided investment accounted for using equity method as collateral. Please refer to note (8).

(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, 2020 and 2019 were as follows:

		Land	Buildings and construction	Transportation Equipment	Other equipment	Under construction	Total
Cost or deemed cost:							
Balance on January 1, 2020	$	1,717,868	146,964	18,762,193	611,233	28,220	21,266,478
Additions		-	1,022	52,427	60,360	-	113,809
Disposals		-	(865)	(23,219)	(45,716)	-	(69,800)
Reclassifications		-	192	4,322	(192)	-	4,322
Effect of movements in exchange rates		-	(2,156)	(1,127,353)	-	(1,769)	(1,131,278)
Balance on December 31, 2020	$	1,717,868	145,157	17,668,370	625,685	26,451	20,183,531
Balance on January 1, 2019	$	1,717,114	135,685	19,027,923	558,645	11,795	21,451,162
Additions		754	9,118	154,658	21,884	56,713	243,127
Disposals		-	(2,430)	(19,150)	(11,673)	-	(33,253)
Reclassifications		-	5,434	39,487	42,377	(39,487)	47,811
Effect of movements in exchange rates		-	(843)	(440,725)	-	(801)	(442,369)
Balance on December 31, 2019	$	1,717,868	146,964	18,762,193	611,233	28,220	21,266,478
Depreciation and impairments loss:							
Balance on January 1, 2020	$	-	83,760	7,303,655	329,652	-	7,717,067
Depreciation		-	9,242	831,000	39,313	-	879,555
Disposals		-	(671)	(15,254)	(37,200)	-	(53,125)
Effect of movements in exchange rates		-	(452)	(460,858)	-	-	(461,310)
Balance on December 31, 2020	$	-	91,879	7,658,543	331,765	-	8,082,187
Balance on January 1, 2019	$	-	85,051	6,629,165	297,200	-	7,011,416
Depreciation		-	7,001	861,613	37,219	-	905,833
Disposals		-	(2,397)	(16,477)	(10,494)	-	(29,368)
Reclassifications		-	(5,727)	-	5,727	-	-
Effect of movements in exchange rates		-	(168)	(170,646)	-	-	(170,814)
Balance on December 31, 2019	$	-	83,760	7,303,655	329,652	-	7,717,067
Carrying amounts:							
Balance on December 31, 2020	$	1,717,868	53,278	10,009,827	293,920	26,451	12,101,344
Balance on December 31, 2019	$	1,717,868	63,204	11,458,538	281,581	28,220	13,549,411
Balance on January 1, 2019	$	1,717,114	50,634	12,398,758	261,445	11,795	14,439,746

(i) The pledge information is summarized in note (8).

(ii) The Group disposed of the property, plant and equipment during the years ended December 31, 2020 and 2019 for $13,507 and $7,284, respectively. The cost of aforementioned property, plant and equipment amounted to $16,675 and $3,885, respectively, and the related gain or loss of disposal was a loss of $3,168 and a gain of $3,399, respectively. The registration procedures of the assets transfer have been completed and related receivable have been collected.

(iii) 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 ($886,696 and $946,019 in thousand New Taiwan dollars) as of December 31, 2020 and 2019, respectively.

(iv) The Group recorded the carrying amount of significant repair under property, plant and equipment in 2020 and 2019 for $61,882 and $100,689, respectively.

(v) Operating lease

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 3 years. For all bulk carriers 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:

		Land	Buildings and construction	Total
Cost:				
Balance on January 1, 2020	$	194,468	78,813	273,281
Additions		14,755	-	14,755
Disposal		(41,382)	-	(41,382)
Balance on December 31, 2020	$	167,841	78,813	246,654
Balance on January 1, 2019 (Same balance on December 31, 2019)	$	194,468	78,813	273,281
Accumulated depreciation and impairment losses:				
Balance on January 1, 2020	$	39,345	15,153	54,498
Depreciation		33,285	15,153	48,438
Disposal		(18,341)	-	(18,341)
Balance on December 31, 2020	$	54,289	30,306	84,595
Balance on January 1, 2019	$	-	-	-
Depreciation		39,345	15,153	54,498
Balance on December 31, 2019	$	39,345	15,153	54,498

	Land	Buildings and construction	Total
Carrying Amount:			
Balance on December 31, 2020	$ 113,552	48,507	162,059
Balance on December 31, 2019	$ 155,123	63,660	218,783

(h) Investments 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.

	Owned Property		
	Land	Building	Total
Cost or deemed cost:			
Balance on January 1, 2020	$ 19,094	25,152	44,246
Effect of movements in exchange rates	-	(1,341)	(1,341)
Balance on December 31, 2020	$ 19,094	23,811	42,905
Balance on January 1, 2019	$ 19,094	25,676	44,770
Effect of movements in exchange rates	-	(524)	(524)
Balance on December 31, 2019	$ 19,094	25,152	44,246
Depreciation and impairment losses:			
Balance on January 1, 2020	$ -	8,251	8,251
Depreciation	-	488	488
Effect of movements in exchange rates	-	(369)	(369)
Balance on December 31, 2020	$ -	8,370	8,370
Balance on January 1, 2019	$ -	7,881	7,881
Depreciation	-	508	508
Effect of movements for exchange rates	-	(138)	(138)
Balance on December 31, 2019	$ -	8,251	8,251
Carrying amount:			
Balance on December 31, 2020	$ 19,094	15,441	34,535
Balance on December 31, 2019	$ 19,094	16,901	35,995
Balance on January 1, 2019	$ 19,094	17,795	36,889
Fair Value:			
Balance on December 31, 2020			$ 91,216
Balance on December 31, 2019			$ 112,118

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

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

As of December 31, 2020 and 2019, the investment property of the Group was not pledged as collateral or restricted.

(i) Other financial assets

	December 31, 2020	December 31, 2019
Restricted deposits	$ 67,657	-
Time deposits (over three months)	25,402	58,234
Other receivables	22,272	17,860
Refundable deposits	8,224	5,696
Pledged assets-time deposits	228,355	244,029
	$ 351,910	325,819
Other current financial assets	$ 333,286	304,029
Other non-current financial assets	18,624	21,790
	$ 351,910	325,819

The restricted time deposits are applicable to "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" for the Group in 2020. The restricted time deposits accounts are used for the purpose of offshore funds only.

As of December 31, 2020 and 2019, 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

	December 31, 2020	December 31, 2019
Bank loans	$ 120,000	1,050,000
Commercial paper payable	75,000	480,000
Less: discount on commercial paper payable	(60)	(117)
	$ 194,940	1,529,883
Unused credit lines	$ 3,815,000	2,390,000
Range of interest rate	0.88%~1.208%	0.900%~1.198%

(ii) Long-term loans

Bank	Currency	Due Year	December 31, 2020	December 31, 2019
Mega International Commercial Bank	USD	2021	$ 126,450	269,820
Bank Sinopec	〃	2022	516,659	650,163
Mega International Commercial Bank	〃	2022	189,675	337,275
Bank Sinopec	〃	2023	558,783	694,359
BNP PARIBAS	〃	2026	454,608	535,590
CTBC Bank	〃	2027	666,883	782,148
Mega International Commercial Bank	〃	2027	667,375	777,381
			3,180,433	4,046,736
Current portion			(612,538)	(653,519)
Total			$ 2,567,895	3,393,217
Range of interest rates			0.955%~3.52%	2.65%~4.31%

(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:

	Guarantee bank	Interest rate	Due	December 31, 2020	December 31, 2019
2016					
The first secured bonds payable	Bank of Taiwan	0.88%	March 2021	$ 900,000	900,000
The second secured bonds payable	Mega Bank	1.00%	March 2021	1,400,000	1,400,000
2017					
The first secured bonds payable	Shanghai Commercial Bank	1.13%	April 2020	-	400,000
〃	〃	1.13%	April 2022	400,000	400,000
2020					
The first secured bonds payable	Shanghai Commercial Bank	0.64%	August 2025	500,000	-
〃	〃	0.66%	August 2025	500,000	-
〃	Mega Bank	0.64%	August 2025	1,000,000	-
〃	〃	0.66%	August 2025	500,000	-
				5,200,000	3,100,000
Current portion				(2,300,000)	(400,000)
				$ 2,900,000	2,700,000

(iv) In order to repay its bank loans and bonds payable which were issued previously, as well as to increase its working capital for the requirement of business development, the Company issued secured corporate bonds, which were approved at the Board of Directors' meeting on May 13, 2020. The first secured corporate bonds were released with a period of five years, which amounted to $1,000, at par value, with a total amount of $2,500,000. The bonds were issued at full.

(v) 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 borrowing, please refer to note (8).

(k) Lease liabilities

	December 31, 2020	December 31, 2019
Current	$ 44,533	52,509
Non-current	$ 122,486	169,693

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

The amounts recognized in profit or loss were as follows:

	2020	2019
Interest on lease liabilities	$ 1,907	2,580

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

	2020	2019
Total cash outflow for leases	$ 48,488	53,659

Land and building leases

As of December 31, 2020, the Group leases land and building for its parking space and warehouses. The leases of land typically run for period of 2 to 8 years, and of warehouses for 4 to 6 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:

	December 31, 2020	December 31, 2019
Less than one year	$ 1,021,720	251,707
Between one and five years	15,336	1,794
Total undiscounted lease payments	$ 1,037,056	253,501

The rental income earned by lease investment property amount to $3,932 and $3,978 in 2020 and 2019, respectively.

(m) Employee benefits

(i) Defined benefit plans

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

	December 31, 2020	December 31, 2019
Present value of defined benefit obligations	$ 153,750	177,689
Fair value of plan assets	(122,048)	(136,910)
Recognized liabilities for defined benefit obligations	$ 31,702	40,779

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 $122,048 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:

		2020	2019
Defined benefit obligation on January 1	$	177,689	180,682
Benefits paid by the plan		(23,870)	(6,404)
Benefits paid by the Group		(2,016)	(10,285)
Current service costs and interest		3,647	4,584
Remeasurement of the net defined benefit liability		(1,700)	9,112
Defined benefit obligation on December 31	$	153,750	177,689

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:

		2020	2019
Fair value of plan assets on January 1	$	136,910	125,084
Contributions paid by the employer		3,507	12,259
Benefits paid by the plan		(23,870)	(6,404)
Expected return on plan assets		951	1,136
Remeasurement of the net benefit plan liability (asset)		4,550	4,835
Fair value of plan assets on December 31	$	122,048	136,910

4) Expenses recognized in profit or loss

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

		2020	2019
Service cost	$	2,421	2,930
Interest cost		1,226	1,654
Expected return on plan assets		(951)	(1,136)
	$	2,696	3,448
Operating cost	$	2,025	1,989
Operating expense		671	1,459
	$	2,696	3,448

5) Actuarial assumptions

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

	December 31, 2020	December 31, 2019
Discount rate	0.500%~1.000%	0.750%
Future salary increasing rate	1.000%~3.500%	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, 2019 and 2018 were $0 and $4,444, respectively, and already allocated to the designated labor pansion reserve funds account of Taiwan Bank during year 2020 and 2019.

The expected allocation payment made by the Group to the defined benefit plans for the one year period after the reporting date was $3,507.

The weighted-average duration of the defined benefit obligation between 8.84~10.32 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, 2020 and 2019 were as follows:

	Influences of defined benefit obligation	
	Increased 0.25%	Decreased 0.25%
December 31, 2020		
Discount rate	(2,503)	2,566
Future salary increasing rate	2,511	(2,398)
December 31, 2019		
Discount rate	(2,856)	2,926
Future salary increasing rate	2,878	(2,750)

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 2020 and 2019.

(ii) Defined contribution plans

The Goup 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 $10,856 and $10,148 for the years ended December 31, 2020 and 2019, 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, 2020 and 2019 were $1,303 and $1,286, respectively.

(n) Income taxes

(i) Tax expenses

The components of income tax for the years ended December 31, 2020 and 2019 were as follows:

	2020	2019
Current tax expense	$ 23,412	43,096
Deferred tax expense		
Recognition and reversal of temporary differences	(392)	11,320
Tax expense	**$ 23,020**	**54,416**

The amount of income tax recognized in other comprehensive income for the years ended December 31, 2020 and 2019 was as follows:

	2020	2019
Items that may not be reclassified subsequently to profit or loss		
Remeasurement in defined benefit plans	**$ 1,250**	**(855)**
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign financial statements	**$ (366)**	**(179)**

The reconciliation of income tax and profit before tax for 2020 and 2019 was as follows:

	2020	2019
Profit before income tax	$ 352,059	378,258
Income tax using the Company's domestic tax rate	70,412	75,652
Effect of tax rates in foreign jurisdiction	(20,196)	(57,481)
Dividend revenue-overseas	92,114	26,612
Tax exemption for investment income under the equity method	(13,763)	(13,029)
Surtax unappropriated earnings	-	11,507
Tax-free income	(44,297)	(24)
Realized investment loss	(60,000)	-
Unrecognized temporary differences and other	(1,250)	11,179
	$ 23,020	54,416

(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, 2020 and 2019. 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:

	December 31, 2020	December 31, 2019
Aggregate amount of temporary differences related to investments in subsidiaries	$ 8,159,395	9,045,845
Unrecognized deferred tax liabilities	$ 1,631,879	1,809,169

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2020 and 2019 were as follows:

	Defined benefit Plans	Overseas investment income recognized under the equity method	Land revaluation increment	Others	Total
Deferred tax liabilities:					
Balance on January 1, 2020	$ 1,306	160,487	438,368	7,745	607,906
Recognized in profit or loss	(1,306)	-	-	295	(1,011)
Recognized in other comprehensive income	-	-	-	(366)	(366)
Balance on December 31, 2020	$ -	160,487	438,368	7,674	606,529

Balance on January 1, 2019	$ -	149,899	438,368	7,482	595,749
Recognized in profit or loss	1,306	10,588	-	442	12,336
Recognized in other comprehensive income	-	-	-	(179)	(179)
Balance on December 31, 2019	$ 1,306	160,487	438,368	7,745	607,906

	Defined benefit Plans	Overseas investment income recognized under the equity method	Land revaluation increment	Others	Total
Deferred tax assets:					
Balance on January 1, 2020	$ 10,851	-	-	7,003	17,854
Recognized in profit or loss	(1,675)	-	-	1,056	(619)
Recognized in other comprehensive income	(1,250)	-	-	-	(1,250)
Balance on December 31, 2020	$ 7,926	-	-	8,059	15,985
Balance on January 1, 2019	10,452	-	-	5,531	15,983
Recognized in profit or loss	(456)	-	-	1,472	1,016
Recognized in other comprehensive income	855	-	-	-	855
Balance on December 31, 2019	$ 10,851	-	-	7,003	17,854

(iii) Assessment of tax

The tax returns of the Company and the domestic entities for the years through 2018 were assessed by the tax administration.

(o) Capital and other equities

(i) Ordinary shares

As of December 31, 2020 and 2019, 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 include 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:

	December 31, 2020	December 31, 2019
Gain or loss on disposal of subsidiary	$ 42,503	42,503
Changes in equity of associates for using equity method	10,908	10,908
	$ 53,411	53,411

(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 stockholders' 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 stockholders. The distribution rate is based on the proposal of the Company's board of directors and should be approved in the stockholders' 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 in accordance with Rule No. 1010012865 issued by the Financial Supervisory Commission on 6 April 2012, shall be reclassified as a special reserve during earnings distribution. The carrying amount of special reserve amounted to $359,487 on December 31, 2020 and 2019.

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

3) Earnings distribution

Based on the resolutions of the annual stockholders' meeting held on May 13, 2020 and June 18, 2019, the earning distributions to ordinary shareholders for the fiscal years 2019 and 2018 were as follows:

	2019	2018
Dividends distributed to ordinary shareholders		
Cash	$ 157,988	315,975

(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
January 1, 2020	$ (541,143)	5,453	(535,690)
The Company and its subsidiaries	(614,306)	248,330	(365,976)
Associates	729	16,945	17,674
December 31, 2020	$ (1,154,720)	270,728	(883,992)
January 1, 2019	$ (263,496)	(15,387)	(278,883)
The Company and its subsidiaries	(243,194)	22,158	(221,036)
Associates	(34,453)	(1,318)	(35,771)
December 31, 2019	$ (541,143)	5,453	(535,690)

(p) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share at December 31, 2020 and 2019 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

	2020	2019
Profit attributable to ordinary shareholders of the Company	$ 329,039	323,842

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

	2020	2019
Weighted-average number of ordinary shares (basic)	197,485	197,485

3) Basic earnings per share (NTD)

	2020	2019
Basic earnings per share	$ 1.67	1.64

(ii) Diluted earnings per share

The calculation of diluted earnings per share at December 31, 2020 and 2019 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)

	2020	2019
Profit attributable to ordinary shareholder of the Company	$ 329,039	323,842

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

	2020	2019
Number of ordinary shares (basic), Jan 1	197,485	197,485
Effect on the employee stock bonuses	138	168
Weighted-average number of ordinary shares (diluted), September 30	197,623	197,653

3) Diluted earnings per share (NTD)

	2020	2019
Diluted earnings per share	$ 1.66	1.64

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	2020				
		Inland trucking and terminal & logistics department	Shipping department	Others	Total
Primary geographical markets					
Asia	$	1,490,667	-	37,738	1,528,405
America		-	37,751	5,600	43,351
Europe		-	1,080,266	-	1,080,266
Oceania		-	479,093	-	479,093
	$	1,490,667	1,597,110	43,338	3,131,115

	2019				
		Inland trucking and terminal & logistics department	Shipping department	Others	Total
Primary geographical markets					
Asia	$	1,829,819	-	34,490	1,864,309
Europe		-	1,347,814	-	1,347,814
Oceania		-	550,602	-	550,602
	$	1,829,819	1,898,416	34,490	3,762,725

(ii) Contract balances

		December 31, 2020	December 31, 2019	January 1, 2019
Notes and accounts receivable (including related parties)	$	297,675	290,564	303,194
Less: allowance for impairment		(174)	(158)	(301)
Total	$	297,501	290,406	302,893
Contract liabilities	$	34,136	19,327	19,472

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

The amounts of revenue recognized for the years ended December 31, 2020 and 2019 that were included in the contract liability balance at the beginning of the period were $19,327 and $19,472, 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:

	2020	2019
Bank loan	$ 88,630	180,679
Bonds payable	59,708	53,785
Lease liabilities	1,907	2,580
	$ 150,245	237,044

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

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

For the years ended December 31, 2020 and 2019, the Company recognized its employee compensation of $3,394 and $3,653, respectively, and its directors'and supervisors'remuneration of $3,394 and $3,653, respectively. The employee compensation and directors' and supervisors'remuneration were recorded as operation expenses and were estimated based on the net profit before tax, excluding the employee compensation, and director's and supervisors' remuneration of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. If there is difference between the aforementioned distribution approved in the board of directors and the estimation, it will be deal with changes in accounting estimation, and will be recognized in profit or loss next year.

