

**CHINESE MARITIME TRANSPORT LTD.  
AND SUBSIDIARIES**

**Consolidated Financial Statements  
With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2020 and 2019**

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

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## Independent Auditors' Review Report

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

### Introduction

We have reviewed the accompanying consolidated balance sheets of Chinese Maritime Transport Ltd. and its subsidiaries as of March 31, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

As stated in Note (4)(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$1,777,384 thousand and \$2,150,341 thousand, constituting 9.00% and 10.32% of the consolidated total assets; and the total liabilities amounting to \$689,740 thousand and \$829,149 thousand, constituting 7.03% and 7.91% of the consolidated total liabilities as of March 31, 2020 and 2019, respectively; as well as the total comprehensive income amounting to \$7,757 thousand and \$9,508 thousand, constituting 381.37% and 5.67% of the absolute value of the consolidated total comprehensive income for the three months ended March 31, 2020 and 2019, respectively.

Furthermore, as stated in Note (6)(e), the other equity accounted investments of the Group in its investee companies of \$1,721,509 thousand and \$1,742,400 thousand as of March 31, 2020 and 2019, respectively, and its equity in net earnings on these investee companies of \$23,574 thousand and \$20,034 thousand for the three months ended March 31, 2020 and 2019, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

### **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Chinese Maritime Transport Ltd. and its subsidiaries as of March 31, 2020 and 2019, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Yiu-Kwan Au and Jui-Lan Lo.

KPMG

Taipei, Taiwan (Republic of China)  
May 13, 2020

### **Notes to Readers**

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

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



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

**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the three months ended March 31, 2020 and 2019**

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

|      |                                                                                                                                                                                                  | For the three months ended March 31 |             |                 |            |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------|-----------------|------------|
|      |                                                                                                                                                                                                  | 2020                                |             | 2019            |            |
|      |                                                                                                                                                                                                  | Amount                              | %           | Amount          | %          |
| 4000 | <b>Operating Revenues (notes (6)(q), (7) and (14))</b>                                                                                                                                           |                                     |             |                 |            |
| 4621 | Freight revenue-vessel chartering                                                                                                                                                                | \$ 428,812                          | 53          | 518,685         | 54         |
| 4622 | Freight revenue-container hauling and logistics revenue                                                                                                                                          | 375,598                             | 46          | 435,752         | 45         |
| 4623 | Freight revenue-airline agent and others                                                                                                                                                         | 8,001                               | 1           | 9,447           | 1          |
|      |                                                                                                                                                                                                  | <u>812,411</u>                      | <u>100</u>  | <u>963,884</u>  | <u>100</u> |
| 5000 | <b>Operating costs (notes (6) (m), (s) and (12))</b>                                                                                                                                             |                                     |             |                 |            |
| 5621 | Freight cost-vessel chartering                                                                                                                                                                   | 347,145                             | 43          | 345,927         | 36         |
| 5622 | Freight cost-container hauling and logistics                                                                                                                                                     | 312,878                             | 38          | 361,305         | 37         |
| 5623 | Freight cost-airline agent and others                                                                                                                                                            | 6,074                               | 1           | 7,051           | 1          |
|      |                                                                                                                                                                                                  | <u>666,097</u>                      | <u>82</u>   | <u>714,283</u>  | <u>74</u>  |
| 5900 | <b>Gross profit</b>                                                                                                                                                                              | <u>146,314</u>                      | <u>18</u>   | <u>249,601</u>  | <u>26</u>  |
|      | <b>Operating expenses:</b>                                                                                                                                                                       |                                     |             |                 |            |
| 6000 | Operating expenses (notes (6)(m), (s), (7) and (12))                                                                                                                                             | 92,711                              | 11          | 92,648          | 10         |
| 6450 | Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 (notes (6)(d))                                                                            | (111)                               | -           | 5               | -          |
|      |                                                                                                                                                                                                  | <u>92,600</u>                       | <u>11</u>   | <u>92,653</u>   | <u>10</u>  |
| 6900 | <b>Net operating income</b>                                                                                                                                                                      | <u>53,714</u>                       | <u>7</u>    | <u>156,948</u>  | <u>16</u>  |
|      | <b>Non-operating income and expenses:</b>                                                                                                                                                        |                                     |             |                 |            |
| 7010 | Other income (note (6)(l))                                                                                                                                                                       | 3,713                               | -           | 3,187           | -          |
| 7050 | Finance costs (note (6)(r))                                                                                                                                                                      | (47,070)                            | (6)         | (64,768)        | (6)        |
| 7060 | Share of profit (loss) of associates and joint ventures accounted for using equity method (note (6)(e))                                                                                          | 23,574                              | 3           | 20,034          | 2          |
| 7100 | Interest income                                                                                                                                                                                  | 12,284                              | 2           | 19,830          | 2          |
| 7210 | Gains (losses) on disposals of property, plant and equipment, net (note (6)(f))                                                                                                                  | 3,025                               | -           | (23)            | -          |
| 7230 | Foreign exchange gains or losses, net                                                                                                                                                            | 87                                  | -           | 138             | -          |
| 7235 | Losses on financial assets (liabilities) at fair value through profit or loss (note (6)(b))                                                                                                      | (38,611)                            | (5)         | (169)           | -          |
| 7590 | Miscellaneous disbursements                                                                                                                                                                      | (8)                                 | -           | (206)           | -          |
|      |                                                                                                                                                                                                  | <u>(43,006)</u>                     | <u>(6)</u>  | <u>(21,977)</u> | <u>(2)</u> |
| 7900 | <b>Profit from continuing operations before tax</b>                                                                                                                                              | <u>10,708</u>                       | <u>1</u>    | <u>134,971</u>  | <u>14</u>  |
| 7950 | Less: Income tax expenses (note (6)(n))                                                                                                                                                          | 8,016                               | 1           | 10,280          | 1          |
|      | <b>Profit (attributable to owners of parent)</b>                                                                                                                                                 | <u>2,692</u>                        | <u>-</u>    | <u>124,691</u>  | <u>13</u>  |
| 8300 | <b>Other comprehensive income:</b>                                                                                                                                                               |                                     |             |                 |            |
| 8310 | <b>Items that may not be reclassified subsequently to profit or loss</b>                                                                                                                         |                                     |             |                 |            |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note (6)(c))                                                         | (80,676)                            | (10)        | 4,863           | -          |
| 8320 | Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss | (13,296)                            | (2)         | (1,134)         | -          |
|      |                                                                                                                                                                                                  | <u>(93,972)</u>                     | <u>(12)</u> | <u>3,729</u>    | <u>-</u>   |
| 8360 | <b>Items that may be reclassified subsequently to profit or loss</b>                                                                                                                             |                                     |             |                 |            |
| 8361 | Exchange differences on translation                                                                                                                                                              | 80,884                              | 10          | 34,246          | 4          |
| 8370 | Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss     | 12,430                              | 2           | 5,166           | -          |
|      | Total other comprehensive income that will be reclassified to profit or loss                                                                                                                     | <u>93,314</u>                       | <u>12</u>   | <u>39,412</u>   | <u>4</u>   |
| 8300 | <b>Other comprehensive income, net</b>                                                                                                                                                           | <u>(658)</u>                        | <u>-</u>    | <u>43,141</u>   | <u>4</u>   |
|      | <b>Comprehensive income (attributable to owners of parent)</b>                                                                                                                                   | <u>\$ 2,034</u>                     | <u>-</u>    | <u>167,832</u>  | <u>17</u>  |
|      | <b>Earnings per share (note (6)(p))</b>                                                                                                                                                          |                                     |             |                 |            |
| 9750 | Basic net income per share (NT dollars)                                                                                                                                                          | \$ 0.01                             |             | 0.63            |            |
| 9850 | Diluted net income per share (NT dollars)                                                                                                                                                        | \$ 0.01                             |             | 0.63            |            |

See accompanying notes to consolidated financial statements.

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

**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the three months ended March 31, 2020 and 2019**

**(Expressed in Thousands of New Taiwan Dollars)**

|                                                                      | Equity attributable to owners of parent |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    | Total other equity interest |              |
|----------------------------------------------------------------------|-----------------------------------------|---------------|-----------------|-------------------|-----------------|----------------------------------|--|-------------------------|---------------------------------------------------------------------|------------------------------------|-----------------------------|--------------|
|                                                                      |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    | Unrealized                  |              |
|                                                                      |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    | gains                       |              |
| Share capital                                                        |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    | (losses) from               |              |
| Ordinary shares                                                      | Capital surplus                         | Legal reserve | Special reserve | Retained earnings |                 | Unappropriated                   |  | Total retained earnings | Exchange differences on translation of foreign financial statements | through other comprehensive income | Total other equity interest | Total equity |
|                                                                      |                                         |               |                 | Retained earnings | Special reserve | Unappropriated retained earnings |  |                         |                                                                     |                                    |                             |              |
|                                                                      |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    |                             |              |
| <b>Balance at January 1, 2019</b>                                    |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    |                             |              |
| Net income for the three months ended March 31, 2019                 |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    |                             |              |
| Other comprehensive income for the three months ended March 31, 2019 |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    |                             |              |
| Total comprehensive income for the three months ended March 31, 2019 |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    |                             |              |
| <b>Balance at March 31, 2019</b>                                     |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    |                             |              |
| <b>Balance at January 1, 2020</b>                                    |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    |                             |              |
| Net income for the three months ended March 31, 2020                 |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    |                             |              |
| Other comprehensive income for the three months ended March 31, 2020 |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    |                             |              |
| Total comprehensive income for the three months ended March 31, 2020 |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    |                             |              |
| <b>Balance at March 31, 2020</b>                                     |                                         |               |                 |                   |                 |                                  |  |                         |                                                                     |                                    |                             |              |

See accompanying notes to consolidated financial statements.

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

**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**  
**For the three months ended March 31, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars)**

|                                                                                    | For the three months ended March 31 |           |
|------------------------------------------------------------------------------------|-------------------------------------|-----------|
|                                                                                    | 2020                                | 2019      |
| <b>Cash flows from (used in) operating activities:</b>                             |                                     |           |
| Profit before tax                                                                  | \$ 10,708                           | 134,971   |
| Adjustments:                                                                       |                                     |           |
| Adjustments to reconcile profit (loss):                                            |                                     |           |
| Depreciation and amortization expense                                              | 237,996                             | 237,105   |
| Expected credit loss (gain)                                                        | (111)                               | 5         |
| Net loss on financial assets at fair value through profit or loss                  | 38,611                              | 169       |
| Interest expense                                                                   | 47,070                              | 64,768    |
| Interest income                                                                    | (12,284)                            | (19,830)  |
| Share of profit of associates and joint ventures accounted for using equity method | (23,574)                            | (20,034)  |
| Net gain (loss) on disposal of property, plant and equipment                       | (3,025)                             | 23        |
| Total adjustments to reconcile profit (loss)                                       | 284,683                             | 262,206   |
| <b>Changes in operating assets:</b>                                                |                                     |           |
| Decrease in notes and accounts receivable (including related parties)              | 50,570                              | 21,281    |
| Increase in other current assets                                                   | (33,176)                            | (48,442)  |
| Decrease in other financial assets                                                 | 5,779                               | 28,786    |
|                                                                                    | 23,173                              | 1,625     |
| <b>Changes in operating liabilities:</b>                                           |                                     |           |
| Increase (decrease) in notes and accounts payable                                  | (47,946)                            | 9,539     |
| Increase (decrease) in current contract liabilities                                | (8,278)                             | 1,343     |
| Decrease in other current liabilities                                              | (80,210)                            | (42,524)  |
| Decrease in net defined benefit liability                                          | (200)                               | (5,483)   |
|                                                                                    | (136,634)                           | (37,125)  |
| Total changes in operating assets and liabilities                                  | (113,461)                           | (35,500)  |
| Total adjustments                                                                  | 171,222                             | 226,706   |
| Cash inflow generated from operations                                              | 181,930                             | 361,677   |
| Interest received                                                                  | 12,745                              | 19,023    |
| Interest paid                                                                      | (63,919)                            | (82,893)  |
| Income taxes paid                                                                  | (2,306)                             | (856)     |
| Net cash flows from operating activities                                           | 128,450                             | 296,951   |
| <b>Cash flows from (used in) investing activities:</b>                             |                                     |           |
| Acquisition of financial assets at fair value through other comprehensive income   | (12,295)                            | (169,430) |
| Acquisition of financial assets at fair value through profit or loss               | (93,077)                            | (24,570)  |
| Proceeds from disposal of financial assets at fair value through profit or loss    | -                                   | 13,540    |
| Acquisition of property, plant and equipment                                       | (1,457)                             | (18,169)  |
| Proceeds from disposal of property, plant and equipment                            | 10,517                              | 3,269     |
| Decrease (increase) in other non-current assets                                    | (542)                               | 5,770     |
| Decrease in other current financial assets                                         | 55,839                              | 70,402    |
| Increase in other non-current financial assets                                     | (5,605)                             | (2,949)   |
| Net cash flows used in investing activities                                        | (46,620)                            | (122,137) |
| <b>Cash flows from (used in) financing activities:</b>                             |                                     |           |
| Increase in short-term borrowings                                                  | 150,414                             | 274,987   |
| Repayments of long-term borrowings                                                 | (211,141)                           | (253,164) |
| Payment of lease liabilities                                                       | (23,347)                            | (23,505)  |
| Other                                                                              | 2                                   | -         |
| Net cash flows used in financing activities                                        | (84,072)                            | (1,682)   |
| Effect of exchange rate changes on cash and cash equivalents                       | 22,065                              | 10,454    |
| Net increase in cash and cash equivalents                                          | 19,823                              | 183,586   |
| Cash and cash equivalents at beginning of period                                   | 3,288,046                           | 3,345,205 |
| Cash and cash equivalents at end of period                                         | \$ 3,307,869                        | 3,528,791 |

See accompanying notes to consolidated financial statements.