For the years ended December 31, 2019 and 2018, the Company recognized its employee compensation of $3,653 and $5,509, respectively, and its directors'and supervisors'remuneration of $3,653 and $5,509, respectively. There was no difference between the aforementioned distribution approved in the board of directors and the estimation in the 2019 and 2018 consolidated financial statements. Relative information is available on the MOPS.

(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, 2020 and 2019, the maximum amount exposed to credit risk amounted to $6,423,466 and $4,353,009, respectively.

The aggregation of sales to the Group's major customers exceeding 10% of the Group's total sales accounted for 38% and 47% of the total net sales for the years ended December 31, 2020 and 2019, respectively. In order to reduce credit risk, the Group assesses the financial status of the customers and the possibility of collection of receivables in order to estimate an adequate allowance for doubtful accounts on a regular basis. The customers have had a good credit and profit record. The Group has never suffered any significant credit loss.

2) Credit risk of Receivables

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

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

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

(ii) Liquidity Risk

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

	Carrying Amount	Contractual cash flows	Within 1 year	1 ~ 2 years	Over 2 years
December 31, 2020					
Non-derivative financial liabilities:					
Short-term borrowings	$ 194,940	(195,000)	(195,000)	-	-
Secured bank loans	3,180,433	(3,180,433)	(612,538)	(754,054)	(1,813,841)
Notes and accounts payable	166,033	(166,033)	(166,033)	-	-
Lease liabilities	167,019	(170,511)	(46,006)	(43,873)	(80,632)
Bonds payable	5,200,000	(5,200,000)	(2,300,000)	(400,000)	(2,500,000)
Accrued expenses and other payables (recorded as other payables)	138,795	(138,795)	(138,795)	-	-
	$ 9,047,220	(9,050,772)	(3,458,372)	(1,197,927)	(4,394,473)
December 31, 2019					
Non-derivative financial liabilities:					
Short-term borrowings	$ 1,529,883	(1,530,000)	(1,530,000)	-	-
Secured bank loans	4,046,736	(4,046,736)	(653,519)	(653,519)	(2,739,698)
Notes and accounts payable	239,126	(239,126)	(239,126)	-	-
Lease liabilities	222,202	(227,582)	(54,527)	(88,338)	(84,717)
Bonds payable	3,100,000	(3,100,000)	(400,000)	(2,300,000)	(400,000)
Accrued expenses and other payables (recorded as other payables)	180,638	(180,638)	(180,638)	-	-
	$ 9,318,585	(9,324,082)	(3,057,810)	(3,041,857)	(3,224,415)

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

(iii) Exchange rate risk

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

(iv) Interest Rate analysis

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

If the interest rate had increased or decreased by 0.25%, the net profit before tax would have decrease or increased for the years ended December 31, 2020 and 2019 as follows:

	2020	2019
Increased 0.25%	$ (6,284)	(12,782)
Decreased 0.25%	6,284	12,782

(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.

	December 31, 2020				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative current financial assets mandatorily at fair value through profit or loss	$ 634,690	634,690	-	-	634,690
Non-derivative non-current financial assets mandatorily at fair value through profit or loss	89,817	64,855	-	24,961	89,816
Domestic listed stocks under private placement	119,098	-	119,098	-	119,098
	843,605				

Financial assets at fair value through other comprehensive income					
Domestic listed stocks	1,188,476	1,188,476	-	-	1,188,476
Financial assets measured at amortized cost					
Cash and cash equivalents	3,741,974	-	-	-	-
Restricted deposit	67,657	-	-	-	-
Time deposits (over three months)	25,402	-	-	-	-
Notes and accounts receivable (including related parties)	297,501	-	-	-	-
Other receivables	22,272	-	-	-	-
Guarantee deposits	6,874	-	-	-	-
Pledged assets-time deposits	229,705	-	-	-	-
	4,391,385				
Total	**$ 6,423,466**				
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 194,940	-	-	-	-
Long-term borrowings	3,180,433	-	-	-	-
Notes and accounts payable	166,033	-	-	-	-
Lease liabilities	167,019	-	-	-	-
Bonds payable	5,200,000	-	5,200,000	-	5,200,000
Accrued expenses and other payables (recorded as other payables)	138,795	-	-	-	-
Total	**$ 9,047,220**				

	December 31, 2019				
		Fair Value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Non-derivative current financial assets mandatorily at fair value through profit or loss	$ 14,050	14,050	-	-	14,050
Non-derivative non-current financial assets mandatorily at fair value through profit or loss	88,508	62,963	-	25,545	88,508
Domestic listed stocks under private placement	31,046	-	31,046	-	31,046
	133,604				

Financial assets at fair value through other comprehensive income					
Domestic listed common stock	315,134	315,134	-	-	315,134
Financial assets measured at amortized cost					
Cash and cash equivalents	3,288,046	-	-	-	-
Time deposits (over three months)	58,234	-	-	-	-
Notes and accounts receivable (including related parties)	290,406	-	-	-	-
Other receivables	17,860	-	-	-	-
Guarantee deposits	5,696	-	-	-	-
Pledged assets-time deposits	244,029	-	-	-	-
	3,904,271				
Total	$ 4,353,009				
Financial liabilities at amortized cost					
Short-term borrowings	$ 1,529,883	-	-	-	-
Long-term borrowings	4,046,736	-	-	-	-
Notes and accounts payable	239,126	-	-	-	-
Lease liabilities	222,202	-	-	-	-
Bonds payable	3,100,000	-	3,100,000	-	3,100,000
Accrued expenses and other payables (recorded as other payables)	180,638	-	-	-	-
Total	$ 9,318,585				

2) Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

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

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

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

B. Derivative financial instruments

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

3) Transfers between Level 1 and Level 2

There was no transfer from Level 1 to Level 2 of fair value of the asset during the years ended December 31, 2020 and 2019.

4) Statement of changes in level 3

	Measured of fair value through profit or loss
	Non-derivative mandatorily measured at fair value through profit or loss
Balance on January 1, 2020	$ 25,545
Proceeds of capital reduction of investment	(5,500)
Gains or losses:	
Recognized in profit or loss	4,916
Balance on December 31, 2020	$ 24,961
Balance on January 1 2019	$ 25,788
Gains or losses:	
Recognized in profit or loss	(243)
Balance on December 31, 2019	$ 25,545

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

(u) Financial risk management

(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.

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, 2020 and 2019.

(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, 2020 and 2019, the Group's debt-to-assets ratio at the end of the reporting date was as follows:

	December 31, 2020	December 31, 2019
Total liabilities	$ 9,733,903	10,022,256
Total assets	19,483,837	19,956,619
Debt-to-equity ratio	50%	50%

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

(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, 2020 and 2019.

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2020	Cash flows	Others	Non-cash changes Foreign exchange movement	December 31, 2020
Short-term borrowings	$ 1,529,883	(1,334,943)	-	-	194,940
Long-term borrowings	4,046,736	(643,754)	-	(222,549)	3,180,433
Bonds payable	3,100,000	2,100,000	-	-	5,200,000
Lease liabilities	222,202	(46,581)	(8,602)	-	167,019
Guarantee deposits (recorded as other non-current liabilities-others)	961	(293)	-	-	668
Total liabilities from financial activities	$ 8,899,782	74,429	(8,602)	(222,549)	8,743,060

	January 1, 2019	Cash flows	Non-cash changes Foreign exchange movement	December 31, 2019
Short-term borrowings	$ 939,753	590,130	-	1,529,883
Long-term borrowings	5,141,068	(1,001,471)	(92,861)	4,046,736
Bonds payable	3,100,000	-	-	3,100,000
Lease liabilities	273,281	(51,079)	-	222,202
Guarantee deposits (recorded as other non-current liabilities-others)	608	353	-	961
Total liabilities from financial activities	$ 9,454,710	(462,067)	(92,861)	8,899,782

(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:

Name of related party	Relationship with the Group
AGCMT GROUP LTD.	The parent company
Associated International INC. (AII)	The entity with significant influence over the Group
Associated Development INC. (ADI)	A subsidiary of AII
CMT Development INC. (CMD)	A subsidiary of AII
ASSOCIATED INTERNATIONAL (HONG KONG) LIMITED	Substantial related party

(b) Significant related party transactions

(i) Freight revenue

The Group has no significant transaction amount with related parties.

(ii) Logistic and agent revenue

The amounts of significant sales transactions and accounts receivable between the

Group and its related parties were as follows:

	Revenue		Accounts Receivable-related-parties	
	2020	2019	December 31, 2020	December 31, 2019
The entities with significant influence over the Group	$ 62,324	58,593	11,864	16,873

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. Amounts receivable from related parties were uncollateralized, and no expected credit loss were required after the assessment by the management.

(iii) Operating expense

	Operating expense	
	2020	2019
The entities with significant influence over the Group	$ 6,582	6,840
Others	8,225	8,519
	$ 14,807	15,359

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.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2020	2019
Short-term employee benefits	$ 56,163	55,070
Post-employment benefits	1,015	11,257
	$ 57,178	66,327

(8) Pledged assets

The carrying values of pledged assets were as follows:

Assets	Subject	December 31, 2020	December 31, 2019
Investments accounted for using equity method – stock	Commercial paper payable – and short-term loans and credit lines	$ -	296,973
Financial assets at fair value through other comprehensive income – stock	Commercial paper payable – and short-term loans and credit lines	352,660	92,950
Financial assets at fair value through profit or loss – stock	Short-term borrowings and credit lines of loans	56,355	-
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 and credit lines	8,004,473	9,097,270
Other current financial assets (pledged assets-time deposit)	Long-term borrowings	217,955	227,935
Other non-current financial assets (refundable deposits and pledged assets-time deposits)	Guarantee for construction payment, warehouse deposits, short-term borrowings and import duty	18,624	21,790
		$ 9,549,403	10,636,254

(9) Commitments and contingencies

(a) The Group had issued guarantee promissory notes amounting to $5,647,160 and 3,130,960 as of December 31, 2020 and 2019, respectively, as guarantee for bonds payable.

(b) As of December 31, 2020, the Group still had several long-term leases of its ships with customers in effect. The ending periods of the contracts are from March 2021 to April 2022.

(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	2020			2019		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	396,255	214,938	611,193	413,510	212,858	626,368
Labor and health insurance	10,591	16,663	27,254	9,623	16,572	26,195
Pension	5,696	9,159	14,855	5,087	9,795	14,882
Others	24,415	8,536	32,951	27,125	9,581	36,706
Depreciation (Note)	915,174	13,167	928,341	950,560	10,139	960,699
Amortization	-	3,211	3,211	-	3,185	3,185

Note: excluding the deduction of rental income of $140 both for the years ended December 31, 2020 and 2019.

(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, 2020:

(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	CMT HK	CPN	Other receivable due from related parties	Y	96,102	96,102	96,102	-	2	-	Operating	-		-	8,871,403	8,871,403	Transactions in the left column had been eliminated during the preparation of consolidated financial statements
1	CMT HK	CHN	〃	Y	140,500	140,500	140,500	-	2	-	〃	-		-	8,871,403	8,871,403	〃
1	CMT HK	CPD	〃	Y	42,394	-	-	-	2	-	〃	-		-	8,871,403	8,871,403	〃
1	CMT HK	CPC	〃	Y	295,050	252,900	252,900	-	2	-	〃	-		-	8,871,403	8,871,403	〃
1	CMT HK	CHM	〃	Y	313,596	313,596	313,596	-	2	-	〃	-		-	8,871,403	8,871,403	〃
1	CMT HK	CPG	〃	Y	365,300	365,300	365,300	-	2	-	〃	-		-	8,871,403	8,871,403	〃
1	CMT HK	CTD	〃	Y	703,905	703,905	703,905	-	2	-	〃	-		-	8,871,403	8,871,403	〃
1	CMT HK	CTU	〃	Y	661,755	661,755	661,755	-	2	-	〃	-		-	8,871,403	8,871,403	〃
2	ATI	HIL	〃	Y	10,000	-	-	1.20%	1	113,344	〃	-		-	113,344	246,855	〃
2	ATI	CST	〃	Y	50,000	-	-	1.20%	2	-	〃	-		-	246,855	246,855	〃
2	ATI	APT	〃	Y	54,000	38,000	38,000	1.20%	1	118,050	〃	-		-	118,050	246,855	〃
2	ATI	PTL	〃	Y	22,000	14,000	14,000	1.20%	1	55,279	〃	-		-	55,279	246,855	〃

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.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company	Limitation on amount of guarantees and endorsements for a specific enterprise (note2, note3)	Highest balance for guarantees and endorsements during the period (note 4)	Balance of guarantees and endorsements as of reporting date (note 4)	Actual usage amount during the period (note 4)	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
0	THE COMPANY	ATI	Subsidiary	14,624,901	100,000	-	-	-	- %	14,624,901	Y	-	-
0	〃	CTU	Sub-subsidiary	14,624,901	632,250	252,900	126,450	-	2.59%	14,624,901	Y	-	-
0	〃	CTD	Sub-subsidiary	14,624,901	632,250	252,900	189,675	-	2.59%	14,624,901	Y	-	-
0	〃	CFR	Sub-subsidiary	14,624,901	1,249,045	1,249,045	558,783	-	12.81%	14,624,901	Y	-	-
0	〃	CPN	Sub-subsidiary	14,624,901	1,264,500	1,264,500	516,659	-	12.97%	14,624,901	Y	-	-
1	CMT HK	CHN	Subsidiary	13,307,104	851,149	698,004	667,375	-	7.16%	13,307,104	-	-	-
1	〃	CEP	Subsidiary	13,307,104	898,636	898,638	666,884	-	9.22%	13,307,104	-	-	-
1	〃	CHM	Subsidiary	13,307,104	916,622	916,622	454,608	-	9.40%	13,307,104	-	-	-
1	〃	THE COMPANY	Parent company	13,307,104	3,653	3,653	3,653	-	0.04%	13,307,104	-	Y	-

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

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

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

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest balance during the period Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	percentage of ownership (%)	Fair value / net value		
THE COMPANY	Yang Ming Marine Transport Corporation	-	Non-current financial assets at fair value through profit or loss	4,798	119,098	0.18 %	119,098	0.18%	
〃	Asia Pacific Emerging Industry Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	1,950	24,961	2.78 %	24,961	2.78%	
〃	Taiwan Navigation Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	24,420	515,262	5.85 %	515,262	5.85%	
HIL	CHINA CONTAINER TERMINAL CORP.	-	Non-current financial assets at fair value through other comprehensive income	23,788	544,745	16.03 %	544,745	16.03%	
〃	SEA & LAND INTERATED CORP.	-	Non-current financial assets at fair value through profit or loss	3,187	64,856	4.07 %	64,856	7.05%	
〃	DIMERCO EXPRESS	-	Current financial assets at fair value through profit or loss	3,285	217,795	2.61 %	217,795	2.61%	
MHI	DIMERCO EXPRESS	-	Ccurrent financial assets at fair value through profit or loss	6,288	416,895	4.99 %	416,895	4.99%	
〃	CHINA CONTAINER TERMINAL CORP.	-	Non-current financial assets at fair value through other comprehensive income	5,610	128,469	3.78 %	128,469	3.78%	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
THE COMPANY	ATI	Subsidiary	Freight cost	528,595	96%	Depending on the demand for funding of subsidiaries	-		(56,450)	(97)%	Note 1
ATI	THE COMPANY	Subsidiary	Freight revenue	(528,595)	(50)%	〃	-		56,450	30%	〃
CST	ATI	Subsidiary	Freight revenue	(113,294)	(99)%	〃	-		21,552	100%	〃
ATI	CST	Subsidiary	Freight cost	113,294	12%	〃	-		(21,552)	(14)%	〃
MHT	ATI	Subsidiary	Freight revenue	(100,434)	(99)%	〃	-		17,314	100%	〃
ATI	MHT	Subsidiary	Freight cost	100,434	11%	〃	-		(17,314)	(11)%	〃
APT	ATI	Subsidiary	Freight revenue	(122,524)	(100)%	〃	-		13,367	100%	〃
ATI	APT	Subsidiary	Freight cost	122,524	13%	〃	-		(13,367)	(9)%	〃

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

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
CMT HK	CTD	Subsidiary	703,905	Note1	-		-	-	Note 2
〃	CTU	Subsidiary	661,755	〃	-		-	-	〃
〃	CHM	Subsidiary	313,596	〃	-		-	-	〃
〃	CPC	Subsidiary	252,900	〃	-		-	-	〃
〃	CHN	Subsidiary	140,500	〃	-		-	-	〃
〃	CPG	Subsidiary	365,300	〃	-		-	-	〃

Note1: Accounts receivable from related parties are not applies for turnover rate.
Note2: Transactions in the left column had been eliminated during the preparation of the consolidated financial statements.