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

**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**March 31, 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 three months ended March 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 (b) for related information.

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

These consolidated financial statements for the three months ended March 31, 2020 were authorized for issue by the board of directors on May 13, 2020.

**(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 following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2020.

| <b>New, Revised or Amended Standards and Interpretations</b>           | <b>Effective date<br/>per IASB</b> |
|------------------------------------------------------------------------|------------------------------------|
| Amendments to IFRS 3 “Definition of a Business”                        | January 1, 2020                    |
| Amendments to IFRS 9, IAS39 and IFRS7 “Interest Rate Benchmark Reform” | January 1, 2020                    |
| Amendments to IAS 1 and IAS 8 “Definition of Material”                 | January 1, 2020                    |

Except for the following items, the Group believes that the adoption of the above IFRSs would not have any material impact on its consolidated financial statements. The extent and impact of significant changes are as follows:

The amendments to IAS 1 and IAS 8 “Definition of Material” clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards.

(Continued)

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

There was no material impact to financial position and financial performance at the date of initial application.

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

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

| <b>New, Revised or Amended Standards and Interpretations</b>                                                             | <b>Effective date per IASB</b>          |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture” | Effective date to be determined by IASB |
| IFRS 17 “Insurance Contracts”                                                                                            | January 1, 2021                         |
| Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”                                            | January 1, 2022                         |

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.

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

- (a) Statement of compliance

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

Except the following accounting policies mentioned below, the significant accounting policies used in the financial statements are consistent with the consolidated financial statements for the year ended December 31, 2019. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2019.

- (b) Basis of consolidation

| Name of investor | Name of subsidiary                                      | Principal activity                          | Shareholding   |                   |                | Note |
|------------------|---------------------------------------------------------|---------------------------------------------|----------------|-------------------|----------------|------|
|                  |                                                         |                                             | March 31, 2020 | December 31, 2019 | March 31, 2019 |      |
| The Company      | Chinese Maritime Transport(S) Pte. Ltd. (CMTS)          | Investment holding of ship-owning companies | 0.34           | 0.34              | 0.44           |      |
| "                | Chinese Maritime Transport (Hong Kong), Limited (CMTHK) | Investment holding of ship-owning companies | 100            | 100               | 100            |      |

(Continued)

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

| Name of investor | Name of subsidiary                                                   | Principal activity                          | Shareholding   |                   |                | Note           |
|------------------|----------------------------------------------------------------------|---------------------------------------------|----------------|-------------------|----------------|----------------|
|                  |                                                                      |                                             | March 31, 2020 | December 31, 2019 | March 31, 2019 |                |
| The Company      | CMT Logistics Co., Ltd. (CMTL)                                       | Warehouse management                        | 100            | 100               | 100            | Note 2         |
| "                | AGM Investment Ltd. (AGMI)                                           | Investment                                  | 100            | 100               | 100            |                |
| "                | Hope Investment Ltd. (HIL)                                           | Investment                                  | 100            | 100               | 100            |                |
| "                | Mo Hsin Investment Ltd. (MHI)                                        | Investment                                  | 100            | 100               | 100            |                |
| "                | Associated Transport Inc. (ATI)                                      | Container trucking                          | 100            | 100               | 100            |                |
| "                | CMT Travel Service Ltd. (CMTTSL)                                     | Travel                                      | 100            | 100               | 100            | Note 2         |
| "                | United Nan Hai Petroleum INC (UNH)                                   | Gasoline international trade                | 100            | 100               | 100            | Note 2         |
| "                | United Nan Hai Development Inc. (NHD)                                | Investment                                  | 100            | 100               | 100            | Note 2         |
| "                | CMT Leasing Co., Ltd. (CMTLL)                                        | Car rental                                  | -              | -                 | -              | Note 1, Note 2 |
| CMTS             | China Fortune Shipping Pte Ltd. (CFR)                                | Bulk-carrier transportation                 | 100            | 100               | 100            |                |
| "                | China Enterprise Shipping PTE. Ltd. (CEP)                            | Bulk-carrier transportation                 | 100            | 100               | 100            |                |
| CMTHK            | China Prosperity Shipping Ltd. (CPS)                                 | Bulk-carrier transportation                 | 100            | 100               | 100            |                |
| "                | China Peace Shipping Ltd. (CPC)                                      | Bulk-carrier transportation                 | 100            | 100               | 100            |                |
| "                | China Progress Shipping Ltd. (CPG)                                   | Bulk-carrier transportation                 | 100            | 100               | 100            |                |
| "                | China Pioneer Shipping Ltd. (CPN)                                    | Bulk-carrier transportation                 | 100            | 100               | 100            |                |
| "                | China Pride Shipping Ltd. (CPD)                                      | Bulk-carrier transportation                 | 100            | 100               | 100            |                |
| "                | CMT Chartering Ltd. (CCL)                                            | Bulk-chartering services                    | 100            | 100               | 100            |                |
| "                | China Triumph Shipping Ltd. (CTU)                                    | Bulk-carrier transportation                 | 100            | 100               | 100            |                |
| "                | China Trade Shipping Ltd. (CTD)                                      | Bulk-carrier transportation                 | 100            | 100               | 100            |                |
| "                | China Harmory Shipping Ltd. (CHM)                                    | Bulk-carrier transportation                 | 100            | 100               | 100            |                |
| "                | China Honour shipping Ltd. (CHN)                                     | Bulk-carrier transportation                 | 100            | 100               | 100            |                |
| "                | CMT Investment CO., Limited (CHI)                                    | Investment                                  | 100            | 100               | 100            |                |
| "                | Chinese Maritime Transport Ship Management (Hong Kong) Limited (CIM) | Investment management                       | 100            | 100               | 100            |                |
| "                | Chinese Maritime Transport (S) Ptd. Ltd. (CMTS)                      | Investment holding of ship-owning companies | 99.66          | 99.66             | 99.56          |                |

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

| Name of investor | Name of subsidiary                      | Principal activity | Shareholding   |                   |                | Note |
|------------------|-----------------------------------------|--------------------|----------------|-------------------|----------------|------|
|                  |                                         |                    | March 31, 2020 | December 31, 2019 | March 31, 2019 |      |
| ATI              | Chang-Shun Transport CO., Ltd. (CST)    | Container trucking | 100            | 100               | 100            |      |
| "                | Huang-Yuen Transport CO., Ltd. (HYT)    | Container trucking | 100            | 100               | 100            |      |
| "                | Mao-Hua Transport CO., Ltd. (MHT)       | Container trucking | 100            | 100               | 100            |      |
| "                | AG Prosperity Transport CO., Ltd. (APT) | Container trucking | 100            | 100               | 100            |      |
| "                | Pioneer Transport Co., Ltd. (PTL)       | Container trucking | 100            | 100               | 100            |      |

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

Note 2: Non-significant subsidiary, its financial statements have not been reviewed.

(c) Employee benefits

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

(d) Income taxes

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

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

For a change in tax rate that is substantively enacted in an interim period, the effect of the change should immediately be recognized in the interim period in which the change occurs.

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

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

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

In the preparation of this consolidated interim financial statements, the major sources of accounting assumptions, judgments and estimation uncertainty are consistent with Note (5) of the annual consolidated financial statements for the year ended December 31, 2019.

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

**(6) Explanation of significant accounts**

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2019. Please refer to Note (6) of the consolidated financial statements for the year ended December 31, 2019.

(a) Cash and cash equivalents

|                                                                    | <b>March 31,<br/>2020</b>  | <b>December 31,<br/>2019</b> | <b>March 31,<br/>2019</b> |
|--------------------------------------------------------------------|----------------------------|------------------------------|---------------------------|
| Petty cash, checking accounts and demand deposits                  | \$ 706,958                 | 863,945                      | 835,137                   |
| Time deposits                                                      | 2,381,291                  | 2,254,565                    | 2,592,079                 |
| Cash equivalents-commercial paper and reverse repurchase agreement | 219,620                    | 169,536                      | 101,575                   |
|                                                                    | <u><u>\$ 3,307,869</u></u> | <u><u>3,288,046</u></u>      | <u><u>3,528,791</u></u>   |

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

(i) Information are as follows:

|                                                                                                   | <b>March 31,<br/>2020</b> | <b>December 31,<br/>2019</b> | <b>March 31,<br/>2019</b> |
|---------------------------------------------------------------------------------------------------|---------------------------|------------------------------|---------------------------|
| <b>Current financial assets mandatorily measured as at fair value through profit or loss:</b>     |                           |                              |                           |
| Derivative instruments not use for hedging                                                        |                           |                              |                           |
| Convertible bonds                                                                                 | \$ -                      | -                            | 37,804                    |
| Non-derivative financial instrument                                                               |                           |                              |                           |
| Domestic listed stocks                                                                            | 88,396                    | 14,050                       | 50,098                    |
| <b>Non-current financial assets mandatorily measured as at fair value through profit or loss:</b> |                           |                              |                           |
| Non-derivative financial instrument                                                               |                           |                              |                           |
| Domestic listed stocks                                                                            | 52,248                    | 62,963                       | -                         |
| Domestic listed stocks under private placement                                                    | 21,881                    | 31,046                       | -                         |
| Domestic stocks                                                                                   | 25,545                    | 25,545                       | 25,788                    |
|                                                                                                   | <u><u>\$ 188,070</u></u>  | <u><u>133,604</u></u>        | <u><u>113,690</u></u>     |

The gain or loss on financial assets at fair value through profit or loss for the three months ended March 31, 2020 and 2019 were loss of \$38,611 and \$169, respectively.

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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The Group did not provide any aforementioned financial assets as collateral as of March 31, 2020, December 31 and March 31, 2019, respectively.

(ii) Debt investment and fixed rate deposit

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 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 March 31, 2020 and 2019.

(iii) The Group has assessed that the domestic unlisted stocks 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 financial assets mandatorily measured value through profit or loss.

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

|                                                                     | <u>March 31,</u><br><u>2020</u> | <u>December 31,</u><br><u>2019</u> | <u>March 31,</u><br><u>2019</u> |
|---------------------------------------------------------------------|---------------------------------|------------------------------------|---------------------------------|
| Equity investments at fair value through other comprehensive income |                                 |                                    |                                 |
| Domestic listed stocks                                              | \$ <u>246,753</u>               | <u>315,134</u>                     | <u>199,267</u>                  |

(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 purchased those investments for strategic purposes amounting to \$12,295 and \$169,430 for the three months ended March 31, 2020 and 2019, respectively.

During the three months ended March 31, 2020 and 2019, the Group had recognized unrealized gain or loss on financial assets at fair value through other comprehensive income of loss \$80,676 and gain \$4,863, respectively.

There were no disposal of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the three months ended March 31, 2020 and 2019.

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

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

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

(d) Notes and accounts receivable

|                                                                | March 31,<br>2020 | December 31,<br>2019 | March 31,<br>2019 |
|----------------------------------------------------------------|-------------------|----------------------|-------------------|
| Notes receivable                                               | \$ 7,222          | 8,952                | 13,247            |
| Accounts receivable                                            | 232,772           | 281,612              | 268,666           |
| Less: Loss allowance                                           | (47)              | (158)                | (306)             |
|                                                                | <u>\$ 239,947</u> | <u>290,406</u>       | <u>281,607</u>    |
| Notes and accounts receivable, net                             | <u>\$ 227,063</u> | <u>273,636</u>       | <u>270,659</u>    |
| Notes and accounts receivable due from<br>related parties, net | <u>\$ 12,884</u>  | <u>16,770</u>        | <u>10,948</u>     |

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

| March 31, 2020              |                          |                                   |                             |
|-----------------------------|--------------------------|-----------------------------------|-----------------------------|
|                             | Gross carrying<br>amount | Weighted-<br>average<br>loss rate | Loss allowance<br>provision |
| Current                     | \$ 228,459               | -                                 | -                           |
| 1 to 30 days past due       | 10,897                   | -                                 | -                           |
| 30 to 180 days past due     | 637                      | 7.22%                             | 46                          |
| More than 180 days past due | 1                        | 100%                              | 1                           |
|                             | <u>\$ 239,994</u>        |                                   | <u>47</u>                   |

  

| December 31, 2019           |                          |                                   |                             |
|-----------------------------|--------------------------|-----------------------------------|-----------------------------|
|                             | Gross carrying<br>amount | Weighted-<br>average<br>loss rate | Loss allowance<br>provision |
| Current                     | \$ 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                           |
|                             | <u>\$ 290,564</u>        |                                   | <u>158</u>                  |

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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|                             | <b>March 31, 2019</b>        |                                   |                                 |
|-----------------------------|------------------------------|-----------------------------------|---------------------------------|
|                             | <b>Gross carrying amount</b> | <b>Weighted-average loss rate</b> | <b>Loss allowance provision</b> |
| Current                     | \$ 271,659                   | -                                 | -                               |
| 1 to 30 days past due       | 9,748                        | -                                 | -                               |
| 30 to 180 days past due     | 341                          | 41.35%                            | 141                             |
| More than 180 days past due | 165                          | 100%                              | 165                             |
|                             | <u><b>\$ 281,913</b></u>     |                                   | <u><b>306</b></u>               |

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

|                              | <b>For the three months ended<br/>March 31,</b> |                   |
|------------------------------|-------------------------------------------------|-------------------|
|                              | <b>2020</b>                                     | <b>2019</b>       |
| Balance on January 1         | \$ 158                                          | 301               |
| Impairment losses recognized | -                                               | 5                 |
| Impairment losses reversed   | (111)                                           | -                 |
| Balance on March 31          | <u><b>\$ 47</b></u>                             | <u><b>306</b></u> |

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

|            | <b>March 31,<br/>2020</b>  | <b>December 31,<br/>2019</b> | <b>March 31,<br/>2019</b> |
|------------|----------------------------|------------------------------|---------------------------|
| Associates | <u><b>\$ 1,721,509</b></u> | <u><b>1,698,801</b></u>      | <u><b>1,742,400</b></u>   |

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

|            | <b>For the three months ended<br/>March 31,</b> |                      |
|------------|-------------------------------------------------|----------------------|
|            | <b>2020</b>                                     | <b>2019</b>          |
| Associates | <u><b>\$ 23,574</b></u>                         | <u><b>20,034</b></u> |

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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(iii) Details of the material associate are as follows:

| Name                               | Nature of the relationship                                                                                                                                                                               | Principal place of business/<br>Country of incorporation | Effective ownership interest and voting right |                   |                |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------|-------------------|----------------|
|                                    |                                                                                                                                                                                                          |                                                          | March 31, 2020                                | December 31, 2019 | March 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                                                   | 10.406 %                                      | 10.406 %          | 10.406 %       |

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

|      | March 31, 2020 | December 31, 2019 | March 31, 2019 |
|------|----------------|-------------------|----------------|
| TNCL | \$ 586,198     | 770,742           | 790,281        |

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 associate.

1) Summarized financial information of TNCL

|                                           | March 31, 2020       | December 31, 2019 | March 31, 2019    |
|-------------------------------------------|----------------------|-------------------|-------------------|
| Current assets                            | \$ 1,819,434         | 1,592,523         | 1,259,984         |
| Non current assets                        | 13,421,357           | 13,521,227        | 13,979,878        |
| Current liabilities                       | (1,087,605)          | (505,748)         | (862,746)         |
| Non current liabilities                   | (3,803,260)          | (4,366,773)       | (3,771,449)       |
| Net assets (Attributable to the investee) | <u>\$ 10,349,926</u> | <u>10,241,229</u> | <u>10,605,667</u> |

|                                                      | For the three months ended March 31, |                |
|------------------------------------------------------|--------------------------------------|----------------|
|                                                      | 2020                                 | 2019           |
| Revenue                                              | \$ 629,948                           | 748,799        |
| Profit from continuing operations                    | 163,637                              | 167,090        |
| Other comprehensive income                           | (54,940)                             | 18,585         |
| Total comprehensive income (Belongs to the investee) | <u>\$ 108,697</u>                    | <u>185,675</u> |

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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|                                                  | <b>For the three months ended<br/>March 31,</b> |                  |
|--------------------------------------------------|-------------------------------------------------|------------------|
|                                                  | <b>2020</b>                                     | <b>2019</b>      |
| Beginning balance of Group's share of net assets | \$ 1,065,702                                    | 1,084,304        |
| Group's share of total comprehensive income      | 11,311                                          | 19,321           |
| Ending balance of Group's share of net assets    | <u>\$ 1,077,013</u>                             | <u>1,103,625</u> |

(iv) Summarized financial information of individually insignificant associates

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

|                                                                  | <b>March 31,<br/>2020</b>                       | <b>December 31,<br/>2019</b> | <b>March 31,<br/>2019</b> |
|------------------------------------------------------------------|-------------------------------------------------|------------------------------|---------------------------|
| Carrying amount of individually insignificant associates' equity | <u>\$ 644,496</u>                               | <u>633,099</u>               | <u>638,775</u>            |
|                                                                  | <b>For the three months ended<br/>March 31,</b> |                              |                           |
|                                                                  | <b>2020</b>                                     | <b>2019</b>                  |                           |
| Attributable to the Group:                                       |                                                 |                              |                           |
| Profit from continuing operations                                | \$ 6,546                                        | 22,053                       |                           |
| Other comprehensive (loss) income                                | 4,851                                           | 17,490                       |                           |
| Comprehensive income                                             | <u>\$ 11,397</u>                                | <u>39,543</u>                |                           |

(v) Pledges

As of March 31, 2020, December 31 and March 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 three months ended March 31, 2020 and 2019 were as follows:

|                                       | <b>Land</b>         | <b>Buildings<br/>and<br/>construction</b> | <b>Transportation<br/>Equipment</b> | <b>Other<br/>equipment</b> | <b>Under<br/>construction</b> | <b>Total</b>      |
|---------------------------------------|---------------------|-------------------------------------------|-------------------------------------|----------------------------|-------------------------------|-------------------|
| <b>Cost or deemed cost:</b>           |                     |                                           |                                     |                            |                               |                   |
| Balance on January 1, 2020            | \$ 1,717,868        | 146,964                                   | 18,762,193                          | 611,233                    | 28,220                        | 21,266,478        |
| Additions                             | -                   | -                                         | 456                                 | 1,001                      | -                             | 1,457             |
| Disposals                             | -                   | (31)                                      | (21,204)                            | (5,190)                    | -                             | (26,425)          |
| Reclassifications                     | -                   | 89                                        | (1,164)                             | 1,113                      | -                             | 38                |
| Effect of movements in exchange rates | -                   | 281                                       | 146,555                             | -                          | 231                           | 147,067           |
| Balance on March 31, 2020             | <u>\$ 1,717,868</u> | <u>147,303</u>                            | <u>18,886,836</u>                   | <u>608,157</u>             | <u>28,451</u>                 | <u>21,388,615</u> |

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**CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES**  
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|                                           | <b>Land</b>         | <b>Buildings<br/>and<br/>construction</b> | <b>Transportation<br/>Equipment</b> | <b>Other<br/>equipment</b> | <b>Under<br/>construction</b> | <b>Total</b>      |
|-------------------------------------------|---------------------|-------------------------------------------|-------------------------------------|----------------------------|-------------------------------|-------------------|
| Balance on January 1, 2019                | \$ 1,717,114        | 135,685                                   | 19,027,923                          | 558,645                    | 11,795                        | 21,451,162        |
| Additions                                 | -                   | 180                                       | 5,660                               | 1,045                      | 11,284                        | 18,169            |
| Disposals                                 | -                   | -                                         | (3,629)                             | (1,626)                    | -                             | (5,255)           |
| Reclassifications                         | -                   | -                                         | -                                   | 22,953                     | -                             | 22,953            |
| Effect of movements in exchange rates     | -                   | 121                                       | 62,245                              | -                          | 36                            | 62,402            |
| Balance on March 31, 2019                 | <u>\$ 1,717,114</u> | <u>135,986</u>                            | <u>19,092,199</u>                   | <u>581,017</u>             | <u>23,115</u>                 | <u>21,549,431</u> |
| <b>Depreciation and impairments loss:</b> |                     |                                           |                                     |                            |                               |                   |
| Balance on January 1, 2020                | \$ -                | 83,760                                    | 7,303,655                           | 329,652                    | -                             | 7,717,067         |
| Depreciation                              | -                   | 2,321                                     | 211,436                             | 9,933                      | -                             | 223,690           |
| Disposals                                 | -                   | (23)                                      | (14,126)                            | (4,784)                    | -                             | (18,933)          |
| Effect of movements in exchange rates     | -                   | 55                                        | 55,937                              | -                          | -                             | 55,992            |
| Balance on March 31, 2020                 | <u>\$ -</u>         | <u>86,113</u>                             | <u>7,556,902</u>                    | <u>334,801</u>             | <u>-</u>                      | <u>7,977,816</u>  |
| Balance on January 1, 2019                | \$ -                | 85,051                                    | 6,629,165                           | 297,200                    | -                             | 7,011,416         |
| Depreciation                              | -                   | 1,660                                     | 211,540                             | 9,409                      | -                             | 222,609           |
| Disposals                                 | -                   | -                                         | (983)                               | (980)                      | -                             | (1,963)           |
| Effect of movements in exchange rates     | -                   | 21                                        | 20,917                              | -                          | -                             | 20,938            |
| Balance on March 31, 2019                 | <u>\$ -</u>         | <u>86,732</u>                             | <u>6,860,639</u>                    | <u>305,629</u>             | <u>-</u>                      | <u>7,253,000</u>  |
| <b>Carrying amounts:</b>                  |                     |                                           |                                     |                            |                               |                   |
| Balance on January 1, 2020                | <u>\$ 1,717,868</u> | <u>63,204</u>                             | <u>11,458,538</u>                   | <u>281,581</u>             | <u>28,220</u>                 | <u>13,549,411</u> |
| Balance on March 31, 2020                 | <u>\$ 1,717,868</u> | <u>61,190</u>                             | <u>11,329,934</u>                   | <u>273,356</u>             | <u>28,451</u>                 | <u>13,410,799</u> |
| Balance on March 31, 2019                 | <u>\$ 1,717,114</u> | <u>49,254</u>                             | <u>12,231,560</u>                   | <u>275,388</u>             | <u>23,115</u>                 | <u>14,296,431</u> |

- (i) The pledge information is summarized in note (8).
- (ii) The Group disposed of the property, plant and equipment in three months ended March 31, 2020 and 2019 for \$10,517 and \$3,269, respectively. The cost of aforementioned property, plant and equipment amounted to \$7,492 and \$3,292, respectively, and the related gains and (losses) of disposal amounted to \$3,025 and (\$23), 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 and recognized no impairment loss according to IFRS 36 "Recoverable Amount Disclosures for Non-Financial Asset". The accumulated impairment amount was USD\$31,555 thousands (\$953,750, \$946,019 and \$972,525) as of March 31, 2020, December 31 and March 31, 2019, respectively.

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)(I).