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	ATI	THE COMPANY	2	Operating revenues	528,595	Price depends on the market, and the receivables depend on funding demand in the credit period	16.88%
2	CST	ATI	3	Operating revenues	113,294	〃	3.62%
4	APT	ATI	3	Operating revenues	122,524	〃	3.91%
5	MHT	ATI	3	Operating revenues	100,434		3.21%
6	CMT HK	CTD	3	Other receivables	703,905	-	3.61%
6	CMT HK	CTU	3	〃	661,755	-	3.40%
6	CMT HK	CHM	3	〃	313,596	-	1.61%
6	CMT HK	CPC	3	〃	252,900	-	1.30%
6	CMT HK	CHN	3	〃	140,500	-	0.72%
6	CMT HK	CPG	3	〃	365,300	-	1.87%

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 for the year ended December 31, 2020:

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

Name of investor	Name of investee	Location	Main Businesses and Products	Original Investment Amount December 31, 2020	Original Investment Amount December 31, 2019	Balance as of December 31, 2020 Shares (thousands)	Balance as of December 31, 2020 Percentage of Ownership	Balance as of December 31, 2020 Carrying Value	The highest holdings in the period Percentage of Ownership (%)	Net Income (Losses) of the Investee	Share of profits/losses of investee	Note
The Company	CMTS	Singapore	Investment holding of ship-owning companies	4,282	4,282	217	0.34%	4,898	0.34%	(904)	(3)	Note1、Note4
〃	CMT HK	Hong Kong	Investment holding of ship-owning companies	34,356	34,356	12,000	100%	8,871,403	100%	101,034	101,034	〃
〃	CMTL	Taiwan	Warehouse management	734,058	689,558	23,650	100%	1,098,956	100%	42,531	42,531	〃
〃	AGMI	〃	Investment	1,000	1,000	100	100%	969	100%	(45)	(45)	〃
〃	HIL	〃	〃	685,000	785,000	68,500	100%	1,043,302	100%	59,356	59,356	〃
〃	MHI	〃	〃	271,300	101,300	27,130	100%	547,896	100%	224,931	224,931	〃
〃	ATI	〃	Container trucking	500,000	500,000	50,000	100%	617,139	100%	33,381	33,381	〃
〃	TNCL	〃	Bulk-carrier transportation	Note 5	1,007,412	Note 5	- %	Note 5	7.459%	Note 5	31,920	Note5
〃	CMTTSL	〃	Travel	20,000	20,000	2,000	100%	4,247	100%	(1,514)	(1,514)	Note1、Note4
〃	TGEM	〃	Bulk-carrier transportation	601,200	601,200	61,623	12%	605,622	12%	243,945	29,273	Note2
〃	UNH	〃	Gasoline international trade	-	1,000	-	- %	-	100%	(34)	(34)	Note1、Note4
〃	UHD	〃	Investment	-	1,000	-	- %	-	100%	(34)	(34)	〃
〃	AGM	〃	Automobile and its parts manufacturing	30,000	30,000	3,000	30%	24,670	30%	(12,357)	(3,707)	Note2
CMTS	CFR	Singapore	Bulk-carrier transportation	646,300	646,300	29,900	100%	703,988	100%	243	Has been recognized as investment incomes(losses) by CMTS	Note1、Note3、Note4
〃	CEP	〃	〃	649,110	649,110	23,100	100%	649,551	100%	3,931	〃	〃
CMT HK	CPS	Hong Kong	Bulk-carrier transportation	56,200	56,200	2,000	100%	56,415	100%	(56)	Has been recognized as investment incomes(losses) by CMT HK	〃
〃	CPG	〃	〃	168,600	168,600	6,000	100%	187,223	100%	23,135	〃	〃
〃	CPC	〃	〃	154,550	154,550	5,500	100%	178,818	100%	(422)	〃	〃
〃	CHT	〃	Bulk-chartering services	281	281	10	100%	5,320	100%	(115)	〃	〃
〃	CPN	〃	Bulk-carrier transportation	674,400	674,400	240	100%	753,703	100%	29,885	〃	〃
〃	CPD	〃	〃	1,180,200	1,180,200	420	100%	1,154,209	100%	(11,464)	〃	〃
〃	CTD	〃	〃	365,300	365,300	13,000	100%	356,194	100%	(28,757)	〃	〃
〃	CTU	〃	〃	365,300	365,300	13,000	100%	417,454	100%	37,509	〃	〃
〃	CHM	〃	〃	421,500	421,500	150	100%	422,570	100%	39,156	〃	〃
〃	CHN	〃	〃	421,500	421,500	150	100%	418,807	100%	33,606	〃	〃
〃	CHI	〃	Investment management	281	281	0.1	100%	(510)	100%	(158)	〃	〃
〃	CIM	〃	〃	28,100	28,100	10	100%	28,751	100.00%	240	〃	〃
〃	CMTS	Singapore	Investment holding of ship-owning companies	1,331,940	1,331,940	62,918	99.66%	1,435,690	99.66%	(904)	〃	〃
HIL	TNCL	Taiwan	Bulk-carrier transportation	-	321,956	Note 6	- %	Note 6	2.947%	Note 6	-	Note 6
ATI	CST	〃	Container trucking	86,642	86,642	8,200	100%	94,868	100%	2,767	Has been recognized as investment incomes(losses) by ATI	Note1、Note4
〃	HYT	〃	〃	28,932	28,932	3,000	100%	31,838	100%	(3,148)	-	〃
〃	MHT	〃	〃	30,568	30,568	3,000	100%	54,850	100%	11,672	-	〃
〃	APT	〃	〃	30,719	30,719	3,000	100%	38,446	100%	2,368	-	〃
〃	PTL	〃	〃	30,000	30,000	3,000	100%	26,125	100%	(2,817)	-	〃

Note1: Subsidiaries controlled by the parent company.
Note2: Investees affected by the comprehensive shareholdings of the Group.
Note3: The amount was translated to the NTD at the exchange rates at the reporting date.
Note4: The account had been written off during the preparation of the consolidated financial statements.
Note5: A part of shares had been disposed in December 2020, resulting in the investment to be reported as current financial assets at fair value through other comprehensive income. Please refer to Note 6(5.)
Note6: All shares were disposed in 2020.

(c) Information on investment in mainland China: None

(d) Major shareholders:

Shareholder's Name	Shares	Percentage
AGCMT GROUP LTD.	79,685,475	40.35%
Associated International INC. (AII)	42,924,297	21.73%

(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.

	2020				
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	$ 1,490,667	1,597,110	43,338	-	3,131,115
Intersegment revenue	-	-	-	-	-
Total revenues	$ 1,490,667	1,597,110	43,338	-	3,131,115
Segment income before tax	$ 18,726	153,528	11,110	(11,853)	171,511
Reportable segment assets					$ 19,483,837

	2019				
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	$ 1,829,819	1,898,416	34,490	-	3,762,725
Intersegment revenue	-	-	-	-	-
Total revenues	$ 1,829,819	1,898,416	34,490	-	3,762,725
Segment income before tax	$ 67,243	388,479	3,929	-	459,651
Reportable segment assets					$ 19,956,619

(c) Entity-wide information

(i) The Group's industrial information is the same as the one 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:

Continent	2020	2019
Asia	$ 1,528,405	1,864,309
America	43,351	-
Europe	1,080,266	1,347,814
Oceania	479,093	550,602
	$ 3,131,115	3,762,725

2) Non-current Assets:

Country	2020	2019
Taiwan	$ 2,476,149	2,575,095
Hong Kong	7,476,849	8,541,061
Singapore	2,390,318	2,708,318
	$ 12,343,316	13,824,474

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 income of 2020 and 2019 are summarized as follows:

		2020		2019	
Customer	Nature of services	Amount	%	Amount	%
F Company	Vessel transportation	$ 479,092	15	550,602	15
A Company	Container transportation	454,389	15	738,508	20
R Company	Vessel transportation	375,744	12	330,962	9
S Company	Vessel transportation	345,957	11	463,144	12
		$ 1,655,182	53	2,083,216	56

6.5 Parent Company-only Financial Statements for the Last Fiscal Year

Independent Auditors' Report

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

Opinion

We have audited the financial statements of CHINESE MARITIME TRANSPORT LTD. ("the Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the 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 financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, 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 in another entity accounted for using the equity method of the Company. 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 in the Company accounted for using the equity method constitutes 7.22% of total assets at December 31, 2019. The related share of profit of associates accounted for using the equity method constitutes 17.47% of total profit before tax for the year ended December 31, 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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:

1. Recognition of freight revenue–container hauling

   Please refer to Note (4)(o) for the accounting policy of “Revenue” and to Note (6)(n) “Revenue from contracts with customers” for information details.

Description of key audit matters:

The main activities of the Company are container hauling and related business. Freight revenue container hauling is one of the significant items in the financial statements, and the amounts and changes may affect the users’understanding on the entire financial statements. Therefore, the testing over freight revenue container hauling recognition is considered a key matter in our audit.

Audit Procedure:

Our principal audit procedures included testing related controls over sale and receipts cycle, executing the confirmation process used to examine accounts receivable and revenue of major customers, and evaluating if the Company’s timing of revenue recognition is accurate in accordance with related accounting standards.

2. Freight revenue–vessel chartering, using equity method investment, subsidiary

   Please refer to Note (4)(h) for the accounting policy of “Investments in subsidiary”, and to Note (6)(d) for “Investments accounted for using equity method”.

Description of key audit matters:

The main activity of some of the subsidiaries, accounted for using equity method investment, is operating bulk carrier. Freight revenue vessel chartering is one of the significant items in the 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 recognition is considered a key matter in our audit.

Audit procedure:

Our principal audit included testing related controls over sale and receipts cycle of those subsidiaries, which are investments using equity method, executing substantive analytical procedures of freight revenue-vessel chartering, assessing contract liabilities, and evaluating if the timing of revenue recognition for freight revenue, vessel chartering, is accurate in accordance with related accounting standards.

3. Assessment of impairment on property, plant and equipment, using equity method investment, subsidiary

   Please refer to Note (4)(j) and Note (4)(m) for the accounting policies of impairment assessment of property, plant and equipment; Note (5)(a) for the assumptions and estimation uncertainty of impairment assessment of property, plant andequipment; and Note (6)(f) for the related disclosure of property, plant and equipment.

Please refer to Note (4)(h) for the accounting policy of “Investment in subsidiary” and Note (6)(d) for “Investments accounted for using equity method.

Description of key audit matters:

The main activities of the Company and the subsidiaries, accounted for using equity method investment, are bulk carrier operation, domestic container hauling and storage, and related business. The industry of the Company is affected by the variability of global economy and the highly competitive environment of shipping market, causing a drastic profit change in the shipping industry and posing a potential risk of impairment of transportation equipment of property, plant and equipment. Therefore, assessing whether the asset impairment incurs and conducting a test over impairment are considered key matters of our audit.

Audit procedure:

Our principal audit procedures included: understanding and assessing the related policies, internal control and processing procedure of impairment assessment of the Company; evaluating the reasonability of discounting rate and external source information about estimating future cash flows, including reviewing the information source of the estimation; examining the input numbers of valuation model and equation, as well as recalculating and checking the correctness of the valuation model.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Supervisors) are responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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 auditing standards generally accepted in 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 financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 Company’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 Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the 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 auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evdience regarding investment subsidiary using equity method to express an opinion on the financial statements. We are reponsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ 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 Jui-Lan Lo.

KPMG

Taipei, Taiwan (Republic of China)
March 19, 2021

CHINESE MARITIME TRANSPORT LTD.
Balance Sheets
December 31, 2020 and 2019
(Expressed in thousands of New Taiwan Dollars)

	Assets	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note (6)(a))	$ 1,056,739	7	328,263	2
1150	Notes and accounts receivable, net (note (6)(d))	88,490	1	177,086	1
1470	Other current assets	17,666	-	6,276	-
1476	Other current financial assets (notes (6)(h) and (8))	86,555	-	514	-
		1,249,450	8	512,139	3
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	144,059	2	56,591	-
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	515,262	3	-	-
1550	Investments accounted for using equity method, net (note (6)(e))	12,819,102	84	13,642,006	93
1600	Property, plant and equipment (notes (6)(f) and (8))	513,496	3	509,573	4
1760	Investment property, net (note (6)(g))	20,105	-	20,173	-
1780	Intangible assets	9,798	-	11,659	-
1840	Deferred tax assets (note (6)(l))	2,503	-	3,976	-
1900	Other non-current assets	30,558	-	1,800	-
1980	Other non-current financial assets (notes (6)(h) and (8))	5,456	-	5,456	-
		14,060,339	92	14,251,234	97
	Total assets	$ 15,309,789	100	14,763,373	100

	Liabilities and Equity	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note (6)(i))	$ -	-	1,299,883	9
2150	Notes and accounts payable	1,980	-	3,690	-
2181	Accounts payable to related parties (note (7))	56,450	-	107,019	1
2300	Other current liabilities (note (7))	69,000	-	77,983	-
2322	Long-term borrowings, current portion (note (6)(i))	2,300,000	15	400,000	3
		2,427,430	15	1,888,575	13
	Non-Current liabilities:				
2530	Bonds payable (note (6)(i))	2,900,000	19	2,700,000	18
2570	Deferred tax liabilities (note (6)(l))	230,518	2	230,872	2
2640	Net defined benefit liabilities, non-current (note (6)(k))	1,499	-	9,155	-
2670	Other non-current liabilities, others	408	-	408	-
		3,132,425	21	2,940,435	20
	Total liabilities	5,559,855	36	4,829,010	33
	Equity (note (6)(m)):				
3100	Common stock	1,974,846	13	1,974,846	14
3200	Capital surplus	53,411	-	53,411	-
	Retained earnings:				
3310	Legal reserve	1,747,570	12	1,715,537	12
3320	Special reserve	535,690	4	359,487	2
3350	Unappropriated earnings	6,322,409	41	6,366,772	43
		8,605,669	57	8,441,796	57
3400	Other equity interest	(883,992)	(6)	(535,690)	(4)
	Total equity	9,749,934	64	9,934,363	67
	Total liabilities and equity	$ 15,309,789	100	14,763,373	100

(English Translation of Financial Statements Originally Issued in Chinese)

CHINESE MARITIME TRANSPORT LTD.

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan dollars , Except earnings per share)

		2020 Amount	%	2019 Amount	%
4000	**Operating Revenues (notes (6)(o), and (7))**				
4621	Freight revenue-vessel chartering	$ 55,096	8	61,046	5
4622	Freight revenue-container hauling and logistics	556,353	86	1,219,685	93
4623	Freight revenue-airline agent and others	37,613	6	32,628	2
		649,062	100	1,313,359	100
5000	**Total operating costs** (notes (6)(k), (7) and (12))	553,289	85	1,181,189	90
5900	**Gross profit**	95,773	15	132,170	10
	Operating expenses:				
6000	Operating expenses (notes (6)(k), (q), (7) and (12))	165,682	26	155,850	12
6900	**Net operating loss**	(69,909)	(11)	(23,680)	(2)
	Non-operating income and expenses:				
7010	Other income (notes (6)(b) and (j))	7,887	1	11,950	1
7050	Finance costs-interest expense (note (6)(p))	(70,456)	(11)	(64,261)	(5)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (note (6)(e))	517,089	80	438,270	33
7100	Interest income	1,207	-	3,274	-
7210	Gains (losses) on disposal of property, plant and equipment (note (6)(f))	69	-	(11)	-
7235	Gains on financial assets (liabilities) at fair value through profit or loss(note (6)(b))	92,968	14	(7,585)	-
7225	Losses on disposal of investments, net (note (6)(e))	(146,285)	(22)	-	-
	Total non-operating income and expenses	402,479	62	381,637	29
7900	**Profit (loss) from continuing operations before tax**	332,570	51	357,957	27
7950	**Less: Income tax expenses (note(6)(l))**	3,531	-	34,115	2
	Profit	329,039	51	323,842	25
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans(note(6)(k))	6,566	1	(2,776)	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, items that may not be reclassified to profit or loss	252,844	39	19,549	1
8349	Income tax related to items that will not be reclassified to profit or loss (note(6)(l))	1,313	-	(555)	-
		258,097	40	17,328	1
8360	**Items that may be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(614,672)	(95)	(243,373)	(18)
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, items that will be reclassified to profit or loss	729	-	(34,453)	(3)
8399	Income tax related to items that will be reclassified to profit or loss (note(6)(l))	(366)	-	(179)	-
	Items that may be reclassified to profit or loss	(613,577)	(95)	(277,647)	(21)
8300	**Other comprehensive income**	(355,480)	(55)	(260,319)	(20)
8500	**Total comprehensive income**	**$ (26,441)**	**(4)**	**63,523**	**5**
	Earnings per share (note (6)(n))				
9750	**Basic net income per share (NT dollars)**	**$ 1.67**		**1.64**	
9850	**Diluted net income per share (NT dollars)**	**$ 1.66**		**1.64**	

(English Translation of Financial Statements Originally Issued in Chinese)

CHINESE MARITIME TRANSPORT LTD.

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan dollars)

	Share capital		Retained earnings				Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance at January 1, 2019	$ 1,974,846	53,411	1,664,166	621,623	6,151,652	8,437,441	(263,496)	(15,387)	(278,883)	10,186,815
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	51,371	-	(51,371)	-	-	-	-	-
Special reserve appropriated	-	-	-	(262,136)	262,136	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(315,975)	(315,975)	-	-	-	(315,975)
	-	-	51,371	(262,136)	(105,210)	(315,975)	-	-	-	(315,975)
Net income for the year ended December 31, 2019	-	-	-	-	323,842	323,842	-	-	-	323,842
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	(3,512)	(3,512)	(277,647)	20,840	(256,807)	(260,319)
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	320,330	320,330	(277,647)	20,840	(256,807)	63,523
Balance at December 31, 2019	**1,974,846**	**53,411**	**1,715,537**	**359,487**	**6,366,772**	**8,441,796**	**(541,143)**	**5,453**	**(535,690)**	**9,934,363**
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	32,033	-	(32,033)	-	-	-	-	-
Special reserve appropriated	-	-	-	176,203	(176,203)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(157,988)	(157,988)	-	-	-	(157,988)
	-	-	32,033	176,203	(366,224)	(157,988)	-	-	-	(157,988)
Net income for the year ended December 31, 2020	-	-	-	-	329,039	329,039	-	-	-	329,039
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	(7,178)	(7,178)	(613,577)	265,275	(348,302)	(355,480)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	321,861	321,861	(613,577)	265,275	(348,302)	(26,441)
Balance at December 31, 2020	**$ 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**

(English Translation of Financial Statements Originally Issued in Chinese)

CHINESE MARITIME TRANSPORT LTD.