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**Notes to the Consolidated Financial Statements**

(g) Right-of-use assets

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

|                                                 | <u>Land</u>       | <u>Buildings and<br/>construction</u> | <u>Total</u>   |
|-------------------------------------------------|-------------------|---------------------------------------|----------------|
| Cost:                                           |                   |                                       |                |
| Balance on January 1, 2020                      | \$ 194,468        | 78,813                                | 273,281        |
| Additions / Disposal                            | <u>(7,952)</u>    | <u>-</u>                              | <u>(7,952)</u> |
| Balance on March 31, 2020                       | <u>\$ 186,516</u> | <u>78,813</u>                         | <u>265,329</u> |
| Balance on January 1, 2019                      | \$ 194,468        | 78,813                                | 273,281        |
| Additions / Disposal                            | <u>-</u>          | <u>-</u>                              | <u>-</u>       |
| Balance on March 31, 2019                       | <u>\$ 194,468</u> | <u>78,813</u>                         | <u>273,281</u> |
| Accumulated depreciation and impairment losses: |                   |                                       |                |
| Balance on January 1, 2020                      | \$ 39,345         | 15,153                                | 54,498         |
| Depreciation                                    | <u>9,553</u>      | <u>3,787</u>                          | <u>13,340</u>  |
| Balance on March 31, 2020                       | <u>\$ 48,898</u>  | <u>18,940</u>                         | <u>67,838</u>  |
| Balance on January 1, 2019                      | \$ -              | -                                     | -              |
| Depreciation                                    | <u>9,836</u>      | <u>3,789</u>                          | <u>13,625</u>  |
| Balance on March 31, 2019                       | <u>\$ 9,836</u>   | <u>3,789</u>                          | <u>13,625</u>  |
| Carrying Amount:                                |                   |                                       |                |
| Balance on March 31, 2020                       | <u>\$ 137,618</u> | <u>59,873</u>                         | <u>197,491</u> |
| Balance on March 31, 2019                       | <u>\$ 184,632</u> | <u>75,024</u>                         | <u>259,656</u> |

(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.

|                                       | <u>Owned Property</u> |                 |               |
|---------------------------------------|-----------------------|-----------------|---------------|
|                                       | <u>Land</u>           | <u>Building</u> | <u>Total</u>  |
| Cost or deemed cost:                  |                       |                 |               |
| Balance on January 1, 2020            | \$ 19,094             | 25,152          | 44,246        |
| Effect of movements in exchange rates | <u>-</u>              | <u>175</u>      | <u>175</u>    |
| Balance on March 31, 2020             | <u>\$ 19,094</u>      | <u>25,327</u>   | <u>44,421</u> |
| Balance on January 1, 2019            | \$ 19,094             | 25,676          | 44,770        |
| Effect of movements in exchange rates | <u>-</u>              | <u>75</u>       | <u>75</u>     |
| Balance on March 31, 2019             | <u>\$ 19,094</u>      | <u>25,751</u>   | <u>44,845</u> |

(Continued)

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

|                                            | <b>Owned Property</b> |                 | <b>Total</b>  |
|--------------------------------------------|-----------------------|-----------------|---------------|
|                                            | <b>Land</b>           | <b>Building</b> |               |
| <b>Depreciation and impairment losses:</b> |                       |                 |               |
| Balance on January 1, 2020                 | \$ -                  | 8,251           | 8,251         |
| Depreciation                               | -                     | 124             | 124           |
| Effect of movements in exchange rates      | -                     | 46              | 46            |
| Balance on March 31, 2020                  | <u>\$ -</u>           | <u>8,421</u>    | <u>8,421</u>  |
| Balance on January 1, 2019                 | \$ -                  | 7,881           | 7,881         |
| Depreciation                               | -                     | 127             | 127           |
| Effect of movements for exchange rates     | -                     | 18              | 18            |
| Balance on March 31, 2019                  | <u>\$ -</u>           | <u>8,026</u>    | <u>8,026</u>  |
| <b>Carrying amount:</b>                    |                       |                 |               |
| Balance on January 1, 2020                 | <u>\$ 19,094</u>      | <u>16,901</u>   | <u>35,995</u> |
| Balance on March 31, 2020                  | <u>\$ 19,094</u>      | <u>16,906</u>   | <u>36,000</u> |
| Balance on March 31, 2019                  | <u>\$ 19,094</u>      | <u>17,725</u>   | <u>36,819</u> |

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

There were no significant change in the fair value of investment property during the three months ended March 31, 2020 as disclosed in note 6(h) of the consolidated financial statements for the year ended December 31, 2019.

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

(i) Other financial assets

|                                                          | <b>March 31,<br/>2020</b> | <b>December 31,<br/>2019</b> | <b>March 31,<br/>2019</b> |
|----------------------------------------------------------|---------------------------|------------------------------|---------------------------|
| Time deposits (over three months) and restricted deposit | \$ 54,769                 | 58,234                       | 21,764                    |
| Other receivables                                        | 11,640                    | 17,860                       | 13,778                    |
| Guarantee deposits                                       | 6,302                     | 5,696                        | 5,785                     |
| Pledged assets-time deposits                             | <u>196,654</u>            | <u>244,029</u>               | <u>208,277</u>            |
|                                                          | <u>\$ 269,365</u>         | <u>325,819</u>               | <u>249,604</u>            |
| Other current financial assets                           | \$ 241,970                | 304,029                      | 224,725                   |
| Other non-current financial assets                       | <u>27,395</u>             | <u>21,790</u>                | <u>24,879</u>             |
|                                                          | <u>\$ 269,365</u>         | <u>325,819</u>               | <u>249,604</u>            |

As of March 31, 2020, December 31 and March 31, 2019, the Group provided other financial assets as collateral. Please refer to note (8).

(Continued)

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

(j) Loans

The Group's detail of loans was as follows:

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

|                                            | March 31,<br>2020   | December 31,<br>2019 | March 31,<br>2019 |
|--------------------------------------------|---------------------|----------------------|-------------------|
| Bank loans                                 | \$ 1,196,000        | 1,050,000            | 605,000           |
| Commercial paper payable                   | 485,000             | 480,000              | 610,000           |
| Less: discount on commercial paper payable | (703)               | (117)                | (260)             |
|                                            | <u>\$ 1,680,297</u> | <u>1,529,883</u>     | <u>1,214,740</u>  |
| Unused credit lines                        | <u>\$ 2,239,000</u> | <u>2,390,000</u>     | <u>2,665,000</u>  |
| Range of interest rate                     | <u>0.97%~1.168%</u> | <u>0.9%~1.19%</u>    | <u>0.9%~1.3%</u>  |

(ii) Long-term loans

| Bank                               | Currency | Due<br>Year | March 31,<br>2020   | December<br>31, 2019 | March 31,<br>2019  |
|------------------------------------|----------|-------------|---------------------|----------------------|--------------------|
| ING Bank                           | USD      | 2019        | \$ -                | -                    | 289,708            |
| Mega International Commercial Bank | "        | 2021        | 272,025             | 269,820              | 416,070            |
| Bank Sinopec                       | "        | 2022        | 605,602             | 650,163              | 719,235            |
| Mega International Commercial Bank | "        | 2022        | 272,026             | 337,275              | 416,068            |
| Bank Sinopec                       | "        | 2023        | 700,035             | 694,359              | 814,759            |
| BNP PARIBAS                        | "        | 2026        | 514,476             | 535,590              | 576,589            |
| CTBC Bank                          | "        | 2027        | 752,927             | 782,148              | 840,374            |
| Mega International Commercial Bank | "        | 2027        | 750,790             | 777,381              | 832,757            |
|                                    |          |             | 3,867,881           | 4,046,736            | 4,905,560          |
| Current portion                    |          |             | (658,860)           | (653,519)            | (961,538)          |
| Total                              |          |             | <u>\$ 3,209,021</u> | <u>3,393,217</u>     | <u>3,944,022</u>   |
| Range of interest rates            |          |             | <u>2.03%~3.52%</u>  | <u>2.65%~4.31%</u>   | <u>2.16%~4.31%</u> |

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

(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 payable were as follows:

|                                  | <b>Guarantee<br/>bank</b> | <b>Interest<br/>rate</b> | <b>Due</b> | <b>March 31,<br/>2020</b> | <b>December 31,<br/>2019</b> | <b>March 31,<br/>2019</b> |
|----------------------------------|---------------------------|--------------------------|------------|---------------------------|------------------------------|---------------------------|
| 2016                             |                           |                          |            |                           |                              |                           |
| The first secured bonds payable  | Bank of Taiwan            | 0.88 %                   | March 2021 | \$ 900,000                | 900,000                      | 900,000                   |
| The second secured bonds payable | Mega Bank                 | 1.00 %                   | March 2021 | 1,400,000                 | 1,400,000                    | 1,400,000                 |
| 2017                             |                           |                          |            |                           |                              |                           |
| The first secured bonds payable  | Shanghai Commercial Bank  | 1.13 %                   | April 2020 | 400,000                   | 400,000                      | 400,000                   |
| "                                | "                         | 1.13 %                   | April 2022 | 400,000                   | 400,000                      | 400,000                   |
|                                  |                           |                          |            | 3,100,000                 | 3,100,000                    | 3,100,000                 |
| Current portion                  |                           |                          |            | (2,700,000)               | (400,000)                    | -                         |
|                                  |                           |                          |            | <u>\$ 400,000</u>         | <u>2,700,000</u>             | <u>3,100,000</u>          |

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

(k) Lease liabilities

|             | <b>March 31,<br/>2020</b> | <b>December 31,<br/>2019</b> | <b>March 31,<br/>2019</b> |
|-------------|---------------------------|------------------------------|---------------------------|
| Current     | <u>\$ 52,591</u>          | <u>52,509</u>                | <u>51,907</u>             |
| Non-current | <u>\$ 138,312</u>         | <u>169,693</u>               | <u>197,869</u>            |

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

The amounts recognized in profit or loss were as follows:

|                               | <b>For the three months ended<br/>March 31,</b> |             |
|-------------------------------|-------------------------------------------------|-------------|
|                               | <b>2020</b>                                     | <b>2019</b> |
| Interest on lease liabilities | <u>\$ 530</u>                                   | <u>682</u>  |

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

|                               | <b>For the three months ended<br/>March 31,</b> |               |
|-------------------------------|-------------------------------------------------|---------------|
|                               | <b>2020</b>                                     | <b>2019</b>   |
| Total cash outflow for leases | <u>\$ 23,877</u>                                | <u>24,187</u> |

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

Land and building leases

As of March 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 are as follows:

|                                   | <b>March 31,<br/>2020</b> | <b>December 31,<br/>2019</b> | <b>March 31,<br/>2019</b> |
|-----------------------------------|---------------------------|------------------------------|---------------------------|
| Less than one year                | \$ 754,894                | 251,707                      | 1,162,980                 |
| Between one and five years        | 3,433                     | 1,794                        | 84,236                    |
| Total undiscounted lease payments | <u><u>\$ 758,327</u></u>  | <u><u>253,501</u></u>        | <u><u>1,247,216</u></u>   |

(m) Employee benefits

(i) Defined benefit plans

Given there was no significant volatility of the market or any significant reimbursement, settlement or other one-time event in the prior fiscal year, pension cost in the interim financial statements is measured and disclosed in accordance with the actuarial report measured on December 31, 2019 and 2018.

The pension costs of the defined benefit plans were as follows:

|                                     | <b>For the three months ended<br/>March 31,<br/>2020</b> | <b>2019</b>       |
|-------------------------------------|----------------------------------------------------------|-------------------|
| Cost of sales and operating expense | \$ <u><u>719</u></u>                                     | <u><u>862</u></u> |

(Continued)

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

(ii) Defined contribution plans

The pension costs under the defined contribution plans were as follows, and the payment was made to the Bureau of Labor Insurance:

|                                     | <b>For the three months ended<br/>March 31,</b> |                     |
|-------------------------------------|-------------------------------------------------|---------------------|
|                                     | <b>2020</b>                                     | <b>2019</b>         |
| Cost of sales and operating expense | \$ <u><u>2,996</u></u>                          | <u><u>2,746</u></u> |

(n) Income taxes

(i) Tax expenses

The components of income tax for the three months ended March 31, 2020 and 2019 were as follows:

|                                                   | <b>For the three months ended<br/>March 31,</b> |                      |
|---------------------------------------------------|-------------------------------------------------|----------------------|
|                                                   | <b>2020</b>                                     | <b>2019</b>          |
| Current tax expense                               | \$ <u><u>6,266</u></u>                          | <u><u>4,591</u></u>  |
| Deferred tax expense                              |                                                 |                      |
| Recognition and reversal of temporary differences | <u>1,750</u>                                    | <u>5,689</u>         |
| Tax expense                                       | \$ <u><u>8,016</u></u>                          | <u><u>10,280</u></u> |

(ii) Assessment of tax

The Company's tax returns for the years through 2017 were assessed by the tax administration.