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	$ 332,570	357,957
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	10,122	9,717
Net loss on financial assets or liabilities at fair value through profit or loss	(92,968)	7,585
Interest expense	70,456	64,261
Interest income	(1,207)	(3,274)
Dividend income	(120)	(336)
Share of loss (profit) of subsidiaries,associates and joint ventures accounted for using equity method	(517,089)	(438,270)
Loss (gain) on disposal of property, plant and equipment	(69)	11
Loss on disposal of investments accounted for using equity method, net	146,285	-
Total adjustments to reconcile profit (loss)	(384,590)	(360,306)
Changes in operating assets:		
Decrease (increase) in notes and accounts receivable (including related parties)	88,596	(2,507)
Decrease (increase) in other current assets	(11,390)	1,870
Decrease (increase) in other financial assets	(18,486)	6,606
	58,720	5,969
Changes in operating liabilities:		
Increase (decrease) in notes and accounts payable	(52,279)	4,448
Decrease in net defined benefit liabilities	(1,090)	(10,337)
Increase (decrease) in other payable and other current liabilities	4,440	(1,182)
	(48,929)	(7,071)
Total changes in operating assets and liabilities	9,791	(1,102)
Total adjustments	(374,799)	(361,408)
Cash inflow used in operations	(42,229)	(3,451)
Interest received	999	3,261
Dividends received	593,391	322,781
Interest paid	(68,497)	(64,019)
Income taxes paid	(18,429)	(7,733)
Net cash flows from operating activities	465,235	250,839
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through profit or loss	5,500	-
Acquisition of investments accounted for using equity method	(414,500)	(350,000)
Proceeds from disposal of investments accounted for using equity method	136,686	-
Proceeds from capital reduction of investments accounted for using equity method	-	19,984
Acquisition of property, plant and equipment (including prepayment for equipment)	(10,936)	(5,220)
Proceeds from disposal of property, plant and equipment	240	98
Increase in other non-current assets	(30,110)	(1,223)
Increase in other current financial assets	(67,657)	-
Decrease in other non-current financial assets	-	215
Other investing activities	1,889	-
Net cash flows used in investing activities	(378,888)	(336,146)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	(1,299,883)	500,046
Proceeds from issuance of bonds	2,500,000	-
Repayments of long-term borrowings	(400,000)	-
Cash dividends paid	(157,988)	(315,975)
Others	-	(108)
Net cash flows from financing activities	642,129	183,963
Net increase in cash and cash equivalents	728,476	98,656
Cash and cash equivalents at beginning of period	328,263	229,607
Cash and cash equivalents at end of period	$ 1,056,739	328,263

(English Translation of Financial Statements Originally Issued in Chinese)

CHINESE MARITIME TRANSPORT LTD.

Notes to the Financial Statements

For the years ended December 31, 2020 and 2019

(expressed in thousands of New Taiwan dollars, 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 main activities of the Company 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 Company also owns investment companies to engage in the business of investment.

(2) Approval date and procedures of the financial statements

These financial statements were authorized for issuance by the board of directors on March 19, 2021.

(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. ("FSC") which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2020:

- Amendments to IFRS 3 "Definition of a Business"
- Amendments to IFRS 9, IAS39 and IFRS7 "Interest Rate Benchmark Reform"
- Amendments to IAS 1 and IAS 8 "Definition of Material"
- Amendments to IFRS 16 "COVID-19-Related Rent Concessions"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2021, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform－Phase 2"

(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 Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS 16 “Property, Plant and Equipmentt－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”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(4) Summary of significant accounting policies

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

(a) Statement of compliance

These financial statement have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

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

1) Financial instruments measured at fair value through profit or loss are measured at fair value;

2) The defined benefit liabilities (assets) are measure 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 Company entities is determined based on the primary economic environment in which the entities operate. The financial statements are presented in New Taiwan Dollar, which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

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).

(c) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Company 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.

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 Company 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 Company 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 planed 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.

(d) 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

(iv) Company 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.

(e) 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.

(f) 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 Company 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; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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.

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 Company 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 Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost, 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.

4) Impairment of financial assets

The Company 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).

The Company 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 Company 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 Company's historical experience and informed credit assessment as well as forward-looking information.

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

The Company 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 Company in full.

The Company 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 Company were considered to have low credit risk because the Company'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 month 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 Company is exposed to credit risk.

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 Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost 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 Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company 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 Company 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 Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company 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.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company 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 Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company 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 Company 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.

(g) Investment in associates

Associates are those entities in which the Company 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 financial statements include the Company'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 Company from the date on which significant influence commences until the date on which significant influence ceases.

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

When the Company'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 Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(h) Investment in subsidiary

When preparing financial statement, the Company used equity method to account for its investments in subsidiary. Under the equity method, the profit and loss and other comprehensive income in financial statement is as same as the profit and loss and other comprehensive income that belongs to parent company equity in financial statement.

Changes in the Company's ownership interest in a subsidiary, do not result in the Company losing control of the subsidiary are equity transactions.

(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.

(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 Company.

(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: 24 ~ 55 years

2) Building improvements: 3~16 years

3) Transportation equipment: 5 ~6 years

4) Furniture, fixtures and other equipment: 1 ~9 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 Company 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 Company assesses whether:

1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

2) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3) the customer has the right to direct the use of the asset throughout the period of use only if either:

- the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or

- the relevant decisions about how and for what purpose the asset is used are predetermined and:

  — the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or

  — the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

(i) As a lessor

When the Company 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 Company 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 Company 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 Company 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 Company possesses is software. The estimated useful lives of computer software is 3~7 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 Company 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.

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 Company 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

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company 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 Company's main types of revenue are explained below.

(i) Freight revenue

Container hauling revenue is recognized when the goods are delivered to the customers' premises; vessel management and commission revenue are recognized when the service is provided.

(ii) 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.

(iii) Financing components

The Company 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 Company 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 the defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company'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 Company, 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 Company 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 Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) 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 Company 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 Company 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 taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, 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 Company has a legally enforceable right to set off currenttax 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.

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; such reductions are reversed when the probability of future taxable profits improves.

(r) Earnings per share

The Company 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

The Company has already provided the operating segments disclosure in the consolidated financial statements.

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

The preparation of the financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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 judgments in applying accounting policies that have significant effect on amount recognized in the financial statements.

The followings are the related information about material risk contained in uncertainty of assumption and estimation which may lead to a material adjustment in the following year:

(a) Impairment assessment of property, plant and equipment

In the process of assessing asset impairment, the Company depends on the subjective judgement of its management, the usage of its asset, and the characteristics of the industry, to make decisions about the independent cash flows of certain asset groups, expected lifetime of the asset, as well as gain and loss that may arise in the future. The potential risk of asset impairment lies in the change in the overall economy, the assumption made by the management, and the future strategic plan of the Company.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

		December 31, 2020	December 31, 2019
Petty cash, checking accounts and demand deposits	$	275,504	318,731
Time deposits		766,670	-
Cash equivalents－commercial paper and reverse repurchase agreement		14,565	9,532

	$ 1,056,739	328,263

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

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

(i) Information is as follow:

	December 31, 2020	December 31, 2019
Non-current financial assets mandatorily measured as at fair value through profit or loss:		
Non-derivative financial instrument		
Domestic listed common shares under private placement	$ 119,098	31,046
Domestic unlisted common shares	24,961	25,545
	$ 144,059	56,591

The gain or loss on financial assets at fair value through profit or loss for the December 31, 2020 and 2019 were a gain of $92,968, and a loss of $7,585, respectively.

During the December 31, 2020 and 2019, the dividends of $120 and $366, respectively, related to debt investment at fair value through profit or loss held were recognized.

The Company did not provide any aforementioned financial assets as collateral as of December 31, 2020 and 2019, respectively.

(ii) Debt investment information

The convertible bond held by the Company was due on June 27, 2019, and converted to $4,798 thousand shares of common shares under private placement at $20.84 dollars per share. The equity investments were held for trading, therefore, they were classified as non-current financial assets at fair value through profit or loss as of December 31, 2020 and 2019.

(iii) The Company 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 classified as non-current financial assets mandatorily measured value through profit or loss.

(c) Non-current financial assets at fair value through other comprehensive income

	December 31, 2020
Equity investments at fair value through other comprehensive income	
Domestic listed stocks	$ 515,262

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

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes, rather than trading purposes.

(ii) The Company has lost its significant influence over Taiwan Navigation Co., Ltd. since December, 2020. Please refer to Note 6(e)(vi) for the amount of $515,262 that had been reclassified from investment accounted for using equity method to financial asset at fair value through other comprehensive income.

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

(iv) The Company did not provide any aforementioned financial assets as collateral as of December 31, 2020.

(d) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable	$ -	45
Accounts receivable	88,490	177,041
Less: Loss allowance	-	-
	$ 88,490	177,086

The Company 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, notes and accounts 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 were determined as follows:

	December 31, 2020		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 88,490	-	-

	December 31, 2019		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 177,085	-	-
1 to 30 days past due	1	-	-
	$ 177,086		-

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

The Company did not provide any aforementioned notes and accounts receivable as collaterals as of December 31, 2020 and 2019.

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

(e) Investments accounted for using equity method

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

		December 31, 2020	December 31, 2019
Subsidiaries	$	12,188,810	12,245,014
Associates		630,292	1,396,992
	$	**12,819,102**	**13,642,006**

(i) Subsidiaries

1) Please refer to the 2020 consolidated financial statement.

2) According to IAS36 "Impairment of Assets," the Company conducted assessment of impairment indication. There was no indication that investment may be impaired and no impairment losses recognized in 2019.

There was indication that investment may be impaired but there was no impairment loss recognized after performing impairment test in 2020.

(ii) The Company's share of the net income of associates was as follows:

		December 31, 2020	December 31, 2019
Subsidiaries	$	459,602	390,837
Associates		57,487	47,433
	$	**517,089**	**438,270**

(iii) Details of the material associate was as follows:

Name	Nature of the relationship	Principal place of business/ Country of incorporation	Effective ownership interest and voting right	
			December 31, 2020	December 31, 2019
Taiwan Navigation Co., Ltd. (TNCL)	Entity in which the Company has significant influence and in which its main activities are sea shipping services and construction subcontractor, leasing and sales of commercial and residential buildings	Taiwan	Note	7.459%

Note: The Company had lost its significant influence over TNCL, resulting in its investments accounted for using equity method to be reclassified to financial asset at fair value through other comprehensive income.

The fair value of the shares of the listed material associate of the Company was as follows:

	December 31, 2019
TNCL	$ 552,469

The following table summarizes the information of the Company's material associate adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Company's interest in the associate.

1) Summarized financial information of TNCL

	December 31, 2019
Current assets	$ 1,592,523
Non-current assets	13,521,227
Current liabilities	(505,748)
Non-current liabilities	(4,366,773)
Net assets (Attributable to the investee)	**$ 10,241,229**

	December 31, 2019
Revenue	$ 3,113,990
Profit from continuing operations	601,096
Other comprehensive income	(237,376)
Total comprehensive income (Attributable to the investee)	**$ 363,720**

	December 31, 2020	December 31, 2019
Beginning balance of net assets attributable to the Company	$ 763,893	777,227
Total comprehensive income attributable to the Company	59,241	27,129
Dividends received by associates	(24,901)	(40,463)
Disposals	(171,956)	-
Reclassification to financial assets at fair value through other compressive income	(626,277)	-
Ending balance of net assets attributable to the Company	**$ -**	**763,893**

(iv) Summarized financial information of individually insignificant associate

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

	December 31, 2020	December 31, 2019
Carrying amount of individually insignificant associates' equity	$ 630,292	633,099

	2020	2019
Share of results attributable to the Company:		
Profit from continuing operations	$ 25,566	2,599
Other comprehensive income	(24,677)	(11,160)
Total comprehensive income	$ 889	(8,561)

(v) The Company disposed part of its investment in TNCL amounting to $136,686 in December 2020, resulting in a loss on disposal of $35,270 to be recognized under losses on disposal of investments.

(vi) The Company and its Group held 10.406% of shares of TNCL for long term equity investments and coordinating shipping business, and the Company obtained one seat of the board of directors. The Company accounted it by using equity method. In accordance with the investing business adjustment of the Company, the Company decided to dispose all of its investment in TNCL after the board of directors had reached a resolution on December 8, 2020. As of December 31, 2020, the shares of TNCL held by the Group had decreased to 5.48%, and the shares held by the Company were also reduced to approximately half of the shares held at the time when the Company was elected as corporate director. Furthermore, the Company will continue to dispose the rest of shares. According to Act 197 of Company Act, in case a director of a company whose shares are issued to the public that has been transferred during his/her term as a director, more than one half of a company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be discharged from the office of director. In light of the above matter, the Company has no intention of retaining any shares in TNCL, therefore, it had lost its significant influence over TNCL in December 2020, resulting in the Company to measure its financial asset with the fair value obtained at the date of losing significant influence amounting to $515,262, previously recognized as investment accounted for using equity method, to be reclassified to financial asset at fair value through other comprehensive income, and to recognize the loss measured at fair value amounting to $111,015, recorded under loss on disposal of investment.

The gain or loss on disposal mentioned above, includes the amount related to the associate, reclassified from other comprehensive income to gain or loss.

(vii) In 2020 and 2019, the Company was allocated with cash dividends of $590,449 and $322,445, respectively, from the aforementioned investee companies.

(viii) As of December 31, 2020 and 2019, the Company did not provide investment accounted for using equity method as collateral.

(f) Property, plant and equipment

The cost depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2020 and 2019 were as follows:

	Land	Buildings and construction	Transportation Equipment	Other equipment	Total
Cost or deemed cost:					
Balance on January 1, 2020	$ 484,205	40,063	2,050	60,218	586,536
Additions	-	-	-	10,936	10,936
Disposals	-	(564)	(1,991)	(3,780)	(6,335)
Balance on December 31, 2020	$ 484,205	39,499	59	67,374	591,137
Balance on January 1, 2019	$ 483,451	44,875	2,050	54,688	585,064
Additions	754	923	-	3,543	5,220
Disposals	-	-	-	(3,748)	(3,748)
Reclassifications	-	(5,735)	-	5,735	-
Balance on December 31, 2019	$ 484,205	40,063	2,050	60,218	586,536
Depreciation and impairments loss:					
Balance on January 1, 2020	$ -	27,646	2,050	47,267	76,963
Depreciation for the year	-	1,299	-	5,543	6,842
Disposals	-	(392)	(1,991)	(3,781)	(6,164)
Balance on December 31, 2020	$ -	28,553	59	49,029	77,641
Balance on January 1, 2019	$ -	32,024	2,050	40,063	74,137
Depreciation for the year	-	1,357	-	5,108	6,465
Disposals	-	-	-	(3,639)	(3,639)
Reclassifications	-	(5,735)	-	5,735	-
Balance on December 31, 2019	$ -	27,646	2,050	47,267	76,963
Carrying amounts:					
Balance on December 31, 2020	$ 484,205	10,946	-	18,345	513,496
Balance on December 31, 2019	$ 484,205	12,417	-	12,951	509,573
Balance on January 1, 2019	$ 483,451	12,851	-	14,625	510,927

The Company disposed of the other equipment during the years ended December 31, 2020 and 2019 for $240 and $98, respectively. The cost of aforementioned other equipment amounted to $171 and $109, respectively, and the related gain or loss of disposal was a gain of $69 and a loss of $11, respectively. The registration procedures of the assets transfer have been completed and related receivable have been collected.

As of December 31, 2020 and 2019, the pledge information is summarized in note (8).

(g) Investments property

Investment property comprises office buildings that are leased to third parties under operating leases that are owned by the Company. 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.

	Owned Property		
	Land	**Building**	**Total**
Cost or deemed cost:			
Balance on December 31, 2020	$ 19,094	3,769	22,863
Balance on December 31, 2019	$ 19,094	3,769	22,863
Depreciation and impairment losses:			
Balance on January 1, 2020	$ -	2,690	2,690
Depreciation of the year	-	68	68
Balance on December 31, 2020	$ -	2,758	2,758
Balance on January 1, 2019	$ -	2,623	2,623
Depreciation of the year	-	67	67
Balance on December 31, 2019	$ -	2,690	2,690
Carrying amount:			
Balance on December 31, 2020	$ 19,094	1,011	20,105
Balance on December 31, 2019	$ 19,094	1,079	20,173
Balance on January 1, 2019	$ 19,094	1,146	20,240
Fair Value:			
Balance on December 31, 2020			$ 63,368
Balance on December 31, 2019			$ 63,368

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

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

As of December 31, 2020 and 2019, the investment property of the Company were not pledged as collateral or restricted.

(h) Other financial assets

	December 31, 2020	December 31, 2019
Other receivables	$ 18,898	514
Restricted time deposits	67,657	-
Refundable deposits	406	406
Pledged assets-time deposits	5,050	5,050
	$ 92,011	**5,970**
Other current financial assets	$ 86,555	514
Other non-current financial assets	5,456	5,456
	$ 92,011	**5,970**

The restricted time deposits are applicable to "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" for the Company in 2020. The restricted time deposit accounts are used for the purpose of offshore funds only.

As of December 31, 2020 and 2019, the Company provided other financial assets as collateral. Please refer to note (8).