(o) Capital and other equities

There was no significant change for capital and other equity for the periods from for the three months ended March 31, 2020 and 2019. For the related information, please refer to note 6(o) of the consolidated financial statements for the year ended December 31, 2019.

(i) Retained Earning

In accordance with the Company's articles of incorporation, net earnings should first be used to offset the prior years' deficits, if any, before paying any in income taxes, of the remaining balance, 10% is to be appropriated as legal reserve, and when there is a reduction in 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.

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

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 earnings reserve during earnings distribution. The carrying amount of special earnings reserve amounted to \$359,487 on March 31, 2020, December 31 and March 31, 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 earnings 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 earnings reserve as stated above. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings 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 June 18, 2019 the earning distribution to ordinary shareholders for the fiscal years 2018 was as follows:

|                                                | <u>2018</u>              |
|------------------------------------------------|--------------------------|
| Dividends distributed to ordinary shareholders |                          |
| Cash                                           | \$ <u><u>315,975</u></u> |

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

(ii) Other Equity (After tax)

|                                  | Exchange<br>differences on<br>translation of<br>foreign financial<br>Statements | Unrealized gains<br>(losses) from<br>financial assets<br>measured at fair<br>value through<br>other<br>comprehensive<br>income | Total            |
|----------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------|
| January 1, 2020                  | \$ (541,143)                                                                    | 5,453                                                                                                                          | (535,690)        |
| The Company and its subsidiaries | 80,884                                                                          | (80,676)                                                                                                                       | 208              |
| Associates                       | 12,430                                                                          | (13,296)                                                                                                                       | (866)            |
| March 31, 2020                   | <u>\$ (447,829)</u>                                                             | <u>(88,519)</u>                                                                                                                | <u>(536,348)</u> |
| January 1, 2019                  | \$ (263,496)                                                                    | (15,387)                                                                                                                       | (278,883)        |
| The Company and its subsidiaries | 34,246                                                                          | 4,863                                                                                                                          | 39,109           |
| Associates                       | 5,166                                                                           | (1,134)                                                                                                                        | 4,032            |
| March 31, 2019                   | <u>\$ (224,084)</u>                                                             | <u>(11,658)</u>                                                                                                                | <u>(235,742)</u> |

(p) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share at March 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

|                                                                | For the three months ended<br>March 31, |                |
|----------------------------------------------------------------|-----------------------------------------|----------------|
|                                                                | 2020                                    | 2019           |
| Profit attributable to ordinary shareholders<br>of the Company | <u>\$ 2,692</u>                         | <u>124,691</u> |

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

|                                                    | For the three months ended<br>March 31, |                |
|----------------------------------------------------|-----------------------------------------|----------------|
|                                                    | 2020                                    | 2019           |
| Weighted-average number of ordinary shares (basic) | <u>197,485</u>                          | <u>197,485</u> |

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

3) Basic earnings per share (NTD)

|                          | <b>For the three months ended</b> |             |
|--------------------------|-----------------------------------|-------------|
|                          | <b>March 31,</b>                  |             |
|                          | <b>2020</b>                       | <b>2019</b> |
| Basic earnings per share | \$ <u>0.01</u>                    | <u>0.63</u> |

(ii) Diluted earnings per share

The calculation of diluted earnings per share at March 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)

|                                                            | <b>For the three months ended</b> |                |
|------------------------------------------------------------|-----------------------------------|----------------|
|                                                            | <b>March 31,</b>                  |                |
|                                                            | <b>2020</b>                       | <b>2019</b>    |
| Profit attributable to ordinary shareholder of the Company | \$ <u>2,692</u>                   | <u>124,691</u> |

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

|                                                      | <b>For the three months ended</b> |                |
|------------------------------------------------------|-----------------------------------|----------------|
|                                                      | <b>March 31,</b>                  |                |
|                                                      | <b>2020</b>                       | <b>2019</b>    |
| Weighted-average number of ordinary shares (basic)   | 197,485                           | 197,485        |
| Effect on the employee stock bonuses                 | 169                               | 227            |
| Weighted-average number of ordinary shares (diluted) | <u>197,654</u>                    | <u>197,712</u> |

3) Diluted earnings per share (NTD)

|                            | <b>For the three months ended</b> |             |
|----------------------------|-----------------------------------|-------------|
|                            | <b>March 31,</b>                  |             |
|                            | <b>2020</b>                       | <b>2019</b> |
| Diluted earnings per share | \$ <u>0.01</u>                    | <u>0.63</u> |

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

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

| <b>For the three months ended March 31, 2020</b> |                                                                            |                                |                     |                       |
|--------------------------------------------------|----------------------------------------------------------------------------|--------------------------------|---------------------|-----------------------|
|                                                  | <b>Inland trucking<br/>and terminal &amp;<br/>logistics<br/>department</b> | <b>Shipping<br/>department</b> | <b>Others</b>       | <b>Total</b>          |
| Primary geographical markets                     |                                                                            |                                |                     |                       |
| Asia                                             | \$ 375,598                                                                 | -                              | 8,001               | 383,599               |
| Europe                                           | -                                                                          | 298,199                        | -                   | 298,199               |
| Oceania                                          | -                                                                          | 130,613                        | -                   | 130,613               |
|                                                  | <u><u>\$ 375,598</u></u>                                                   | <u><u>428,812</u></u>          | <u><u>8,001</u></u> | <u><u>812,411</u></u> |
| <b>For the three months ended March 31, 2019</b> |                                                                            |                                |                     |                       |
|                                                  | <b>Inland trucking<br/>and terminal &amp;<br/>logistics<br/>department</b> | <b>Shipping<br/>department</b> | <b>Others</b>       | <b>Total</b>          |
| Primary geographical markets                     |                                                                            |                                |                     |                       |
| Asia                                             | \$ 435,752                                                                 | -                              | 9,447               | 445,199               |
| Europe                                           | -                                                                          | 355,374                        | -                   | 355,374               |
| Oceania                                          | -                                                                          | 163,311                        | -                   | 163,311               |
|                                                  | <u><u>\$ 435,752</u></u>                                                   | <u><u>518,685</u></u>          | <u><u>9,447</u></u> | <u><u>963,884</u></u> |

(ii) Contract balances

|                                                           | <b>March 31,<br/>2020</b> | <b>December 31,<br/>2019</b> | <b>March 31,<br/>2019</b> |
|-----------------------------------------------------------|---------------------------|------------------------------|---------------------------|
| Notes and accounts receivable (including related parties) | \$ 239,994                | 290,564                      | 281,913                   |
| Less: allowance for impairment                            | (47)                      | (158)                        | (306)                     |
| Total                                                     | <u><u>\$ 239,947</u></u>  | <u><u>290,406</u></u>        | <u><u>281,607</u></u>     |
| Contract liabilities                                      | <u><u>\$ 11,049</u></u>   | <u><u>19,327</u></u>         | <u><u>20,815</u></u>      |

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

The amounts of revenue recognized for the three months ended March 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.

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

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 expense were as follows:

|                   | <b>For the three months ended<br/>March 31,</b> |               |
|-------------------|-------------------------------------------------|---------------|
|                   | <b>2020</b>                                     | <b>2019</b>   |
| Bank loan         | \$ 33,094                                       | 50,640        |
| Bonds payable     | 13,446                                          | 13,446        |
| Lease liabilities | 530                                             | 682           |
|                   | <b>\$ 47,070</b>                                | <b>64,768</b> |

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

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

For the three-month periods ended March 31, 2020 and 2019, the Company recognized its employee compensation of \$69 and \$1,330, respectively, and its directors' and supervisors' remuneration of \$69 and \$1,330, 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 consolidated financial statements. Relative information is available on the MOPS.

(t) Financial Instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note (6)(t) of the consolidated financial statements for the year ended December 31, 2019.

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

(i) Credit risk

1) Receivables

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

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

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

(ii) Liquidity Risk

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

|                                                                     | <u>Carrying<br/>Amount</u> | <u>Contractual<br/>cash flows</u> | <u>Within<br/>1 year</u> | <u>1 ~ 2 years</u> | <u>Over 2 years</u> |
|---------------------------------------------------------------------|----------------------------|-----------------------------------|--------------------------|--------------------|---------------------|
| <b>March 31, 2020</b>                                               |                            |                                   |                          |                    |                     |
| Non-derivative financial liabilities:                               |                            |                                   |                          |                    |                     |
| Short-term borrowings                                               | \$ 1,680,297               | (1,681,000)                       | (1,681,000)              | -                  | -                   |
| Secured bank loans                                                  | 3,867,881                  | (3,867,881)                       | (658,860)                | (658,861)          | (2,550,160)         |
| Notes and accounts payable                                          | 191,180                    | (191,180)                         | (191,180)                | -                  | -                   |
| Lease liabilities                                                   | 190,903                    | (195,481)                         | (54,391)                 | (49,805)           | (91,285)            |
| Bonds payable                                                       | 3,100,000                  | (3,100,000)                       | (2,700,000)              | (400,000)          | -                   |
| Accrued expenses and other payables<br>(recorded as other payables) | 85,044                     | (85,044)                          | (85,044)                 | -                  | -                   |
|                                                                     | <u>\$ 9,115,305</u>        | <u>(9,120,586)</u>                | <u>(5,370,475)</u>       | <u>(1,108,666)</u> | <u>(2,641,445)</u>  |
| <b>December 31, 2019</b>                                            |                            |                                   |                          |                    |                     |
| 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<br>(recorded as other payables) | 166,436                    | 166,436                           | (166,436)                | -                  | -                   |
|                                                                     | <u>\$ 9,304,383</u>        | <u>(8,977,008)</u>                | <u>(3,043,608)</u>       | <u>(3,041,857)</u> | <u>(3,224,415)</u>  |

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

|                                                                     | <u>Carrying<br/>Amount</u> | <u>Contractual<br/>cash flows</u> | <u>Within<br/>1 year</u> | <u>1 ~ 2 years</u> | <u>Over 2 years</u> |
|---------------------------------------------------------------------|----------------------------|-----------------------------------|--------------------------|--------------------|---------------------|
| <b>March 31, 2019</b>                                               |                            |                                   |                          |                    |                     |
| Non-derivative financial liabilities:                               |                            |                                   |                          |                    |                     |
| Short-term borrowings                                               | \$ 1,214,740               | (1,215,000)                       | (1,215,000)              | -                  | -                   |
| Secured bank loans                                                  | 4,905,560                  | (4,905,560)                       | (961,538)                | (671,829)          | (3,272,193)         |
| Notes and accounts payable                                          | 192,660                    | (192,660)                         | (192,660)                | -                  | -                   |
| Lease liabilities                                                   | 249,776                    | (257,055)                         | (54,347)                 | (45,910)           | (156,798)           |
| Bonds payable                                                       | 3,100,000                  | (3,100,000)                       | -                        | (2,700,000)        | (400,000)           |
| Accrued expenses and other payables<br>(recorded as other payables) | 118,387                    | (118,387)                         | (118,387)                | -                  | -                   |
|                                                                     | <u>\$ 9,781,123</u>        | <u>(9,788,662)</u>                | <u>(2,541,932)</u>       | <u>(3,417,739)</u> | <u>(3,828,991)</u>  |

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

(iii) Fair value information

1) The kinds of financial instruments and fair value

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

|                                                                                              | March 31, 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     | \$ 88,396      | 88,396     | -       | -       | 88,396  |
| Non-derivative non-current financial assets mandatorily at fair value through profit or loss | 77,793         | 52,248     | -       | 25,545  | 77,793  |
| Domestic listed stocks under private placement                                               | <u>21,881</u>  | -          | 21,881  | -       | 21,881  |
|                                                                                              | <u>188,070</u> |            |         |         |         |
| Financial assets at fair value through other comprehensive income                            |                |            |         |         |         |
| Domestic listed stocks                                                                       | 246,753        | 246,753    | -       | -       | 246,753 |