(i) Loans

The Company's detail of loans was as follows:

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

	December 31, 2020	December 31, 2019
Bank loans	$ -	950,000
Commercial paper payable	-	350,000
Less: discount on commercial paper payable	-	(117)
	$ -	**1,299,883**
Unused credit lines	**$ 3,050,000**	**1,650,000**
Range of interest rate during the year	**0.88%~1.03%**	**0.9%~1.15%**

(ii) Bonds Payable

The Company issued secured bonds at face value. The interest is calculated and paid annually from the date of issuance. The bonds payable on December 31, 2020 and 2019, were as follows:

	Guarantee bank	Interest rate	Due	December 31, 2020	December 31, 2019
2016					
The first secured bonds payable	Bank of Taiwan	0.88%	March 2021	$ 900,000	900,000
The second secured bonds payable	Mega Bank	1.00%	March 2021	1,400,000	1,400,000
2017					
The first secured bonds payable	Shanghai Commercial Bank	1.13%	April 2020	-	400,000
	〃	1.13%	April 2022	400,000	400,000
2020					
The first secured bonds payable	Shanghai Commercial Bank	0.64%	April 2025	500,000	-
〃	〃	0.66%	April 2025	500,000	-
〃	Mega Bank	0.64%	April 2025	1,000,000	-
〃	〃	0.66%	April 2025	500,000	-
				5,200,000	3,100,000
Current portion				(2,300,000)	(400,000)
				$ 2,900,000	2,700,000

(iii) In order to repay its bank loans and bonds payable which were issued previously, as well as to increase its working capital for the requirement of business development, the Company issued secured corporate bonds, which were approved at the Board of Directors' meeting on May 13, 2020. The first secured corporate bonds were released with a period of five years, which amounted to $1,000, at par value, with a total amount of $2,500,000. The bonds were issued at full.

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

(j) Operating lease

The Company leases out its investment property. The Company 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(f) sets out information about the operating leases of investment property.

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

	December 31, 2020	December 31, 2019
Less than one year	$ 6,987	8,606
Between one and five years	2,307	1,794
Total undiscounted lease payments	$ 9,294	10,400

The rental income earned by lease investment property both amounted to $2,919 in 2020 and 2019.

(k) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligations	$ 31,145	42,778
Fair value of plan assets	(29,646)	(33,623)
Recognized liabilities for defined benefit obligations	$ 1,499	9,155

The Company 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 Company 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 Company's Bank of Taiwan labor pension reserve account balance amounted to $29,646 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 Company were as follows:

		2020	2019
Defined benefit obligation on January 1	$	42,778	51,854
Benefits paid by the plan		(5,771)	(4,181)
Benefits paid by the Company		(981)	(10,282)
Current service costs and interest		416	1,093
Remeasurement of the net defined benefit liability (asset)		(5,297)	4,294
Defined benefit obligation on December 31	$	31,145	42,778

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 Company were as follows:

		2020	2019
Fair value of plan assets on January 1	$	33,623	35,138
Contributions paid by the employer		317	882
Benefits paid by the plan assets		(5,771)	(4,181)
Expected return on plan assets		208	266
Remeasurement of the net defined benefit liability (asset)		1,269	1,518
Fair value of plan assets at 31 December	$	29,646	33,623

4) Expenses recognized in profit or loss

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

		2020	2019
Service cost	$	141	662
Interest cost		275	431
Expected return on plan assets		(208)	(266)
Operating expense	$	208	827

5) Actuarial assumptions

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

	December 31, 2020	December 31, 2019
Discount rate	0.750%	0.750%
Future salary increasing rate	3.500%	3.500%

The expected allocation payment made by the Company to the defined benefit plans for the one year period after the reporting date was $319.

The weighted-average lifetime of the defined benefit plan is 10.32 years.

6) Sensitivity analysis

The impact of the present value of the defined benefit obligations affected by the actuarial assumptions for the year ended December 31, 2020 and 2019 were as follows:

	Influences of defined benefit obligation	
	Increased 0.25%	**Decreased 0.25%**
December 31, 2020		
Discount rate	(482)	494
Future salary increasing rate	526	(452)
December 31, 2019		
Discount rate	(668)	687
Future salary increasing rate	731	(626)

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 2020 and 2019.

(ii) Defined contribution plans

The Company 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 Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Company recognized pension costs under the defined contribution method amounting to $3,287 and $3,099 for the years ended December 31, 2020 and 2019, respectively. Payment was made to the Bureau of Labor Insurance.

(l) Income taxes

(i) Income tax expenses

The amount of income tax for 2020 and 2019 were as follows:

	2020	2019
Current tax expense	$ 3,359	23,740
Deferred tax expense		
Recognition and reversal of temporary differences	172	10,375
	172	10,375
	$ 3,531	34,115

The amount of income tax recognized in other comprehensive income for 2020 and 2019 were as follows:

	2020	2019
Items that may not be reclassified subsequently to profit or loss		
Remeasurement in defined benefit plans	$ 1,313	(555)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign financial statements	$ (366)	(179)

Reconciliation of income tax and profit before tax for 2020 and 2019 was as follows:

	2020	2019
Profit before income tax	$ 332,570	357,957
Income tax using the Company's domestic tax rate	66,514	71,591
Tax exemption for investment income under the equity method	(103,417)	(87,654)
Dividend revenue－overseas	92,114	26,612
Surtax on unappropriated earnings	-	11,507
Realized investment loss	(60,000)	-
Unrecognized temporary differences and others	8,320	12,059
	$ 3,531	34,115

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as at December 31, 2020 and 2019. 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:

	December 31, 2020	December 31, 2019
Aggregate amount of temporary differences related to investments in subsidiaries	$ 8,159,395	9,045,845
Unrecognized deferred tax liabilities	$ 1,631,879	1,809,169

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2020 and 2019 were as follows:

	Defined benefit Plans	Overseas investment income recognized under the equity method	Land revaluation increment	Others	Total
Deferred tax liabilities:					
Balance on January 1, 2020	$ -	160,486	70,792	(406)	230,872
Recognized in profit or loss	-	-	-	12	12
Recognized in other comprehensive income	-	-	-	(366)	(366)
Balance on December 31, 2020	$ -	160,486	70,792	(760)	230,518
Balance on January 1, 2019	$ -	149,897	70,792	(219)	220,470
Recognized in profit or loss	-	10,589	-	(8)	10,581
Recognized in other comprehensive income	-	-	-	(179)	(179)
Balance on December 31, 2019	$ -	160,486	70,792	(406)	230,872

	Defined benefit Plans	Overseas investment income recognized under the equity method	Land revaluation increment	Others	Total
Deferred tax assets:					
Balance on January 1, 2020	$ 3,221	-	-	755	3,976
Recognized in profit or loss	(22)	-	-	(138)	(160)
Recognized in other comprehensive income	(1,313)	-	-	-	(1,313)
Balance on December 31, 2020	$ 1,886	-	-	617	2,503
Balance on January 1, 2019	$ 2,677	-	-	538	3,215
Recognized in profit or loss	(11)	-	-	217	206
Recognized in other comprehensive income	555	-	-	-	555
Balance on December 31, 2019	$ 3,221	-	-	755	3,976

3) Assessment of tax

The Company's tax returns for the years through 2018 were assessed by tax authorities.

(m) Capital and other equities

(i) Ordinary shares

As of December 31, 2020 and 2019, 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 has 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 include 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:

	December 31, 2020	December 31, 2019
Gain or loss on disposal of subsidiary	$ 42,503	42,503
Changes in equity of associates for using equity method	10,908	10,908
	$ 53,411	**53,411**

(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 stockholders' 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 stockholders. The distribution rate is based on the proposal of the Company's board of directors and should be approved in the stockholders' 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 in accordance with Ruling No. 1010012865 issued by the Financial Supervisory Commission on 6 April 2012, shall be reclassified as a special reserve during earnings distribution. The carrying amount of special reserve amounted to $359,487 on December 31, 2020 and 2019.

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

3) Earnings distribution

Based on the resolutions of the annual stockholders' meetings held on May 13, 2020 and June 18, 2019 the earning distribution to ordinary shareholders for the fiscal years 2019 and 2018 were as follows:

	2018	2017
Dividends distributed to ordinary shareholders		
Cash	$ 157,988	315,975

(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
January 1, 2020	$ (541,143)	5,453	(535,690)
Subsidiaries	(614,306)	248,330	(365,976)
Associates	729	16,945	17,674
December 31, 2020	$ (1,154,720)	270,728	(883,992)

	Exchange differences on translation of foreign financial Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
January 1, 2019	$ (263,496)	(15,387)	(278,883)
Subsidiaries	(243,194)	22,158	(221,036)
Associates	(34,453)	(1,318)	(35,771)
December 31, 2019	$ (541,143)	5,453	(535,690)

(n) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share at December 31, 2020 and 2019 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

	2020	2019
Profit attributable to ordinary shareholders of the Company	$ 329,039	323,842

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

	2020	2019
Weighted-average number of ordinary shares (basic)	197,485	197,485

3) Basic earnings per share (NTD)

	2020	2019
Basic earnings per share	$ 1.67	1.64

(ii) Diluted earnings per share

The calculation of diluted earnings per share at December 31, 2020 and 2019 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)

	2020	2019
Profit attribute to ordinary shareholder of the Company	$ 329,039	323,842

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

	2020	2019
Weighted-average number of ordinary shares (basic)	197,485	197,485
Effect on the employee stock bonuses	138	168
Weighted-average number of ordinary shares (diluted)	197,623	197,653

3) Diluted earnings per share (NTD)

	2020	2019
Diluted earnings per share	$ 1.66	1.64

(o) Revenue from contracts with customers

(i) Disaggregation of revenue

	2020	2019
Freight revenue-vessel chartering	$ 55,096	61,046
Freight revenue-container hauling and logistics	556,353	1,219,685
Freight revenue-airline agent and others	37,613	32,628
	$ 649,062	1,313,359

(ii) Contract balances

	December 31, 2020	December 31, 2019
Notes and accounts receivable (including related parties)	$ 88,490	177,086
Less: allowance for impairment	-	-
Total	$ 88,490	177,086

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

(p) Financial cost-Interest expense

The financial cost-interest expense in 2020 and 2019 were as follows:

	2020	2019
Bank loan	$ 10,747	10,476
Bonds payable	59,709	53,785
	$ 70,456	64,261

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

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

As of December 31, 2020 and 2019, the Company recognized its employee compensation of $3,394 and $3,653, respectively, and its directors'and supervisors'remuneration of $3,394 and $3,653, respectively. The employee compensation and directors' and supervisors'remuneration were recorded as operation expenses and were estimated based on the net profit before tax, excluding the employee compensation, and director's 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.

As of December 31, 2019 and 2018, the Company recognized its employee compensation of $3,653 and $5,509, respectively, and its directors'and supervisors'remuneration of $3,653 and $5,509, respectively. There was no difference between the aforementioned distribution approved in the board of directors and the estimation in the 2019 and 2018 financial statements. Relative information is available on the MOPS.

(r) 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, 2020 and 2019, the maximum amount exposed to credit risk amounted to $1,896,561 and $567,910, respectively.

The aggregation of sales to the Company's major customers exceeding 10% of the Company's total sales accounted for 51% and 66% of the total net sales for the years ended December 31, 2020 and 2019, respectively. In order to reduce credit risk, the Company 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 Company has never suffered any significant credit loss.

2) Credit risk of Receivables

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

Other financial assets at amortized cost includes other receivables, other receivables-related parties, guarantee deposits, pledged assets-time 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:

		Carrying Amount	Contractual cash flows	Within a year	1 ~ 2 years	Over 2 years
December 31, 2020						
Non-derivative financial liabilities:						
Notes and accounts payable (including related parties)	$	58,430	(58,430)	(58,430)	-	-
Bonds payable		5,200,000	(5,200,000)	(2,300,000)	(400,000)	(2,500,000)
Accrued expenses and other payables (recorded as other current liabilities)		59,873	(59,873)	(59,873)	-	-
	$	5,318,303	(5,318,303)	(2,418,303)	(400,000)	(2,500,000)
December 31, 2019						
Non-derivative financial liabilities:						
Short-term borrowings	$	1,299,883	(1,300,000)	(1,300,000)	-	-
Notes and accounts payable (including related parties)		110,709	(110,709)	(110,709)	-	-
Bonds payable		3,100,000	(3,100,000)	(400,000)	(2,300,000)	(400,000)
Accrued expenses and other payables (reorded as other current liabilities)		56,885	(56,885)	(56,885)	-	-
	$	4,567,477	(4,567,594)	(1,867,594)	(2,300,000)	(400,000)

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

(iii) Exchange rate risk

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

(iv) Interest Rate analysis

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 Company's assessment on the reasonably possible interval of interest rate change.

If the interest rate had increased or decreased by 0.25%, the net profit before tax would have decrease or increased for the years ended December 31, 2020 and 2019 as follows:

		2020	2019
Increased 0.25%	$	689	(2,453)
Decreased 0.25%		(689)	2,453

(v) Fair value information

1) The kinds of financial instruments and fair value

The Company'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.

	December 31, 2020				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss					
Non derivative non-current financial assets mandatorily at fair value through profit or loss	$ 24,961	-	-	24,961	24,961
Domestic listed stocks under private placement	119,098	-	119,098	-	119,098
Total	$ 144,059				
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	$ 515,262	515,262	-	-	515,262
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,056,739	-	-	-	-
	67,657	-	-	-	-
Notes and accounts receivables(including related parties)	88,490	-	-	-	-
Other receivables(including related party)	18,898	-	-	-	-
Refundable deposits	406	-	-	-	-
Pledged assets-time deposits	5,050	-	-	-	-
Total	$ 1,237,240				
Financial liabilities measured at amortized cost					
Notes and accounts payable	$ 1,980	-	-	-	-
Accounts payable-related party	56,450	-	-	-	-
Bonds payable	5,200,000	-	5,200,000	-	5,200,000
Accrued expenses and other payables(recorded as other current liabilities)	59,873	-	-	-	-
Total	$ 5,318,303				

	December 31, 2019				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non derivative non-current financial assets mandatorily at fair value through profit or loss	$ 25,545	-	-	25,545	25,545
Domestic listed common shares under private placement	31,046	-	31,046	-	31,046
	$ 56,591				
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 328,263	-	-	-	-
Notes and accounts receivable (including related parties)	177,086	-	-	-	-
Other receivables(including related parties)	514	-	-	-	-
Refundable deposits	406	-	-	-	-
Pledged assets-time deposits	5,050	-	-	-	-
Total	$ 511,319				
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 1,299,883	-	-	-	-
Notes and accounts payable	3,690	-	-	-	-
Accounts payable to related parties	107,019	-	-	-	-
Bonds payable	3,100,000	-	3,100,000	-	3,100,000
Accrued expenses and other payables (recorded as other current liabilities)	56,885	-	-	-	-
Total	$ 4,567,477				

2) Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

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

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

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

B. Derivative financial instruments

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

3) Transfers between Level 1 and Level 2

There were no transfer from Level 1 to Level 2 of fair value of the asset during the December 31, 2020 and 2019.

4) Statement of changes in level 3

	Measured of fair value through profit or loss	
	Non derivative mandatorily measured at fair value through profit or loss	
Balance on January 1, 2020	$	25,545
Proceeds of capital reduction of investment		(5,500)
Gains or losses:		
Recognized in profit or loss		4,916
Balance on December 31, 2020	**$**	**24,961**
Balance on January 1, 2019	$	25,788
Gain or losses:		
Recognized in profit or loss		(243)
Balance on December 31, 2019	**$**	**25,545**

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

(s) Financial risk management

(i) Briefings

The Company 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 Company'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.

The Company minimizes the risk exposure through financial instruments. The Board of Directors regulated the use of financial instruments in accordance with the Company'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 Company continue with the review of the amount of the risk exposure in accordance with the Company's policy and the risk management policies and procedures. The Company 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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

1) Accounts receivable and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company'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 Company has established a credit policy. Credit limits are established for each customer. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company 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 Company's management. Since the Company'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 Company is only permissible to provide financial guarantees to subsidiaries. Please refer to note (7) and (13)(a) for the information as of December 31, 2020 and 2019.

(iv) Liquidity risk

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company'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 Company. Please refer to note (6)(i) for unused short-term bank facilities as of December 31, 2020 and 2019.

(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 Company'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 Company is exposed to currency risk on its investments that are denominated in US Dollars (USD). The Company 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 Company 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 Company 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.

(t) Capital management

The Company 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 Company enhances the return on equity by optimizing debt-to-assets ratio. As of December 31, 2020 and 2019, the Company's debt-to-assets ratio at the end of the reporting date was as follows:

	December 31, 2020	December 31, 2019
Total liabilities	$ 5,559,855	4,829,010
Total assets	15,309,789	14,763,373
Debt-to-equity ratio	36%	33%

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

The Company's investing activities which did not affect the current cash flow in the years ended December 31, 2020 and 2019.

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2020	Cash flows	Non-cash changes Foreign exchange movement	December 31, 2020
Short-term borrowings	$ 1,299,883	(1,299,883)	-	-
Bonds payable	3,100,000	2,100,000	-	5,200,000
Guarantee deposits (recorded as other non-current liabilities-others)	408	-	-	408
Total liabilities from financial activities	$ 4,400,291	800,117	-	5,200,408

	January 1, 2019	Cash flows	Non-cash changes Foreign exchange movement	December 31, 2019
Short-term borrowings	$ 799,837	500,046	-	1,299,883
Bonds payable	3,100,000	-	-	3,100,000
Guarantee deposits (recorded as other non-current liabilities-others)	516	(108)	-	408
Total liabilities from financial activities	$ 3,900,353	499,938	-	4,400,291

(7) Related-party transactions

(a) Parent company and ultimate controlling party

CMT investment is the ultimate controlling party of the Company and owns 62.08% percent and 60.77% percent of all shares outstanding of the Company on December 31, 2020 and 2019, respectively. The Company has issued the consolidated financial statements available for public use.