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

| March 31, 2020                                                                               |                            |            |           |         |           |
|----------------------------------------------------------------------------------------------|----------------------------|------------|-----------|---------|-----------|
|                                                                                              |                            | Fair Value |           |         |           |
|                                                                                              | Book value                 | Level 1    | Level 2   | Level 3 | Total     |
| <b>Financial assets measured at amortized cost</b>                                           |                            |            |           |         |           |
| Cash and cash equivalents                                                                    | 3,307,869                  | -          | -         | -       | -         |
| Time deposits (over three months) and restricted deposit                                     | 54,769                     | -          | -         | -       | -         |
| Notes and accounts receivable (including related parties)                                    | 239,947                    | -          | -         | -       | -         |
| Other receivables                                                                            | 11,640                     | -          | -         | -       | -         |
| Guarantee deposits                                                                           | 6,302                      | -          | -         | -       | -         |
| Pledged assets-time deposits                                                                 | <u>196,654</u>             | -          | -         | -       | -         |
|                                                                                              | <u>3,817,181</u>           |            |           |         |           |
| Total                                                                                        | <u><u>\$ 4,252,004</u></u> |            |           |         |           |
| <b>Financial liabilities measured at amortized cost</b>                                      |                            |            |           |         |           |
| Short-term borrowings                                                                        | \$ 1,680,297               | -          | -         | -       | -         |
| Long-term borrowings                                                                         | 3,867,881                  | -          | -         | -       | -         |
| Notes and accounts payable                                                                   | 191,180                    | -          | -         | -       | -         |
| Lease liabilities                                                                            | 190,903                    | -          | -         | -       | -         |
| Bonds payable                                                                                | 3,100,000                  | -          | 3,100,000 | -       | 3,100,000 |
| Accrued expenses and other payables (recorded as other payables)                             | <u>85,044</u>              | -          | -         | -       | -         |
| Total                                                                                        | <u><u>\$ 9,115,305</u></u> |            |           |         |           |
| December 31, 2019                                                                            |                            |            |           |         |           |
|                                                                                              |                            | Fair Value |           |         |           |
|                                                                                              | Book value                 | Level 1    | Level 2   | Level 3 | Total     |
| <b>Financial assets at fair value through profit or loss</b>                                 |                            |            |           |         |           |
| 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                                                                       | <u>31,046</u>              | -          | 31,046    | -       | 31,046    |
|                                                                                              | <u>133,604</u>             |            |           |         |           |
| <b>Financial assets at fair value through other comprehensive income</b>                     |                            |            |           |         |           |
| Domestic listed common stock                                                                 | <u>315,134</u>             | 315,134    | -         | -       | 315,134   |

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

| December 31, 2019                                                                        |              |            |           |         |           |
|------------------------------------------------------------------------------------------|--------------|------------|-----------|---------|-----------|
|                                                                                          |              | Fair Value |           |         |           |
|                                                                                          | Book value   | Level 1    | Level 2   | Level 3 | Total     |
| 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)                         | 166,436      | -          | -         | -       | -         |
| Total                                                                                    | \$ 9,304,383 |            |           |         |           |
| March 31, 2019                                                                           |              |            |           |         |           |
|                                                                                          |              | Fair Value |           |         |           |
|                                                                                          | Book value   | Level 1    | Level 2   | Level 3 | Total     |
| Financial assets at fair value through profit or loss                                    |              |            |           |         |           |
| Derivative financial assets                                                              | \$ 37,804    | -          | 37,804    | -       | 37,804    |
| Non derivative current financial assets mandatorily at fair value through profit or loss | 50,098       | 50,098     | -         | -       | 50,098    |
| Non derivative non-current financial assets held for trading                             | 25,788       | -          | -         | 25,788  | 25,788    |
|                                                                                          | 113,690      |            |           |         |           |
| Financial assets at fair value through other comprehensive income                        |              |            |           |         |           |
| Domestic listed stocks                                                                   | 199,267      | 199,267    | -         | -       | 199,267   |

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

| March 31, 2019                                                           |                            |            |           |         |           |
|--------------------------------------------------------------------------|----------------------------|------------|-----------|---------|-----------|
|                                                                          | Book value                 | Fair Value |           |         | Total     |
|                                                                          |                            | Level 1    | Level 2   | Level 3 |           |
| <b>Financial assets measured at amortized cost</b>                       |                            |            |           |         |           |
| Cash and cash equivalents                                                | 3,528,791                  | -          | -         | -       | -         |
| Time deposits (over three months)                                        | 21,764                     | -          | -         | -       | -         |
| Notes and accounts receivable (including related parties)                | 281,607                    | -          | -         | -       | -         |
| Other receivables                                                        | 13,778                     | -          | -         | -       | -         |
| Guarantee deposits                                                       | 5,785                      | -          | -         | -       | -         |
| Pledged assets-time deposits                                             | <u>208,277</u>             | -          | -         | -       | -         |
|                                                                          | <u>4,060,002</u>           |            |           |         |           |
| <b>Total</b>                                                             | <b><u>\$ 4,372,959</u></b> |            |           |         |           |
| <b>Financial liabilities measured at amortized cost</b>                  |                            |            |           |         |           |
| Short-term borrowings                                                    | \$ 1,214,740               | -          | -         | -       | -         |
| Long-term borrowings                                                     | 4,905,560                  | -          | -         | -       | -         |
| Notes and accounts payable                                               | 192,660                    | -          | -         | -       | -         |
| Lease liabilities                                                        | 249,776                    | -          | -         | -       | -         |
| Bonds payable                                                            | 3,100,000                  | -          | 3,100,000 | -       | 3,100,000 |
| Accrued expenses and other payables (recorded as other current payables) | <u>118,387</u>             | -          | -         | -       | -         |
| <b>Total</b>                                                             | <b><u>\$ 9,781,123</u></b> |            |           |         |           |

2) Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

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

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

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

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. Fair value of forward currency is usually determined by the forward currency exchange rate.

**3) Transfers between Level 1 and Level 2**

There was no transfer from Level 1 to Level 2 of fair value of the asset in the three months ended March 31, 2020 and 2019.

**4) Statement of changes in level 3**

|                                                                    | <b>Measured of fair value<br/>through profit or loss</b>                                    |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
|                                                                    | <b>Non-derivative<br/>mandatorily measured at<br/>fair value through profit<br/>or loss</b> |
| Balance on January 1, 2020 (equal to balance on<br>March 31, 2020) | \$ <u><u>25,545</u></u>                                                                     |
| Balance on January 1, 2019 (equal to balance on<br>March 31, 2019) | \$ <u><u>25,788</u></u>                                                                     |

**(u) Financial risk management**

The Group's objectives and policies for managing the financial risk are consistent with those disclosed in the note 6(u) of the consolidated financial statements for the year ended December 31, 2019.

**(v) Capital management**

The Group's objectives, policies and processes of capital management are the same as those disclosed in the consolidated financial statements for the year ended December 31, 2019. There were no significant changes of quantitative data of capital management compared with the consolidated financial statements for the year ended December 31, 2019. Please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2019.

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

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

The Group's investing activities which did not affect the current cash flow in the three months ended March 31, 2020 and 2019.

Reconciliation of liabilities arising from financing activities were as follows:

|                                                                              | January 1,<br>2020  | Cash flows      | Others         | Non-cash<br>changes<br>Foreign<br>exchange<br>movement | March 31, 2020   |
|------------------------------------------------------------------------------|---------------------|-----------------|----------------|--------------------------------------------------------|------------------|
| Short-term borrowings                                                        | \$ 1,529,883        | 150,414         | -              | -                                                      | 1,680,297        |
| Long-term borrowings                                                         | 4,046,736           | (211,141)       | -              | 32,286                                                 | 3,867,881        |
| Bonds payable                                                                | 3,100,000           | -               | -              | -                                                      | 3,100,000        |
| Lease liabilities                                                            | 222,202             | (23,347)        | (7,952)        | -                                                      | 190,903          |
| Guarantee deposits (recorded as<br>other non-current liabilities-<br>others) | 961                 | 2               | -              | -                                                      | 963              |
| Total liabilities from financial<br>activities                               | <u>\$ 8,899,782</u> | <u>(84,072)</u> | <u>(7,952)</u> | <u>32,286</u>                                          | <u>8,840,044</u> |

  

|                                                                              | January 1,<br>2019  | Cash flows     | Others   | Non-cash<br>changes<br>Foreign<br>exchange<br>movement | March 31, 2019   |
|------------------------------------------------------------------------------|---------------------|----------------|----------|--------------------------------------------------------|------------------|
| Short-term borrowings                                                        | \$ 939,753          | 274,987        | -        | -                                                      | 1,214,740        |
| Long-term borrowings                                                         | 5,141,068           | (253,164)      | -        | 17,656                                                 | 4,905,560        |
| Bonds payable                                                                | 3,100,000           | -              | -        | -                                                      | 3,100,000        |
| Lease liabilities                                                            | 273,281             | (23,505)       | -        | -                                                      | 249,776          |
| Guarantee deposits (recorded as<br>other non-current liabilities-<br>others) | 608                 | -              | -        | -                                                      | 608              |
| Total liabilities from financial<br>activities                               | <u>\$ 9,454,710</u> | <u>(1,682)</u> | <u>-</u> | <u>17,656</u>                                          | <u>9,470,684</u> |

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

**(7) Related-party transactions**

**(a) Names and relationship with related parties**

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

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

**(b) Significant related party transactions**

**(i) Logistic and agent revenue**

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

|                                                        | <u>Revenue</u>     |                    | <u>Accounts Receivable-related-parties</u> |                   |                |
|--------------------------------------------------------|--------------------|--------------------|--------------------------------------------|-------------------|----------------|
|                                                        | Three months ended | Three months ended |                                            |                   |                |
|                                                        | March 31, 2020     | March 31, 2019     | March 31, 2020                             | December 31, 2019 | March 31, 2019 |
| The entities with significant influence over the Group | \$ <u>14,627</u>   | <u>14,283</u>      | <u>12,884</u>                              | <u>16,770</u>     | <u>10,948</u>  |

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

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

(ii) Operating expense

|                                                        | <b>Operating expense</b>                 |                                          |
|--------------------------------------------------------|------------------------------------------|------------------------------------------|
|                                                        | <b>Three months ended March 31, 2020</b> | <b>Three months ended March 31, 2019</b> |
| The entities with significant influence over the Group | \$ 1,547                                 | 1,749                                    |
| Others                                                 | 2,093                                    | 2,129                                    |
|                                                        | <b>\$ 3,640</b>                          | <b>3,878</b>                             |

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

(c) Key management personnel compensation

Key management personnel compensation comprised:

|                              | <b>For the three months ended March 31,</b> |               |
|------------------------------|---------------------------------------------|---------------|
|                              | <b>2020</b>                                 | <b>2019</b>   |
| Short-term employee benefits | \$ 13,349                                   | 13,010        |
| Post-employment benefits     | 258                                         | 275           |
|                              | <b>\$ 13,607</b>                            | <b>13,285</b> |

**(8) Pledged assets**

The carrying values of pledged assets were as follows:

| <b>Assets</b>                                                             | <b>Subject</b>                                                   | <b>March 31, 2020</b> | <b>December 31, 2019</b> | <b>March 31, 2019</b> |
|---------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------|--------------------------|-----------------------|
| Investments accounted for using equity method – stock                     | Commercial paper payable – and short-term loans and credit lines | \$ 300,125            | 296,973                  | 200,033               |
| Financial assets at fair value through other comprehensive income – stock | Commercial paper payable – and short-term loans and credit lines | 98,440                | 92,950                   | -                     |
| Property, plant and equipment – Land                                      | Short-term loans and credit lines                                | 899,336               | 899,336                  | 899,336               |
| Transportation and other equipment (including prepayment equipment)       | Long-term loans and credit lines                                 | 9,030,644             | 9,097,270                | 10,957,421            |

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

| <u>Assets</u>                                                                            | <u>Subject</u>                                                                           | <u>March 31,<br/>2020</u> | <u>December<br/>31, 2019</u> | <u>March 31,<br/>2019</u> |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------|------------------------------|---------------------------|
| Other current financial assets (pledged assets-time deposit)                             | Long-term loans                                                                          | 175,561                   | 227,935                      | 189,183                   |
| Other non-current financial assets (Guarantee deposits and pledged assets-time deposits) | Guarantee for construction payment, warehouse deposits, short-term loans and import duty | 27,395                    | 21,790                       | 24,879                    |
|                                                                                          |                                                                                          | <u>\$ 10,531,501</u>      | <u>10,636,254</u>            | <u>12,270,852</u>         |

**(9) Commitments and contingencies**

- (a) The Group had issued guarantee promissory notes amounting to \$3,130,960 as of March 31, 2020, December 31 and March 31, 2019, respectively, as guarantee for bonds payable.
- (b) As of March 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 April 2020 to June 2021.

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events: None**

**(12) Other**

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

|                   | By function                | For the three months ended<br>March 31, 2020 |                       |         | For the three months ended<br>March 31, 2019 |                       |         |
|-------------------|----------------------------|----------------------------------------------|-----------------------|---------|----------------------------------------------|-----------------------|---------|
|                   |                            | Cost of<br>sales                             | Operating<br>expenses | Total   | Cost of<br>sales                             | Operating<br>expenses | Total   |
| By item           |                            |                                              |                       |         |                                              |                       |         |
| Employee benefits |                            |                                              |                       |         |                                              |                       |         |
|                   | Salary                     | 97,708                                       | 51,771                | 149,479 | 84,977                                       | 53,457                | 138,434 |
|                   | Labor and health insurance | 2,808                                        | 4,556                 | 7,364   | 2,559                                        | 4,693                 | 7,252   |
|                   | Pension                    | 1,410                                        | 2,305                 | 3,715   | 1,212                                        | 2,396                 | 3,608   |
|                   | Others                     | 6,323                                        | 2,298                 | 8,621   | 6,547                                        | 2,586                 | 9,133   |
|                   | Depreciation (Note)        | 234,046                                      | 3,073                 | 237,119 | 233,625                                      | 2,701                 | 236,326 |
|                   | Amortization               | -                                            | 842                   | 842     | -                                            | 744                   | 744     |

Note: excluding the deduction of rental income of \$35 both for the three months ended March 31, 2020 and 2019, respectively.

- (b) Seasonality of operation

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

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

**(13) Other disclosures**

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 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             | 103,370                                                         | 103,370        | 103,370                               | -                                         | 2                                                    | -                                                   | Operating                        | -                      |            | -     | 9,966,359                               | 9,966,359                                | Transactions in the left column had been written off during the preparation of consolidated financial statements |
| 1  | CMT HK         | CHN              | "                                         | Y             | 151,125                                                         | 151,125        | 151,125                               | -                                         | 2                                                    | -                                                   | "                                | -                      | -          | -     | 9,966,359                               | 9,966,359                                | "                                                                                                                |
| 1  | CMT HK         | CPD              | "                                         | Y             | 45,600                                                          | 45,600         | 45,600                                | -                                         | 2                                                    | -                                                   | "                                | -                      | -          | -     | 9,966,359                               | 9,966,359                                | "                                                                                                                |
| 1  | CMT HK         | CPC              | "                                         | Y             | 317,363                                                         | 317,363        | 317,363                               | -                                         | 2                                                    | -                                                   | "                                | -                      | -          | -     | 9,966,359                               | 9,966,359                                | "                                                                                                                |
| 1  | CMT HK         | CHM              | "                                         | Y             | 337,311                                                         | 337,311        | 337,311                               | -                                         | 2                                                    | -                                                   | "                                | -                      | -          | -     | 9,966,359                               | 9,966,359                                | "                                                                                                                |
| 1  | CMT HK         | CPG              | "                                         | Y             | 392,925                                                         | 392,925        | 392,925                               | -                                         | 2                                                    | -                                                   | "                                | -                      | -          | -     | 9,966,359                               | 9,966,359                                | "                                                                                                                |
| 1  | CMT HK         | CTU              | "                                         | Y             | 711,799                                                         | 711,799        | 711,799                               | -                                         | 2                                                    | -                                                   | "                                | -                      | -          | -     | 9,966,359                               | 9,966,359                                | "                                                                                                                |
| 1  | CMT HK         | CTD              | "                                         | Y             | 681,574                                                         | 681,574        | 681,574                               | -                                         | 2                                                    | -                                                   | "                                | -                      | -          | -     | 9,966,359                               | 9,966,359                                | "                                                                                                                |
| 2  | ATI            | HIL              | "                                         | Y             | 50,000                                                          | 50,000         | 50,000                                | 1.20%                                     | 2                                                    | -                                                   | "                                | -                      | -          | -     | 245,748                                 | 245,748                                  | "                                                                                                                |
| 2  | ATI            | CST              | "                                         | Y             | 10,000                                                          | 8,000          | 8,000                                 | 1.20%                                     | 1                                                    | 113,344                                             | "                                | -                      | -          | -     | 113,344                                 | 245,748                                  | "                                                                                                                |
| 2  | ATI            | APT              | "                                         | Y             | 54,000                                                          | 51,000         | 51,000                                | 1.20%                                     | 1                                                    | 118,050                                             | "                                | -                      | -          | -     | 118,050                                 | 245,748                                  | "                                                                                                                |
| 2  | ATI            | PTL              | "                                         | Y             | 22,000                                                          | 21,000         | 21,000                                | 1.20%                                     | 1                                                    | 55,729                                              | "                                | -                      | -          | -     | 55,729                                  | 245,748                                  | "                                                                                                                |

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

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

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

(Continued)

## CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

(In Thousands of New Taiwan Dollars)

| No. | Name of guarantor | Counter-party of guarantee and endorsement |                               | Limitation on amount of guarantees and endorsements for a specific enterprise (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 |
|-----|-------------------|--------------------------------------------|-------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|     |                   | Name                                       | Relationship with the Company |                                                                                              |                                                                            |                                                                      |                                                |                                                           |                                                                                                             |                                                |                                                                                  |                                                                                   |                                                                                     |
| 0   | THE COMPANY       | ATI                                        | Subsidiary                    | 14,904,596                                                                                   | 100,000                                                                    | 100,000                                                              | -                                              | -                                                         | 1.01 %                                                                                                      | 14,904,596                                     | Y                                                                                | -                                                                                 | -                                                                                   |
| 0   | "                 | CTU                                        | Sub-subsidiary                | 14,904,596                                                                                   | 680,063                                                                    | 680,063                                                              | 272,025                                        | -                                                         | 6.84 %                                                                                                      | 14,904,596                                     | Y                                                                                | -                                                                                 | -                                                                                   |
| 0   | "                 | CTD                                        | Sub-subsidiary                | 14,904,596                                                                                   | 680,063                                                                    | 680,063                                                              | 272,025                                        | -                                                         | 6.84 %                                                                                                      | 14,904,596                                     | Y                                                                                | -                                                                                 | -                                                                                   |
| 0   | "                 | CFR                                        | Sub-subsidiary                | 14,904,596                                                                                   | 1,343,501                                                                  | 1,343,501                                                            | 700,035                                        | -                                                         | 13.52 %                                                                                                     | 14,904,596                                     | Y                                                                                | -                                                                                 | -                                                                                   |
| 0   | "                 | CPN                                        | Sub-subsidiary                | 14,904,596                                                                                   | 1,360,125                                                                  | 1,360,125                                                            | 605,603                                        | -                                                         | 13.69 %                                                                                                     | 14,904,596                                     | Y                                                                                | -                                                                                 | -                                                                                   |
| 1   | CMT HK            | CHN                                        | Subsidiary                    | 14,949,538                                                                                   | 915,515                                                                    | 915,515                                                              | 750,789                                        | -                                                         | 9.21 %                                                                                                      | 14,949,538                                     | -                                                                                | -                                                                                 | -                                                                                   |
| 1   | "                 | CEP                                        | Subsidiary                    | 14,949,538                                                                                   | 966,596                                                                    | 966,596                                                              | 752,927                                        | -                                                         | 9.73 %                                                                                                      | 14,949,538                                     | -                                                                                | -                                                                                 | -                                                                                   |
| 1   | "                 | CHM                                        | Subsidiary                    | 14,949,538                                                                                   | 985,940                                                                    | 985,940                                                              | 514,477                                        | -                                                         | 9.92 %                                                                                                      | 14,949,538                                     | -                                                                                | -                                                                                 | -                                                                                   |
| 1   | "                 | THE COMPANY                                | Parent company                | 14,949,538                                                                                   | 3,929                                                                      | 3,929                                                                | 3,929                                          | -                                                         | 0.04 %                                                                                                      | 14,949,538                                     | -                                                                                | Y                                                                                 | -                                                                                   |

Note1: The total amount of external endorsements and/or guarantees shall not exceed 150% of the Company's net worth. Among which the amount of endorsements/ guarantees for any single (1) whose voting shares are 100% owned by the Company shall not exceed 150% of the Company's net worth. (2) company whose more than 80% voting shares are owned by the Company shall not exceed 30% of the Company's net worth.

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

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

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

(In Thousands of New Taiwan Dollars)

| Name of holder | Category and name of security                            | Relationship with company | Account title                                                                 | Ending balance           |                |                             |            | Note |
|----------------|----------------------------------------------------------|---------------------------|-------------------------------------------------------------------------------|--------------------------|----------------|-----------------------------|------------|------|
|                |                                                          |                           |                                                                               | Shares/Units (thousands) | Carrying value | percentage of ownership (%) | Fair value |      |
| THE COMPANY    | Yang Ming Marine Transport Corporation                   | -                         | Non-current financial assets at fair value through profit or loss             | 4,798                    | 21,881         | 0.18 %                      | 21,881     | -    |
| "              | Asia Pacific Emerging Industry Venture Capital Co., Ltd. | -                         | Non-current financial assets at fair value through profit or loss             | 2,500                    | 25,545         | 2.78 %                      | 25,545     | -    |
| HIL            | CHINA CONTAINER TERMINAL CORP.                           | -                         | Non-current financial assets at fair value through other comprehensive income | 21,919                   | 234,538        | 14.77 %                     | 234,538    | -    |
| "              | SEA & LAND INTERATED CORP.                               | -                         | Non-current financial assets at fair value through profit or loss             | 5,522                    | 52,238         | 7.05 %                      | 52,238     | -    |
| "              | DIMERCO EXPRESS CORPORATION                              | -                         | Current financial assets at fair value through profit or loss                 | 1,916                    | 42,152         | 1.52 %                      | 42,152     | -    |
| MHI            | SEA & LAND INTERATED CORP.                               | -                         | Non-current financial assets at fair value through profit or loss             | 1                        | 10             | - %                         | 10         | -    |
| "              | CHINA CONTAINER TERMINAL CORP.                           | -                         | Non-current financial assets at fair value through other comprehensive income | 1,142                    | 12,215         | 0.77 %                      | 12,215     | -    |
| "              | DIMERCO EXPRESS CORPORATION                              | -                         | Current financial assets at fair value through profit or loss                 | 2,102                    | 46,244         | 1.67 %                      | 46,244     | -    |

(Continued)

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

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

(In Thousands of New Taiwan Dollars)

| Name of company | Related party | Nature of relationship | Transaction details |           |                                     |                                                     | Transactions with terms different from others |               | Notes/Accounts receivable (payable) |                                                         | Note   |
|-----------------|---------------|------------------------|---------------------|-----------|-------------------------------------|-----------------------------------------------------|-----------------------------------------------|---------------|-------------------------------------|---------------------------------------------------------|--------|
|                 |               |                        | Purchase/Sale       | Amount    | Percentage of total purchases/sales | Payment terms                                       | Unit price                                    | Payment terms | Ending balance                      | Percentage of total notes/accounts receivable (payable) |        |
| THE COMPANY     | ATI           | Subsidiary             | Freight cost        | 211,945   | 97 %                                | Depending on the demand for funding of subsidiaries | -                                             |               | (89,281)                            | (99)%                                                   | Note 1 |
| ATI             | THE COMPANY   | Subsidiary             | Freight revenue     | (211,945) | (80) %                              | "                                                   | -                                             |               | 89,281                              | 66%                                                     | "      |

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             | 681,574        | Note1         | -       |              | -                                     | -                       | Note 2 |
| "               | CTU           | Subsidiary             | 711,799        | "             | -       |              | -                                     | -                       | "      |
| "               | CHM           | Subsidiary             | 337,311        | "             | -       |              | -                                     | -                       | "      |
| "               | CPC           | Subsidiary             | 317,363        | "             | -       |              | -                                     | -                       | "      |
| "               | CHN           | Subsidiary             | 151,125        | "             | -       |              | -                                     | -                       | "      |
| "               | CPG           | Subsidiary             | 392,925        | "             | -       |              | -                                     | -                       | "      |
| "               | CPN           | Subsidiary             | 103,370        | "             | -       |              | -                                     | -                       | "      |

Note1: They are accounts receivable from related parties.