(b) Names and relationship with related parties

The followings are subsidiaries and entities that have had transactions with related parties during the periods covered in the financial statements:

Name of related party	Relationship with the Group
Chinese Maritime Transport (S) Pte. Ltd. (CMTS)	Subsidiary
Chinese Maritime Transport (Hong Kong), Limited (CMT HK)	Subsidiary
CMT Logistics Co., Ltd. (CMTL)	Subsidiary
AGM Investment Ltd. (AGMI)	Subsidiary
Hope Investment Ltd. (HIL)	Subsidiary
Mo Hsin Investment Ltd. (MHI)	Subsidiary
Associated Transport Inc. (ATI)	Subsidiary
CMT Travel Service Ltd. (CMTTSL)	Subsidiary
United Nan Hai Petroleum Inc. (UNH) (Note 1)	Subsidiary
United Nan Hai Development Inc. (NHD) (Note 1)	Subsidiary
CMT Leasing Co., Ltd. (CMTLL) (Note 2)	Subsidiary
China Fortune Shipping Ptd Ltd. (CFR)	Sub-subsidiary
China Enterprise Shipping PTE.Ltd. (CEP)	Sub-subsidiary
China Prosperity Shipping Ltd.(CPS)	Sub-subsidiary
China Peace Shipping Ltd. (CPC)	Sub-subsidiary
China Progress Shipping Ltd. (CPG)	Sub-subsidiary
China Pioneer Shipping Ltd. (CPN)	Sub-subsidiary
China Pride Shipping Ltd. (CPD)	Sub-subsidiary
CMT Chartering Ltd. (CHT)	Sub-subsidiary
China Triumph Shipping Ltd. (CTU)	Sub-subsidiary
China Trade Shipping Ltd. (CTD)	Sub-subsidiary
China Harmony Shipping LTD. (CHM)	Sub-subsidiary
China Honour Shipping Ltd. (CHN)	Sub-subsidiary

CMT Investment Co., Limited (CHI)	Sub-subsidiary
Chinese Maritime Transport Ship Management (Hong Kong) Limited (CIM)	Sub-subsidiary
Chang-Shun Transport Co., Ltd. (CST)	Sub-subsidiary
Huang-Yuen Transport Co., Ltd. (HYT)	Sub-subsidiary
Mao-Hwa Transport Co., Ltd. (MHT)	Sub-subsidiary
AG Prosperity Transport Co., Ltd. (APT)	Sub-subsidiary
Pioneer Transport Co., Ltd. (PTL)	Sub-subsidiary
AGCMT GROUP LTD.	The parent company
Associated International INC. (AII)	The entity with significant influence over the Company
Associated Development INC. (ADI)	A subsidiary of AII
CMT Development INC. (CMD)	A subsidiary of AII
Associated Internationl (Hong Kong) Limited	Substantial related party
Associated Group Motors Corp. (AGM)	Associate

Note 1: The date of liquidation of UNH and NHD are October 30, 2020 and November 11, 2020, respectively. As of December 31,2020, UNH and NHD has yet to complete its liquidation procedures.

Note 2: Dissolution completed in January, 2019.

(c) Significant related party transactions

(i) Freight cost

	2020 Amount	2019 Amount
Subsidiary－ATI	$ 528,595	1,156,914

The Company entrusts its subsidiaries to engage in container hauling business. The selling price is based on the market conditions and is paid according to the financial needs of the subsidiaries. Accounts payable to related parties due to the above transactions were as follows:

	December 31, 2020 Amount	December 31, 2019 Amount
Subsidiary－ATI	$ 56,450	107,019

(ii) Vessel management and related collection and payment

The Company collects vessel management income from its subsidiaries (USD 10 thousand per vessel per month) and receives a commission of 1.25% on their monthly vessel chartering.

1) Vessel management revenue and unclear balances were as follows:

	Revenue		Accounts Receivable-related-parties	
	2020	2019	December 31, 2020	December 31, 2019
Subsidiaries	$ 35,143	36,873	-	-

Accounts receivable from related parties were uncollateralized, and no expected credit loss (provisions for doubtful debt) was recognized after the assessment by the management.

2) Commission

	2020	2019
Subsidiaries	$ 19,721	23,535

Due to the above-mentioned business, the Company collected and paid the miscellaneous expenses in ROC, and received income of vessel management from subsidiaries in advance. The amounts were as follows:

	2020	2019
Other current liabilities		
Subsidiaries	$ 7,945	4,175

(iii) Operating expense-rental expense

	Operating expense	
	2020	2019
The entities with significant influence over the Company	$ 5,253	2,628

The Company entered into service agreements with its related parties from March 2019 to February 2024. The prices are set in compliance with the market prices and the payment term is monthly.

(iv) Guarantees and endorsements

The information of the Company as guarantors was as follows:

Guarantees	Guaranteed subjects	December 31, 2020	December 31, 2019
Subsidiaries	Bank loans	$ 3,019,345	4,130,811

The subsidiaries provided insurance contracts with collaterals to banks with the Company as guarantors.

The information of the Company as guarantees was as follows:

Guarantors	Guaranteed subjects	December 31, 2020	December 31, 2019
Subsidiaries	Bank loans	$ 3,653	3,897

(d) Key management personnel compensation

Key management personnel compensation comprised:

	2020	2019
Short-term employee benefits	$ 41,284	41,982
Post-employment benefits	691	10,909
	$ 41,975	52,891

(8) Pledged assets

The carrying values of pledged assets were as follows:

Assets	Subject	December 31, 2020	December 31, 2019
Other non-current financial assets (refundable deposits and pledged assets-time deposits)	Guarantee for construction payment and import duty	$ 5,456	5,456
Land	Short-term borrowings and credit lines	277,293	277,293
		$ 282,749	282,749

(9) Commitments and contingencies

(a) The Company had issued guarantee promissory notes amounting to $5,647,160 and $3,130,960 as of December 31, 2020 and 2019, respectively, as guarantee for bonds payable.

(b) As of December 31, 2020 and 2019, the subsidiaries of the Company still had several long-term leases of their ships with customers in effect. The ending periods of the contracts are from March 2021 to April 2022.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other

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

By function / By item	2020 Cost of sales	2020 Operating expenses	2020 Total	2019 Cost of sales	2019 Operating expenses	2019 Total
Employee benefits						
Salary	-	84,254	84,254	-	77,817	77,817
Labor and health insurance	-	5,660	5,660	-	5,611	5,611
Pension	-	3,495	3,495	-	3,926	3,926
Remuneration of directors	-	14,551	14,551	-	15,245	15,245
Others	-	3,358	3,358	-	4,714	4,714
Depreciation (Note 1)	-	6,770	6,770	-	6,392	6,392
Amortization	-	3,212	3,212	-	3,185	3,185

Note1: excluding the deduction of rental income of $140 for the years ended December 31, 2020 and 2019.

The information on the numbers of employees and employee benefits of the Company in 2020 and 2019 was as follows:

	2020	2019
Employee number	57	57
Numbers of directors not as employee	2	2
Average employee benefits	$ 1,759	1,674
Average salary	$ 1,532	1,415
Growth of average salary	8.27%	4
Remuneration of supervisors	$ 1,152	720

Information about salary and remuneration of the Company (including directors, supervisors, managers and employee) are as follows:

(a) Employee:

Payments are made in accordance with the remuneration policy of the Company, and other factors such as educational background, working experiences and performance, are also taken into consideration.

(b) Managers:

Payments are made in accordance with the remuneration policy of the Company, the level of responsibility of the position and would be adjusted based on the change of the general salary level. Payments of bonus will consider the reference to the achievement rate of the overall operating performance and the examination result of individual performance.

(c) Directors and supervisors:

Remuneration of directors and supervisors includes traveling expenses, remuneration, vehicle subsidy, board attendance fee and remuneration to directors and supervisors deriving from the distributable earnings. According to Article of Incorporation of the Company, the remuneration to directors and supervisors shall not exceed 2% of the distributable earnings and shall be approved by the Salary and Remuneration Committee; thereafter, to be discussed and approved by the Board of Directors for a resolution, which will be reported during the shareholders' meeting for approval. Please refer to Note 6(q) for relevant details about Article of Incorporation of the Company.

(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 Company:

(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 Item	Collateral Value	Individual funding loan limits (note 2)	Maximum limit of fund financing (note 3)	Note
1	CMT HK	CPN	Other receivable due from related parties	Y	96,102	96,102	96,102		2	-	Operating	-		-	8,871,403	8,871,403	Transactions in the left column had been eliminated during the preparation of consolidated financial statements
1	CMT HK	CHN	〃	Y	140,500	140,500	140,500		2	-	〃	-		-	8,871,403	8,871,403	〃
1	CMT HK	CPD	〃	Y	42,394	-	-		2	-	〃	-		-	8,871,403	8,871,403	〃
1	CMT HK	CPC	〃	Y	295,050	252,900	252,900		2	-	〃	-		-	8,871,403	8,871,403	〃
1	CMT HK	CHM	〃	Y	313,596	313,596	313,596		2	-	〃	-		-	8,871,403	8,871,403	〃
1	CMT HK	CMTS	〃	Y	-	-	-		2	-	〃	-		-	9,879,372	9,879,372	〃
1	CMT HK	CPG	〃	Y	365,300	365,300	365,300		2	-	〃	-		-	8,871,403	8,871,403	〃
1	CMT HK	CTD	〃	Y	703,905	703,905	703,905		2	-	〃	-		-	8,871,403	8,871,403	〃
1	CMT HK	CTU	〃	Y	661,755	661,755	661,755		2	-	〃	-		-	8,871,403	8,871,403	〃
2	ATI	CST	〃	Y	10,000	-	-	1.20%	1	113,344	〃	-		-	113,344	246,855	〃
2	ATI	MHT	〃	Y	50,000	-	-	1.20%	2	-	〃	-		-	246,855	246,855	〃
2	ATI	APT	〃	Y	54,000	38,000	38,000	1.20%	1	118,050	〃	-		-	118,050	246,855	〃
2	ATI	PTL	〃	Y	22,000	14,000	14,000	1.20%	1	55,279	〃	-		-	55,279	246,855	〃

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.

(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 (note2, note3)	Highest balance for guarantees and endorsements during the period (note 4)	Balance of guarantees and endorsements as of reporting date (note 4)	Actual usage amount during the period (note 4)	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of eguarantees and ndorsements 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 guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	THE COMPANY	ATI	Subsidiary	14,624,901	100,000	-	-	-	- %	14,624,901	Y	-	-
0	〃	CTU	Sub-subsidiary	14,624,901	632,250	252,900	126,450	-	2.59%	14,624,901	Y	-	-
0	〃	CTD	〃	14,624,901	632,250	252,900	189,675	-	2.59%	14,624,901	Y	-	-
0	〃	CFR	〃	14,624,901	1,249,045	1,249,045	558,783	-	12.81%	14,624,901	Y	-	-
0	〃	CPN	〃	14,624,901	1,264,500	1,264,500	516,659	-	12.97%	14,624,901	Y	-	-
1	CMT HK	CHN	Subsidiary	13,307,104	851,149	698,004	667,375	-	7.16%	13,307,104	-	-	-
1	〃	CEP	〃	13,307,104	898,636	898,638	666,884	-	9.22%	13,307,104	-	-	-
1	〃	CHM	〃	13,307,104	916,622	916,622	454,608	-	9.40%	13,307,104	-	-	-
1	〃	THE COMPANY	Parent company	13,307,104	3,653	3,653	3,653	-	0.04%	13,307,104	-	Y	-

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

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

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

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	percentage of ownership (%)	Fair value / net value	
THE COMPANY	Yang Ming Marine Transport Corporation	-	Non-current financial assets at fair value through profit or loss	4,798	119,098	0.18 %	119,098	
〃	Asia Pacific Emerging Industry Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	1,950	24,961	2.78 %	24,961	
〃	Taiwan Navigation Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	24,420	515,262	5.85 %	515,262	
HIL	CHINA CONTAINER TERMINAL CORP.	-	Non-current financial assets at fair value through profit or loss	23,788	544,745	16.03 %	544,745	
〃	SEA & LAND INTERATED CORP.	-	Non-current financial assets at fair value through profit or loss	3,187	64,855	4.07 %	64,855	
HIL	DIMERCO EXPRESS CORPORATION		Current financial assets at fair value through profit or loss	3,285	217,796	2.61 %	217,796	
MHI	DIMERCO EXPRESS CORPORATION	-	Current financial assets at fair value through profit or loss	6,288	416,895	4.99 %	416,895	
	CHINA CONTAINER TERMINAL CORP.	-	Non-current financial assets at fair value through other comprehensive income	5,610	128,469	3.78 %	128,469	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
THE COMPANY	ATI	Subsidiary	Freight cost	528,595	96%	Depending on the demand for funding of subsidiaries	-		(56,450)	(97)%	Note 1
ATI	THE COMPANY	Subsidiary	Freight revenue	(528,595)	(50)%	〃	-		56,450	30%	〃
CST	ATI	Subsidiary	Freight revenue	(113,294)	(99)%	〃	-		21,552	100%	〃
ATI	CST	Subsidiary	Freight cost	113,294	12%	〃	-		(21,552)	(14)%	〃
MHT	ATI	Subsidiary	Freight revenue	(100,434)	(99)%	〃	-		17,314	100%	〃
ATI	MHT	Subsidiary	Freight cost	100,434	11%	〃	-		(17,314)	(11)%	
APT	ATI	Subsidiary	Freight revenue	(122,524)	(100)%	〃	-		13,367	100%	〃
ATI	APT	Subsidiary	Freight cost	122,524	13%	〃	-		(13,367)	(9)%	〃

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

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
CMT HK	CTD	Subsidiary	703,905	Note1	-		-	-	Note 2
〃	CTU	Subsidiary	661,755	〃	-		-	-	〃
〃	CHM	Subsidiary	313,596	〃	-		-	-	〃
〃	CPC	Subsidiary	252,900	〃	-		-	-	〃
〃	CHN	Subsidiary	140,500	〃	-		-	-	〃
〃	CPG	Subsidiary	365,300	〃	-		-	-	〃

Note1: Accounts receivable from related parties are not applies for turnover rate.
Note2: Transactions in the left column had been eliminated during the preparation of consolidated financial statements.

(ix) Trading in derivative instruments: None

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2020:

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

Name of investor	Name of investee	Location	Main Businesses and Products	Original Investment Amount December 31, 2020	Original Investment Amount December 31, 2019	Balance as of December 31, 2020 Shares (thousands)	Balance as of December 31, 2020 Percentage of Ownership	Balance as of December 31, 2020 Carrying Value	Net Income (Losses) of the Investee	Share of profits/losses of investee	
The Company	CMTS	Singapore	Investment holding of ship-owning companies	4,282	4,282	217	0.34%	4,898	(904)	(3)	Note1 、Note4
〃	CMT HK	Hong Kong	Investment holding of ship-owning companies	34,356	34,356	12,000	100%	8,871,403	101,034	101,034	〃
〃	CMTL	Taiwan	Warehouse management	734,058	689,558	23,650	100%	1,098,956	42,531	42,531	〃
〃	AGMI	〃	Investment	1,000	1,000	100	100%	969	(45)	(45)	〃
〃	HIL	〃	〃	685,000	785,000	68,500	100%	1,043,302	59,356	59,356	〃
〃	MHI	〃	〃	271,300	101,300	27,130	100%	547,896	224,931	224,931	〃
〃	ATI	〃	Container trucking	500,000	500,000	50,000	100%	617,139	33,381	33,381	〃
〃	TNCL	〃	Bulk-carrier transportation	Note5	1,007,412	Note5	- %	Note5	Note5	31,920	Note5
The Company	CMTTSL	〃	Travel	20,000	20,000	2,000	100%	4,247	(1,514)	(1,514)	Note1、Note4
〃	TGEM	〃	Bulk-carrier transportation	601,200	601,200	61,623	12%	605,622	243,945	29,273	Note2
〃	UNH	〃	Gasoline international trade	-	1,000	-	- %	-	(34)	(34)	Note1、Note4
〃	UHD	〃	Investment	-	1,000	-	- %	-	(34)	(34)	〃
〃	AGM	〃	Automobile and its parts manufacturing	30,000	30,000	3,000	30%	24,670	(12,357)	(3,707)	Note2
CMTS	CFR	Singapore	Bulk-carrier transportation	646,300	646,300	29,900	100%	703,988	243	Has been recognized as investment incomes(losses) by CMTS	Note1、Note3、Note4
〃	CEP	〃	〃	649,110	649,110	23,100	100%	649,551	3,931	〃	〃
CMT HK	CPS	Hong Kong	〃	56,200	56,200	2,000	100%	56,415	(56)	Has been recognized as investment incomes(losses) by CMT HK	〃
〃	CPG	Hong Kong	〃	168,600	168,600	6,000	100%	187,223	23,135	〃	〃
〃	CPC	〃	〃	154,550	154,550	5,500	100%	178,818	(422)	〃	〃
〃	CHT	〃	Bulk-chartering services	281	281	10	100%	5,320	(115)	〃	〃
〃	CPN	〃	Bulk-carrier transportation	674,400	674,400	240	100%	753,703	29,885	〃	〃
〃	CPD	〃	〃	1,180,200	1,180,200	420	100%	1,154,209	(11,464)	〃	〃
〃	CTD		〃	365,300	365,300	13,000	100%	356,194	(28,757)	〃	〃
〃	CTU	〃	〃	365,300	365,300	13,000	100%	417,454	37,509	〃	〃
〃	CHM	〃	〃	421,500	421,500	150	100%	422,570	39,156	〃	〃
〃	CHN	〃	〃	421,500	421,500	150	100%	418,807	33,606	〃	〃
〃	CHI	〃	Investment management	281	281	-	100%	(510)	(158)	〃	〃
〃	CIM	〃	〃	28,100	28,100	10.0	100%	28,751	240		〃
〃	CMTS	Singapore	Investment holding of ship-owning companies	1,331,940	1,331,940	62,918	100%	1,435,690	(904)	〃	〃
HIL	TNCL	Taiwan	Bulk-carrier transportation	-	321,956	Note6	- %	Note6	Note6	〃	Note6
ATI	CST	〃	Container trucking	86,642	86,642	8,200	100%	94,868	2,767	Has been recognized as investment incomes(losses) by ATI	Note1、Note4
	HYT	〃	〃	28,932	28,932	3,000	100%	31,838	(3,148)	-	〃
〃	MHT	〃	〃	30,568	30,568	3,000	100%	54,850	11,672	-	〃
〃	APT	〃	〃	30,719	30,719	3,000	100%	38,446	2,368	-	〃
〃	PTL	〃	〃	30,000	30,000	3,000	100%	26,125	(2,817)	-	〃

Note1: Subsidiaries controlled by the parent company.
Note2: Investees affected by the comprehensive shareholdings of the Group.
Note3: The amount was translated to the NTD at the exchange rates at the reporting date.
Note4: The account had been written off during the preparation of consolidated financial statements. 。
Note5: A part of shares had been disposed in December 2020. The investment had been reported as current financial assets at fair value through other comprehensive income.
Note6: All shares were disposed in 2020.