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

- (ix) Trading in derivative instruments: None

(Continued)

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

(x) Business relationships and significant intercompany transactions:

| No.<br>(Note 1) | Name of<br>company | Name of<br>counter-party | Nature of<br>relationship<br>(Note 2) | Intercompany transactions |         |                                                                                                         |                                                                        |
|-----------------|--------------------|--------------------------|---------------------------------------|---------------------------|---------|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
|                 |                    |                          |                                       | Account name              | Amount  | Trading terms                                                                                           | Percentage of<br>the<br>consolidated<br>net revenue or<br>total assets |
| 1               | ATI                | THE COMPANY              | 2                                     | Operating<br>revenues     | 211,945 | Price depends on the<br>market, and the receivables<br>depend on funding demand<br>in the credit period | 26.09%                                                                 |
| 6               | CMT HK             | CTD                      | 3                                     | Other<br>receivables      | 681,574 | -                                                                                                       | 3.45%                                                                  |
| 6               | CMT HK             | CTU                      | 3                                     | "                         | 711,799 | -                                                                                                       | 3.60%                                                                  |
| 6               | CMT HK             | CHM                      | 3                                     | "                         | 337,311 | -                                                                                                       | 1.71%                                                                  |
| 6               | CMT HK             | CPC                      | 3                                     | "                         | 317,363 | -                                                                                                       | 1.61%                                                                  |
| 6               | CMT HK             | CHN                      | 3                                     | "                         | 151,125 | -                                                                                                       | 0.77%                                                                  |
| 6               | CMT HK             | CPG                      | 3                                     | "                         | 392,925 | -                                                                                                       | 1.99%                                                                  |
| 6               | CMT HK             | CPN                      | 3                                     | "                         | 103,370 | -                                                                                                       | 0.52%                                                                  |

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 three months ended March 31, 2020:

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

| Name of<br>investor | Name of<br>investee | Location  | Main<br>Businesses and Products                 | Original Investment<br>Amount |                      | Balance as of March 31, 2020 |                            |                   | Net Income                  |                                           |             |
|---------------------|---------------------|-----------|-------------------------------------------------|-------------------------------|----------------------|------------------------------|----------------------------|-------------------|-----------------------------|-------------------------------------------|-------------|
|                     |                     |           |                                                 | March 31, 2020                | December 31,<br>2019 | Shares<br>(thousands)        | Percentage of<br>Ownership | Carrying<br>Value | (Losses) of the<br>Investee | Share of<br>profits/losses of<br>investee | Note        |
| The Company         | CMTS                | Singapore | Investment holding of ship-<br>owning companies | 4,282                         | 4,282                | 217                          | 0.34 %                     | 5,283             | 3,285                       | 11                                        | Note1、Note4 |
| "                   | CMT HK              | Hong Kong | Investment holding of ship-<br>owning companies | 34,356                        | 34,356               | 12,000                       | 100 %                      | 9,966,359         | 34,835                      | 34,835                                    | "           |
| "                   | CMTL                | Taiwan    | Warehouse management                            | 707,558                       | 689,558              | 21,000                       | 100 %                      | 1,080,329         | 8,161                       | 8,161                                     | "           |
| "                   | AGMI                | "         | Investment                                      | 1,000                         | 1,000                | 100                          | 100 %                      | 1,016             | 2                           | 2                                         | "           |
| "                   | HIL                 | "         | "                                               | 785,000                       | 785,000              | 78,500                       | 100 %                      | 486,649           | (17,338)                    | (17,338)                                  | "           |
| "                   | MHI                 | "         | "                                               | 201,300                       | 101,300              | 20,130                       | 100 %                      | 191,796           | (7,650)                     | (7,650)                                   | "           |
| "                   | ATI                 | "         | Container trucking                              | 500,000                       | 500,000              | 50,000                       | 100 %                      | 614,369           | 2,587                       | 2,587                                     | "           |
| "                   | TNCL                | "         | Bulk-carrier transportation                     | 1,007,412                     | 1,007,412            | 31,125                       | 7.459 %                    | 772,001           | 163,637                     | 12,206                                    | Note2       |
| "                   | CMTTSL              | "         | Travel                                          | 20,000                        | 20,000               | 2,000                        | 100 %                      | 5,357             | (404)                       | (404)                                     | Note1、Note4 |
| "                   | TGEM                | "         | Bulk-carrier transportation                     | 601,200                       | 601,200              | 61,623                       | 12 %                       | 616,738           | 59,709                      | 7,165                                     | Note2       |
| "                   | UNH                 | "         | Gasoline international trade                    | 1,000                         | 1,000                | 100                          | 100 %                      | 982               | -                           | -                                         | Note1、Note4 |
| "                   | UHD                 | "         | Investment                                      | 1,000                         | 1,000                | 100                          | 100 %                      | 976               | -                           | -                                         | "           |
| "                   | AGM                 | "         | Automobile and its parts<br>manufacturing       | 30,000                        | 30,000               | 3,000                        | 30 %                       | 27,758            | (2,065)                     | (619)                                     | Note2       |

(Continued)

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

| Name of investor | Name of investee | Location  | Main Businesses and Products                | Original Investment Amount |                   | Balance as of March 31, 2020 |                         |                | Net Income               |                                                             | Note                  |
|------------------|------------------|-----------|---------------------------------------------|----------------------------|-------------------|------------------------------|-------------------------|----------------|--------------------------|-------------------------------------------------------------|-----------------------|
|                  |                  |           |                                             | March 31, 2020             | December 31, 2019 | Shares (thousands)           | Percentage of Ownership | Carrying Value | (Losses) of the Investee | Share of profits/losses of investee                         |                       |
| CMTS             | CFR              | Singapore | Bulk-carrier transportation                 | 695,175                    | 695,175           | 29,900                       | 100 %                   | 761,216        | 4,224                    | Has been recognized as investment incomes(losses) by CMTS   | Note1 - Note3 - Note4 |
| "                | CEP              | "         | "                                           | 698,198                    | 698,198           | 23,100                       | 100 %                   | 695,758        | 1,104                    | "                                                           | "                     |
| CMT HK           | CPS              | Hong Kong | "                                           | 60,450                     | 60,450            | 2,000                        | 100 %                   | 60,779         | 40                       | Has been recognized as investment incomes(losses) by CMT HK | "                     |
| "                | CPG              | "         | "                                           | 181,350                    | 181,350           | 6,000                        | 100 %                   | 253,417        | 9,184                    | "                                                           | "                     |
| "                | CPC              | "         | "                                           | 166,238                    | 166,238           | 5,500                        | 100 %                   | 192,551        | (220)                    | "                                                           | "                     |
| "                | CHT              | "         | Bulk-chartering services                    | 302                        | 302               | 10                           | 100 %                   | 5,813          | (27)                     | "                                                           | "                     |
| "                | CPN              | "         | Bulk-carrier transportation                 | 725,400                    | 725,400           | 240                          | 100 %                   | 786,873        | 6,735                    | "                                                           | "                     |
| "                | CPD              | "         | "                                           | 1,269,450                  | 1,269,450         | 420                          | 100 %                   | 1,253,601      | 373                      | "                                                           | "                     |
| "                | CTD              | "         | "                                           | 392,925                    | 392,925           | 13,000                       | 100 %                   | 404,635        | (7,898)                  | "                                                           | "                     |
| "                | CTU              | "         | "                                           | 392,925                    | 392,925           | 13,000                       | 100 %                   | 450,363        | 9,469                    | "                                                           | "                     |
| "                | CHM              | "         | "                                           | 453,375                    | 453,375           | 150                          | 100 %                   | 467,181        | 7,366                    | "                                                           | "                     |
| "                | CHN              | "         | "                                           | 453,375                    | 453,375           | 150                          | 100 %                   | 479,570        | 9,048                    | "                                                           | "                     |
| "                | CHI              | "         | Investment management                       | 302                        | 302               | 0.1                          | 100 %                   | (413)          | (26)                     | "                                                           | "                     |
| "                | CIM              | "         | "                                           | 30,225                     | 30,225            | 10                           | 100 %                   | 30,810         | 130                      | "                                                           | "                     |
| "                | CMTS             | Singapore | Investment holding of ship-owning companies | 1,432,665                  | 1,432,665         | 62,918                       | 99.66 %                 | 1,548,419      | 3,285                    | "                                                           | "                     |
| HIL              | TNCL             | Taiwan    | Bulk-carrier transportation                 | 321,956                    | 321,956           | 12,297                       | 2.947 %                 | 305,012        | 163,637                  | Has been recognized as investment incomes(losses) by HIL    | Note2                 |
| ATI              | CST              | "         | Container trucking                          | 86,642                     | 86,642            | 8,200                        | 100 %                   | 91,376         | (725)                    | Has been recognized as investment incomes(losses) by ATI    | Note1 - Note4         |
| "                | HYT              | "         | "                                           | 28,932                     | 28,932            | 3,000                        | 100 %                   | 31,311         | (3,674)                  | -                                                           | "                     |
| "                | MHT              | "         | "                                           | 30,568                     | 30,568            | 3,000                        | 100 %                   | 53,354         | 2,585                    | -                                                           | "                     |
| "                | APT              | "         | "                                           | 30,719                     | 30,719            | 3,000                        | 100 %                   | 37,230         | (585)                    | -                                                           | "                     |
| "                | PTL              | "         | "                                           | 30,000                     | 30,000            | 3,000                        | 100 %                   | 28,153         | (789)                    | -                                                           | "                     |

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.

(c) Information on investment in mainland China: None

(d) Major shareholders:

| Shareholder's Name                  | Shares (thousands) | Percentage |
|-------------------------------------|--------------------|------------|
| AGCMT GROUP LTD.                    | 79,686             | 40.35 %    |
| Associated International INC. (AII) | 41,881             | 21.20 %    |

**(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.

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

(b) Reportable segment information

The amounts of the Company'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 Company'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.

| Three months ended March 31, 2020 |                                                                 |                        |              |                                    |                      |
|-----------------------------------|-----------------------------------------------------------------|------------------------|--------------|------------------------------------|----------------------|
|                                   | Inland<br>trucking and<br>terminal &<br>logistics<br>department | Shipping<br>department | Others       | Adjustments<br>and<br>eliminations | Total                |
| Revenue from external customers   | \$ 375,598                                                      | 428,812                | 8,001        | -                                  | 812,411              |
| Intersegment revenue              | -                                                               | -                      | -            | -                                  | -                    |
| Total revenues                    | <u>\$ 375,598</u>                                               | <u>428,812</u>         | <u>8,001</u> | <u>-</u>                           | <u>812,411</u>       |
| Segment income before tax         | <u>\$ 846</u>                                                   | <u>51,819</u>          | <u>1,049</u> | <u>-</u>                           | <u>53,714</u>        |
| Reportable segment assets         |                                                                 |                        |              |                                    | <u>\$ 19,751,261</u> |

  

| Three months ended March 31, 2019 |                                                                 |                        |              |                                    |                      |
|-----------------------------------|-----------------------------------------------------------------|------------------------|--------------|------------------------------------|----------------------|
|                                   | Inland<br>trucking and<br>terminal &<br>logistics<br>department | Shipping<br>department | Others       | Adjustments<br>and<br>eliminations | Total                |
| Revenue from external customers   | \$ 435,752                                                      | 518,685                | 9,447        | -                                  | 963,884              |
| Intersegment revenue              | -                                                               | -                      | -            | -                                  | -                    |
| Total revenues                    | <u>\$ 435,752</u>                                               | <u>518,685</u>         | <u>9,447</u> | <u>-</u>                           | <u>963,884</u>       |
| Segment income before tax         | <u>\$ 14,659</u>                                                | <u>141,453</u>         | <u>836</u>   | <u>-</u>                           | <u>156,948</u>       |
| Reportable segment assets         |                                                                 |                        |              |                                    | <u>\$ 20,834,668</u> |