(c) Information on investment in mainland China:None

(d) Major shareholders:

Shareholder's Name	Shares	Percentage
AGCMT GROUP LTD.	79,685,475	40.35%
Associated International INC. (AII)	42,924,297	21.73%

(14) Disclosures required for securities firm investing in countries or regions without securities authority

Please refer to the 2020 consolidated financial statements.

6.6 Evaluation Basis for Asset & Liability Valuation Provisions

Item	Asset/Liability	Evaluation Basis
1	Loss Allowance	1.The Financial Supervisory Commission announced a switch to IFRS 9 on Jan. 1, 2018. Consolidated companies should use the simplified method to estimate anticipated credit losses for all bills and accounts receivable, and account for duration when determining the amount of anticipated credit loss. Consolidated companies should group customers by credit risk characteristics (e.g. a customer's ability to meet the payment terms stated in their contract), and weigh overall economic and industry data. Impairment losses should be recognized or reversed based on the number of days a customer's payment is delinquent per the customer's contract and the weighted average rate of expected credit loss. 2. Shipping income from time charters is received 15 days in advance.
2	Accumulated Impairment Losses	Ships regarded as “property, plant and equipment” are evaluated based on their acquisition cost. At the end of the period, valuations from Clarkson Valuations Ltd. or other credible providers are used to evaluate the impairment of assets, if any.

6.7 Financial Product Valuation

The company’s financial product valuation is disclosed in Note 4 (7) and Note 6 (20) of the consolidated financial report in this publication.

6.8 If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation: Not applicable.

7. Financial Performance and Risk Management

7.1 Financial Status

Material Changes to Assets, Liabilities, and Equity in the Last Two Fiscal Years

Unit: NT$1,000

Line Item / Year	2020	2019	Increase (Decrease) Amount	Increase (Decrease) %
Current Assets	5,078,230	3,959,012	1,119,218	28.27
Non-current Assets	14,405,607	15,997,607	(1,592,000)	(9.95)
Property, Plant and Equipment	12,101,344	13,549,411	(1,448,067)	(10.69)
Other Assets	2,304,263	2,448,196	(143,933)	(5.88)
Total Assets	19,483,837	19,956,619	(472,782)	(2.37)
Current Liabilities	3,504,621	3,109,700	394,921	12.70
Non-current Liabilities	6,229,282	6,912,556	(683,274)	(9.88)
Total Liabilities	9,733,903	10,022,256	(288,353)	(2.88)
Equity Attributable to Owners of the Parent				
Common Stock	1,974,846	1,974,846	0	0
Capital Reserve	53,411	53,411	0	0
Retained Earnings	8,605,669	8,441,796	163,873	1.94
Other Equity Interest	(883,992)	(535,690)	(348,302)	65.02
Non-controlling Interest	0	0	0	0
Total Equity	9,749,934	9,934,363	(184,429)	(1.86)

Line items that increased or decreased by over 20 percent in the last two fiscal years and main reason(s) for the change:

1. Current assets increased by 28.27 percent primarily due to an increase in “financial asset at fair value through gain or loss” calculations.

2.Other equity interest increased by 65.02 percent primarily due to the appreciation of the NT dollar at the end of the period, which resulted in currency exchange differences in the financial reports of foreign operating institutions.

7.2 Financial Performance

Material Changes to Operating Revenues and Profit in the Last Two Fiscal Years

Unit: NT$1,000

Line Item \ Year	2020	2019	Increase (Decrease) Amount	Increase (Decrease)%
Operating Revenues	3,131,115	3,762,725	(631,610)	(16.79)
Operating Cost	2,583,263	2,933,577	(350,314)	(11.94)
Operating Profit	547,852	829,148	(281,296)	(33.93)
Operating Expenses	376,341	369,497	6,844	1.85
Operating Income	171,511	459,651	(288,140)	(62.69)
Non-operating Income and Expenses	180,548	(81,393)	261,941	321.82
Profit Before Income Tax	352,059	378,258	(26,199)	(6.93)
Income Tax Expense	23,020	54,416	(31,396)	(57.70)
Profit for the Year	329,039	323,842	5,197	1.60
Other Comprehensive Income	(355,480)	(260,319)	(95,161)	(36.56)
Total Comprehensive Income	(26,441)	63,523	(89,964)	(141.62)
Basic Earnings Per Share (NT$)	1.67	1.64	(0.03)	1.83

Line items that increased or decreased by over 20 percent in the last two fiscal years and main reason(s) for the change:

1. Operating profit and operating income decreased by, respectively, 33.93 percent and 62.69 percent primarily due to a decrease in operating revenues and a higher operating cost ratio.
2. Non-operating income increased by 321.82 percent primarily due to an increase in “financial asset at fair value through profit or loss” income.
3. Income tax expense decreased by 57.7 percent primarily due to realized capital losses and an increase in exempt income.
4. Other comprehensive income decreased by 36.56 percent primarily due to an increase in "unrealized valuation at fair value through gain or loss" income; and the appreciation of the NT dollar at the end of the period, which resulted in currency exchange differences in the financial reports of foreign operating institutions.
5. Total comprehensive income decreased by 141.62 percent, for the same reason as No. 4.

7.3 Cash Flow

7.3.1 Material Changes to Consolidated Cash Flow in the Last Fiscal Year

Unit: NT$1,000

Cash Balance at Beginning of Period	Net Cash Inflow from Operating Activities in the Period	Cash Outflow in the Period	Cash Balance	Plans for Correcting Illiquidity	
				Investment	Financing
3,288,046	876,966	423,038	3,741,974	-	-

Changes in Cash Flow in the Last Fiscal Year

1. Operating activities: Net cash inflow was NT$876,966,000 primarily due to cash inflow from operations.
2. Investment activities: Net cash outflow was NT$172,703,000 primarily due to an increase in strategic long-term investments.
3. Financing activities: Net cash outflow was NT$83,557,000 primarily due to repayment of long-term loans and distribution of cash dividends.

7.3.2 Changes to Consolidated Cash Flow in the Upcoming Year

Unit: NT$1,000

Cash Balance at Beginning of Period	Net Cash Inflow from Operating Activities in the Period	Cash Outflow in the Period	Cash Balance	Plans for Correcting Illiquidity	
				Investment	Financing
3,741,974	851,111	1,750,199	2,842,886	-	-

Changes in Cash Flow in the Upcoming Year

1. Cash outflow in the period will primarily be for repayment of ship loans and corporate bonds.
2. Plans for offsetting cash illiquidity: Not applicable

7.4 Financial Impact of Major Capital Expenditures in the Last Fiscal Year

In response to the promulgation of ballast water management regulations by the International Marine Organization, the company spent US$1.02 million on equipment and installation in 2020. In trucking, the company replaced older container tractors with newer, safer models at a cost of NT$5.66 million. In logistics and warehousing, the company purchased heavy-lift reach stackers, electric reach stackers and trucks to improve container processing efficiency at a cost of NT$37.54 million. The company had the capital for these expenditures on hand and these outlays did not affect the company's financial operations.

7.5 Reinvestment Policies and Investment Plans in Upcoming Year

Reinvestment Policies in the Last Fiscal Year: The company's reinvestment policies focus on transport-related industries.

Main Reasons for Profit or Loss in the Last Fiscal Year: In the last fiscal year, consolidated net gains from recognized reinvestment profits and losses on the disposal of investments was NT$277,020,000.
Plan for Improving Reinvestment Profitability: Not applicable

Investment Plans for the Upcoming Year: The company has no major investment plans for the upcoming year.

7.6 Risk Management

7.6.1 The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future in the last fiscal year and as of the publication date of this report:

Interest Rate:
As of the end of 2020, the consolidated company's variable-rate financial liabilities totaled NT$3,375,373,000 and variable-rate financial assets totaled NT$1,286,516,000. If all other factors remained the same and the interest rate increased by a quarter of a percentage point, the consolidated company's 2020 profit before tax would be NT$6,284,000 lower. The company issues fixed-rate bonds payable to lessen the impact of variable interest rate fluctuations on cash flow down the line.

Exchange Rate:
The consolidated company's ship leasing revenues are recorded in US dollars, as are the majority of its loans and operating expenses. The vast majority of the consolidated company's domestic revenues are recorded in NT dollars, as are domestic operating expenses. Therefore, the company has no financial assets or liabilities that are subject to major foreign exchange risk.

7.6.2 The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The company does not participate in high-risk or highly leveraged investments.

As of Dec. 31, 2020, the company has no loans to other parties.

The company only acts as endorser or guarantor for its subsidiaries, and only on transactions benefiting the company's overall business or needed for expansion. The company complies with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies when it or one of its offshore subsidiaries signs as joint guarantor to shipbuilders and loan banks when a new ship is built overseas. As of Dec. 31, 2020, the company has endorsed or guaranteed NT$3,019,345,000 for its subsidiaries.

7.6.3 Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The company operates bulk shipping, trucking and warehouse logistics businesses and therefore has no research and development plans.

7.6.4 Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The International Marine Organization's Marine Environment Protection Committee enacted the Ballast Water Management Convention on Sept. 8, 2019. The company has finished installing ballast water treatment systems on most of its ships, with installation on the remaining ships scheduled during dock repairs in 2021. Apart from installation costs, there is lost revenue from ships being out of commission for around two weeks. Fuel sulfur content controls also went into effect on Jan. 1, 2020. The company has finished cleaning the oil tanks of its ships and the fleet has switched to low-sulfur fuel. Legal and regulatory changes did not have a significant impact on financial operations during the year.

7.6.5 Effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response:

The company is in the business of transport. To maintain the best operations possible, the company is constantly striving to improve and strengthen information system management through its driver daily report system, empty container depot system, container transport new dispatch system, truck maintenance system, etc. The incorporation of new systems has not only improved vehicle loading rate, but also improved overall container transport operations while lowering transport costs and raising customer satisfaction.

As global financial technology develops, the importance of information security increases with each passing day. Information security and personal information management are among the company's top priorities. To ensure the confidentiality, integrity and availability of information assets and continuity of operations, the company's information technology department uses various controls and measures to evaluate the likelihood and aftereffects of information security breaches and minimize the impact of potential cyberattacks. The department evaluates and assigns a threat level to the areas of information, information processing and processing facilities, information system management, and system vulnerabilities. Using risk level, risk response urgency and available resource measurements, the department sets an organizational acceptable risk level that is then used to assess the effectiveness of processing, execution and inspection plans.

The company's risk management policy was submitted to and passed by the board on Dec. 8, 2020, with information security risks being a main focus. Information security management is the responsibility of the company's information technology department. With the company's audit office supervising, the department is also responsible for setting information security management policies and examining the information system operations of departments and subsidiaries. Information security inspections are also included in the company's annual audit process and submitted to the board for review every year. The company has an excellent track record in this area and has no major operational risks to report.

Concrete information security management measures:

(1) Installation of a secure network system, including domain management, network topology, antivirus software, and data encryption

(2) Implementation of an information monitoring plan, including real-time network and server monitoring, daily network security monitoring, weekly server security monitoring, and monthly or quarterly server user account and permissions monitoring

(3) Inspection of safety standards, and firewall and router configuration standards

(4) Establishment of backup management policies and systems to support operating plans

(5) Installation of software required for operations development

(6) Expansion and training of information security team

(7) Information security training and guidance for employees, including information security incident types, information security threats and sources of threats, potential computer environment risks, online threats, security risks in messaging software, and conveyance of message that information security is a collective responsibility

7.6.6 Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The company is committed to corporate social responsibility and holds integrity, transparency, accountability and anti-corruption as its core values. In the last fiscal year, there were no management crises resulting from changes in the company's corporate image.

7.6.7 Expected benefits and possible risks associated with any merger and acquisition, and mitigation measures being or to be taken: None

7.6.8 Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: Not applicable

7.6.9 Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

With sales risks tied to accounts receivable, the company's credit risk is affected by individual customers. The company therefore thoroughly analyzes the credit histories of new customers, and estimates and provisions a loss allowance reflecting losses from accounts receivable and notes receivable. The company monitors the financial positions of major customers to minimize credit risk and assess the recoverability of accounts receivable. With a customer base that holds excellent credit records, the company has never suffered a major customer-related credit loss.

7.6.10 Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: There were no major-quantity share transfers.

7.6.11 Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: Not applicable

7.6.12 Litigious and non-litigious matters: List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: No major litigious matters.

7.6.13 Other important risks, and mitigation measures being or to be taken: None

7.6.14 Risk Management Implementation and Departments Responsible

To reinforce corporate governance and ensure business goals are met, individual company departments are responsible for performing preliminary risk assessments. The audit office drafts an annual audit plan based on risk level as determined by internal controls and self-evaluations. The company has identified the following types of risk and assigned responsibility for each type to the following departments:

Risk Type	Department Responsible	Responsibilities of Department
Decision-making Risk	Board of Directors	Holding ultimate responsibility for risk management
Legal Risk	Legal Office	Managing litigious and non-litigious matters; ensuring legality of company policies
Investment Risk	Investment Office	Evaluating operating risks of target investment companies
Exchange Rate and Interest Rate Risk Liquidity Risk	Finance Department	Managing exchange and interest rate planning and hedging; managing liquidity risks and ensuring adequate cash flow for sustaining operations
Market Risk	All Business Departments	Managing risk from long-term and spot market lease agreements, container haulage and freight forwarding
Ship Operations Risk	Ship Management Department	Ensuring compliance with International Safety Management Code regulations and overseeing ship operations
Information Security Risk	Information Technology Department	Managing security mechanisms and controls for information systems

7.7 Other material information: None.

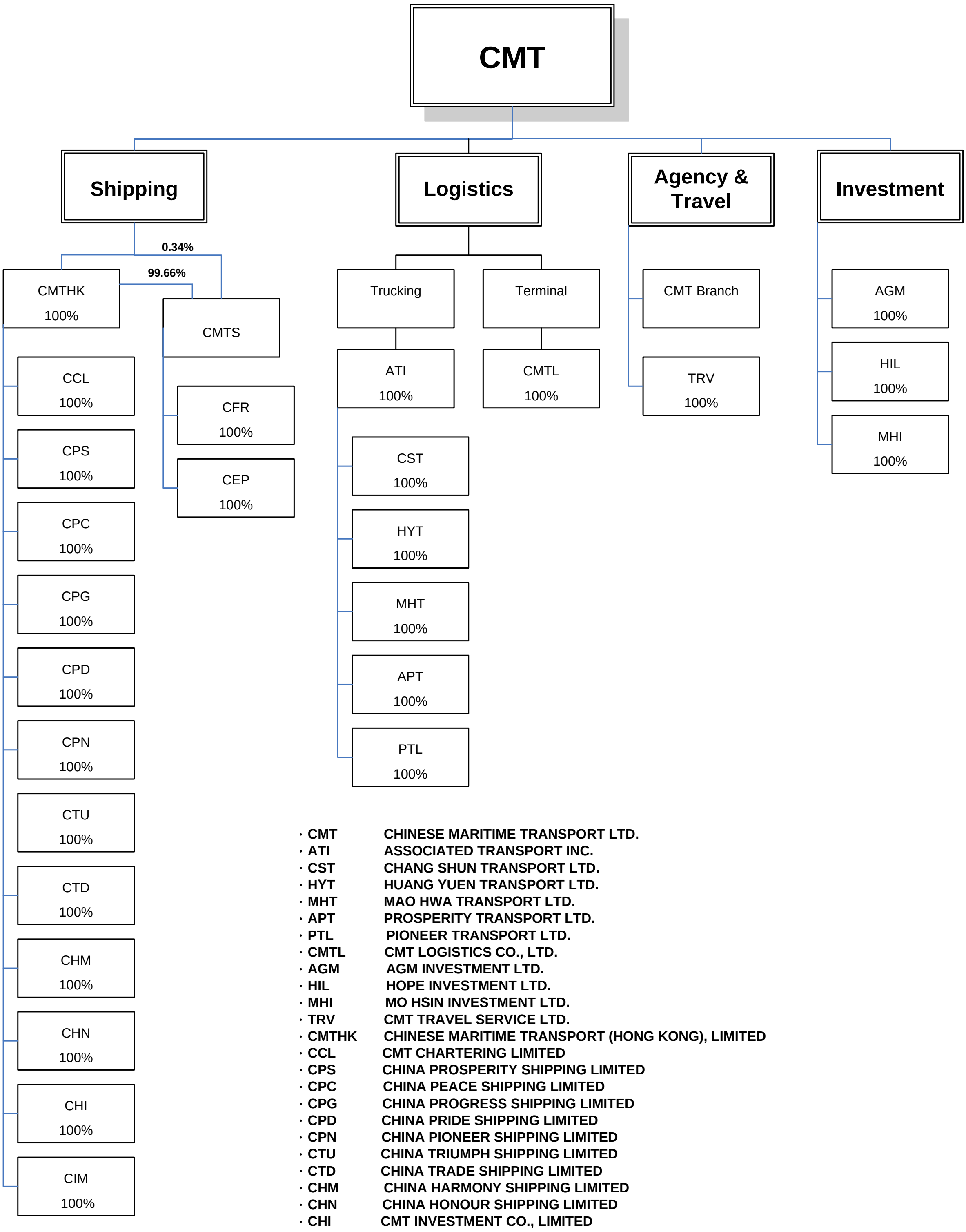
8. Special Disclosures

8.1 Affiliate Overview

8.1.1 Consolidated Business Reports of Affiliates

8.1.1.1 Affiliate Chart

CMT Organization Chart of Affiliated Enterprises



- **CMT** — **CHINESE MARITIME TRANSPORT LTD.**
- **ATI** — **ASSOCIATED TRANSPORT INC.**
- **CST** — **CHANG SHUN TRANSPORT LTD.**
- **HYT** — **HUANG YUEN TRANSPORT LTD.**
- **MHT** — **MAO HWA TRANSPORT LTD.**
- **APT** — **PROSPERITY TRANSPORT LTD.**
- **PTL** — **PIONEER TRANSPORT LTD.**
- **CMTL** — **CMT LOGISTICS CO., LTD.**
- **AGM** — **AGM INVESTMENT LTD.**
- **HIL** — **HOPE INVESTMENT LTD.**
- **MHI** — **MO HSIN INVESTMENT LTD.**
- **TRV** — **CMT TRAVEL SERVICE LTD.**
- **CMTHK** — **CHINESE MARITIME TRANSPORT (HONG KONG), LIMITED**
- **CCL** — **CMT CHARTERING LIMITED**
- **CPS** — **CHINA PROSPERITY SHIPPING LIMITED**
- **CPC** — **CHINA PEACE SHIPPING LIMITED**
- **CPG** — **CHINA PROGRESS SHIPPING LIMITED**
- **CPD** — **CHINA PRIDE SHIPPING LIMITED**
- **CPN** — **CHINA PIONEER SHIPPING LIMITED**
- **CTU** — **CHINA TRIUMPH SHIPPING LIMITED**
- **CTD** — **CHINA TRADE SHIPPING LIMITED**
- **CHM** — **CHINA HARMONY SHIPPING LIMITED**
- **CHN** — **CHINA HONOUR SHIPPING LIMITED**
- **CHI** — **CMT INVESTMENT CO., LIMITED**
- **CIM** — **CMT INTERNATIONAL MANAGEMENT CO., LIMITED**
- **CMTS** — **CHINESE MARITIME TRANSPORT (S) PTE LTD**
- **CFR** — **CHINA FORTUNE SHIPPING PTE. LTD.**
- **CEP** — **CHINA ENTERPRISE SHIPPING PTE. LTD.**

8.1.1.2 Affiliate Information

Dec. 31, 2020

Name	Date of Incorporation	Address	Paid-in Capital	Primary Business
Chinese Maritime Transport(S) Pte. Ltd.	March 26, 1994	#10-02 Orchard Towers (Rear Block), 1 Claymore Drive, Singapore 229594	US$47,550,000	Investment and Shipping
China Fortune Shipping Pte. Ltd.	Oct. 13, 2011	Same as above	US$23,000,000	Shipping
China Enterprise Shipping Pte. Ltd.	June 3, 2013	Same as above	US$23,100,000	Shipping
Chinese Maritime Transport (Hong Kong), Ltd.	Sept. 6, 2000	Room 2202C 22/F Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong	US$1,050,000	Investment and Shipping
China Prosperity Shipping Ltd.	April 6, 2004	Same as above	US$2,000,000	Shipping
China Peace Shipping Ltd.	Jan. 7, 2004	Same as above	US$5,500,000	Shipping
China Progress Shipping Ltd.	Jan. 7, 2004	Same as above	US$6,000,000	Shipping
China Pioneer Shipping Ltd.	Sept. 13, 2007	Same as above	US$24,000,000	Shipping
CMT Chartering Ltd.	March 1, 2006	Same as above	US$10,000	Ship Leasing
China Pride Shipping Ltd.	May 3, 2008	Same as above	US$42,000,000	Shipping
China Trade Shipping Ltd.	May 12, 2010	Same as above	US$13,000,000	Shipping
China Triumph Shipping Ltd.	May 12, 2010	Same as above	US$13,000,000	Shipping
China Harmony Shipping Ltd.	June 13, 2013	Same as above	US$15,000,000	Shipping
China Honour Shipping Ltd.	Dec. 6, 2013	Same as above	US$15,000,000	Shipping
CMT Investment Co., Ltd.	Dec. 27, 2013	Same as above	US$10,000	Investment
Chinese Maritime Transport Ship Management (Hong Kong) Ltd.	Sept. 26, 2014	Same as above	US$1,000,000	Management
Associated Transport Inc.	July 1, 2003	6 Gongjian North Road, Qidu District, Keelung City	NT$500,000,000	Container Trucking

Name	Date of Incorporation	Address	Paid-in Capital	Primary Business
Chang Shun Transport Ltd.	March 31, 1997	4F, 279 Bade Road, Section 2, Fengshan City, Kaohsiung City	NT$82,000,000	Container Trucking
Huang Yuen Transport Ltd.	April 14, 1997	2-1 Dongya Road, Siaogang District, Kaohsiung City	NT$30,000,000	Container Trucking
Mao Hwa Transport Ltd.	May 11, 2004	6 Gongjian North Road, Qidu District, Keelung City	NT$30,000,000	Container Trucking
Prosperity Transport Ltd.	June 18, 2005	472 Ziqiang Road, Wuqi District, Taichung City	NT$30,000,000	Container Trucking
Pioneer Transport Ltd.	Dec. 8, 2015	470 Yongmei Road, Yongping Borough, Yangmei District, Taoyuan City	NT$30,000,000	Container Trucking
CMT Logistics Co., Ltd.	Feb. 27, 1975	9F, 15 Jinan Road, Section 1, Taipei City	NT$236,500,000	Container Freight Station, Warehousing
AGM Investment Ltd.	May 10, 2004	4F, 15 Jinan Road, Section 1, Taipei City	NT$1,000,000	Investment
Hope Investment Ltd.	June 6, 2006	4F, 15 Jinan Road, Section 1, Taipei City	NT$685,000,000	Investment
Mo Hsin Investment Ltd.	Nov. 13, 2006	4F, 15 Jinan Road, Section 1, Taipei City	NT$271,300,000	Investment
CMT Travel Service Ltd.	March 23, 2010	12F, 15 Jinan Road, Section 1, Taipei City	NT$20,000,000	Travel
United Nan Hai Petroleum Inc. (*)	April. 22, 2013	9F, 15 Jinan Road, Section 1, Taipei City	NT$1,000,000	International Gas and Diesel Trade
United Nan Hai Development Inc. (*)	Dec. 10, 2015	2-1 Dongya Road, Siaogang District, Kaohsiung City	NT$1,000,000	Hospitality, Special Professional Zone Development

Note: The affiliates listed above are all subsidiaries listed in the consolidated financial report.

*United Nan Hai Development Inc. was dissolved on Feb. 23, 2021; United Nan Hai Petroleum Inc. is in the process of being dissolved.

8.1.1.3 Mutual shareholder information for companies presumed to have a relationship of control and subordination: None

8.1.1.4 Industries covered by the business operated by the affiliates overall:

The company and its affiliates primarily operate in the transport service industry, and its wholly owned offshore subsidiaries are engaged in bulk shipping, inland trucking and warehousing logistics. The company is also Saudi Arabian Airlines' general agent (ticketing, visa applications, etc.) in Taiwan. The company also has investment company subsidiaries.

8.1.1.5 Directors, Supervisors, and Presidents of Affiliates

Dec. 31, 2020

Company	Title	Name or Representative	Shareholding	
			No. Shares	%
Chinese Maritime Transport(S) Pte. Ltd.	Director	John Y.K. Peng, William Peng, Muh-Haur Jou, James S.C. Tai	216,834 (Note 1)	0.34%
China Fortune Shipping Pte. Ltd.	Director	John Y.K. Peng, William Peng, Muh-Haur Jou, James S.C. Tai	29,900,000	100%
China Enterprise Shipping Pte. Ltd.	Director	John Y.K. Peng, William Peng, Muh-Haur Jou, James S.C. Tai	23,100,000	100%
Chinese Maritime Transport (Hong Kong), Ltd.	Director	John Y.K. Peng, William Peng, Muh-Haur Jou, James S.C. Tai, Telvin Ju	12,000,000	100%
China Prosperity Shipping Ltd.	Director	William Peng, Muh-Haur Jou, James S.C. Tai, David Hsu	2,000,000	100%
China Peace Shipping Ltd.	Director	William Peng, Muh-Haur Jou, James S.C. Tai, David Hsu	5,500,000	100%
China Progress Shipping Ltd.	Director	William Peng, Muh-Haur Jou, James S.C. Tai, David Hsu	6,000,000	100%
CMT Chartering Ltd.	Director	William Peng, Muh-Haur Jou, James S.C. Tai, David Hsu	10,000	100%
China Pioneer Shipping Ltd.	Director	William Peng, Muh-Haur Jou, James S.C. Tai, David Hsu	240,000	100%
China Pride Shipping Ltd.	Director	William Peng, Muh-Haur Jou, James S.C. Tai, David Hsu	420,000	100%
China Trade Shipping Ltd.	Director	William Peng, Muh-Haur Jou, James S.C. Tai, David Hsu	13,000,000	100%
China Triumph Shipping Ltd.	Director	William Peng, Muh-Haur Jou, James S.C. Tai, David Hsu	13,000,000	100%
China Harmony Shipping Ltd.	Director	William Peng, Muh-Haur Jou, James S.C. Tai, David Hsu	150,000	100%
China Honour Shipping Ltd.	Director	William Peng, Muh-Haur Jou, James S.C. Tai, David Hsu	150,000	100%
CMT Investment Co., Ltd.	Director	John Y.K. Peng, William Peng, Muh-Haur Jou	100	100%
Chinese Maritime Transport Ship Management (Hong Kong) Ltd.	Director	John Y.K. Peng, William Peng, Muh-Haur Jou	10,000	100%
Chang Shun Transport Ltd.	Director Supervisor Chair President	David Hsu, R.S. Cheng, Lu Shih-Yuan Derry Sun David Hsu David Hsu	8,200,000	100%
Huang Yuen Transport Ltd.	Director Supervisor Chair President	R.S. Cheng, Lu Shih-Yuan, David Hsu Derry Sun R.S. Cheng David Hsu	3,000,000	100%
Associated Transport Inc.	Director Supervisor Chair President	Telvin Ju, James S.C. Tai, David Hsu, R.S. Cheng, Stephen Tsung-Shu Wu Derry Sun Telvin Ju David Hsu	50,000,000	100%

Company	Title	Name or Representative	Shareholding	
			No. Shares	%
Mao Hwa Transport Ltd.	Director Supervisor Chair President	Lu Shih-Yuan, R.S. Cheng, David Hsu Derry Sun Lu Shih-Yuan David Hsu	3,000,000	100%
Prosperity Transport Ltd.	Director Supervisor Chair President	Lu Shih-Yuan, R.S. Cheng, David Hsu Derry Sun Lu Shih-Yuan David Hsu	3,000,000	100%
Pioneer Transport Ltd.	Director Supervisor Chair President	R.S. Cheng, David Hsu, Lu Shih-Yuan Derry Sun R.S. Cheng David Hsu	3,000,000	100%
CMT Logistics Co., Ltd.	Director Supervisor Chair President	Telvin Ju, Muh-Haur Jou, James S.C. Tai, David Hsu, Stephen Tsung-Shu Wu Derry Sun Telvin Ju Stephen Tsung-Shu Wu	23,650,000	100%
AGM Investment Ltd.	Director Supervisor Chair	Muh-Haur Jou, Telvin Ju, David Hsu Catherine Huang Muh-Haur Jou	100,000	100%
Hope Investment Ltd.	Director Supervisor Chair	Muh-Haur Jou, Telvin Ju, David Hsu Catherine Huang Muh-Haur Jou	68,500,000	100%
Mo Hsin Investment Ltd.	Director Supervisor Chair	Muh-Haur Jou, Telvin Ju, David Hsu Catherine Huang Muh-Haur Jou	130,000	100%
CMT Travel Service Ltd.	Director Supervisor Chair	Muh-Haur Jou, R.S. Cheng, David Hsu Catherine Huang Muh-Haur Jou	2,000,000	100%
United Nan Hai Petroleum Inc. (Note 2)	Director Supervisor Chair	Muh-Haur Jou, John Y.K. Peng, Telvin Ju Catherine Huang Muh-Haur Jou	100,000	100%
United Nan Hai Development Inc. (Note 2)	Director Supervisor Chair	Muh-Haur Jou, John Y.K. Peng, Telvin Ju Catherine Huang Muh-Haur Jou	100,000	100%

Note 1: The company has a shareholding of 0.34 percent in CMTS; CMTHK has a 99.66 percent shareholding in CMTS.

Note 2: United Nan Hai Development Inc. was dissolved on Feb. 23, 2021; United Nan Hai Petroleum Inc. is in the process of being dissolved.

8.1.1.6 Affiliate Operations

Dec. 31, 2020
Unit for Foreign Companies: US$1,000*
Unit for All Others: NT$1,000*
*Excluding EPS
US$1=NT$28.10

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Profit/Loss	Profit/Loss for the Year (After Tax)	Earnings Per Share (Dollar) (After Tax)
Chinese Maritime Transport(S) Pte. Ltd. (Note 1)	US$47,550	US$96,974	US$44,498	US$52,476	US$10,499	US$821	US$ 9	US$0.0002
China Fortune Shipping Pte. Ltd.	US$23,000	US$46,141	US$20,292	US$25,849	US$5,415	US$277	(US$ 57)	(US$0.002)
China Enterprise Shipping Pte. Ltd.	US$23,100	US$47,715	US$24,184	US$23,531	US$5,084	US$764	US$ 238	US$0.01
Chinese Maritime Transport (Hong Kong), Ltd. (Note 1)	US$1,050	US$437,075	US$116,317	US$320,758	US$53,874	US$4,617	US$3,366	US$0.281
China Prosperity Shipping Ltd.	US$2,000	US$2,012	US$4	US$2,008	0	0	(US$ 2)	(US$0.001)
China Peace Shipping Ltd.	US$5,500	US$15,569	US$9,111	US$6,458	US$4,015	(US$ 82)	(US$ 40)	(US$0.007)
China Progress Shipping Ltd.	US$6,000	US$20,073	US$13,289	US$6,784	US$5,037	US$704	US$757	US$0.126
CMT Chartering Ltd.	US$10	US$190	US$1	US$189	0	(US$6)	(US$4)	(US$0.39)
China Pioneer Shipping Ltd.	US$24,000	US$49,721	US$22,150	US$27,571	US$6,615	US$1,224	US$947	US$3.945
China Pride Shipping Ltd.	US$42,000	US$41,958	US$407	US$41,551	US$5,393	(US$523)	(US$446)	(US$1.062)
China Trade Shipping Ltd.	US$13,000	US$45,424	US$32,032	US$13,392	US$4,194	(US$954)	(US$1,039)	(US$0.08)
China Triumph Shipping Ltd.	US$13,000	US$45,011	US$29,449	US$15,562	US$6,500	US$1,258	US$1,205	US$0.093
China Harmony Shipping Ltd.	US$15,000	US$44,030	US$28,536	US$15,494	US$5,921	US$1,693	US$1,431	US$9.54
China Honour Shipping Ltd.	US$15,000	US$45,172	US$29,922	US$15,250	US$5,701	US$1,690	US$1,243	US$8.29
CMT Investment Co., Ltd.	US$10	US$2	US$20	(US$18)	0	(US$5)	(US$5)	(US$54)
Chinese Maritime Transport Ship Management (Hong Kong) Ltd.	US$1,000	US$1,024	US$1	US$1,023	0	(US$6)	US$8	US$0.81
Associated Transport Inc.	500,000	857,535	240,397	617,139	1,059,032	27,049	33,381	0.67
Chang Shun Transport Ltd.	82,000	105,483	10,570	94,868	114,661	(689)	2,767	0.34
Huang Yuen Transport Ltd.	30,000	40,199	8,362	31,838	53,839	(4,534)	(3,148)	(1.05)
Mao Hwa Transport Ltd.	30,000	64,211	9,360	54,850	101,392	14,578	11,672	3.89
Prosperity Transport Ltd.	30,000	88,259	49,812	38,446	122,524	3,078	2,367	0.79
Pioneer Transport Ltd.	30,000	45,015	18,890	26,125	54,853	(3,283)	(2,817)	(0.94)
CMT Logistics Co., Ltd.	236,500	1,654,439	553,501	1,100,938	402,659	51,213	43,200	1.83

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Profit/Loss	Profit/Loss for the Year (After Tax)	Earnings Per Share (Dollar) (After Tax)
AGM Investment Ltd.	1,000	1,019	50	969	0	(50)	(45)	(0.45)
Hope Investment Ltd.	685,000	1,148,423	105,119	1,043,304	145,596	145,378	59,356	0.87
Mo Hsin Investment Ltd.	271,300	547,945	50	547,895	225,077	224,931	224,931	8.29
CMT Travel Service Ltd.	20,000	4,609	363	4,247	183	(1,936)	(1,514)	(0.76)

Note 1: Consolidated figures are given.

8.1.2 Consolidated Financial Statements of Affiliated Enterprises

Declaration on the Consolidated Financial Statements of Affiliated Enterprises for Jan. 1, 2020 to Dec. 31, 2020:

Pursuant to government regulations:

If the companies required to be included in the consolidated financial statements of affiliated enterprises under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies under IFRS 10, which is recognized by the Financial Supervisory Commission, and if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, separate consolidated financial statements of affiliates are not required.

Chinese Maritime Transport Ltd.

William Peng
Chair

Mar. 19, 2021

8.1.3 Affiliation Report
Reports on Affiliations: Not applicable

8.2 Private Placement Securities

Disclose where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None

8.3 Affiliate Holdings in the Company and Share Disposal

Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None

8.4 Other Required Supplementary Information

Other matters that require additional description: None

8.5 Events with Material Impact on Equity or Share Price

If any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one: None