

**CHINESE MARITIME TRANSPORT LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 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 September 30, 2020 and 2019, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2020 and 2019, as well as the changes in equity and cash flows for the nine months ended September 30, 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 \$1,780,814 thousand and \$2,153,952 thousand, constituting 9.01% and 10.57% of the consolidated total assets; and the total liabilities amounting to \$687,817 thousand and \$825,114 thousand, constituting 6.90% and 8.18% of the consolidated total liabilities as of September 30, 2020 and 2019, respectively; as well as the total comprehensive income amounting to \$11,919 thousand, \$16,910 thousand, \$28,601 thousand and \$40,953 thousand, constituting 43.13% 17.54% 128.66% and 9.86% of the absolute value of the consolidated total comprehensive income for the three months and the nine months ended September 30, 2020 and 2019, respectively.

Furthermore, as stated in Note (6)(e), the other equity accounted investments of Chinese Maritime Transport Ltd. and its subsidiaries in its investee companies of \$1,679,603 thousand and \$1,738,978 thousand as of September 30, 2020 and 2019, respectively, and its equity in net earnings on these investee companies of \$14,010 thousand, \$20,409 thousand, \$58,144 thousand and \$52,715 thousand for the three months and the nine months ended September 30, 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 September 30, 2020 and 2019, and of its consolidated financial performance for the three months and nine months ended September 30, 2020 and 2019, as well as its consolidated cash flows for the nine months ended September 30, 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)
November 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 the generally accepted auditing standards as of September 30, 2020 and 2019

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2020, December 31 and September 30, 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2020		December 31, 2019		September 30, 2019		Liabilities and Equity		September 30, 2020		December 31, 2019		September 30, 2019	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note (6)(a))	\$ 3,444,019	17	3,288,046	17	3,244,296	16	2100	Short-term borrowings (note (6)(j))	\$ 250,998	1	1,529,883	8	1,429,676	7
1110	Current financial assets at fair value through profit or loss (note (6)(b))	528,811	3	14,050	-	58,012	-	2130	Current contract liabilities (note (6)(q))	22,208	-	19,327	-	20,601	-
1150	Notes and accounts receivable, net (note (6)(d))	268,231	1	273,636	1	281,203	2	2150	Notes and accounts payable	150,347	1	239,126	1	179,181	1
1180	Accounts receivable due from related parties, net (notes (6)(d) and (7))	11,138	-	16,770	-	14,689	-	2200	Other payables	121,131	1	166,436	1	127,776	1
1470	Other current assets	81,926	-	62,481	-	59,743	-	2280	Current lease liabilities (note (6)(k))	42,295	-	52,509	-	52,309	-
1476	Other current financial assets (notes (6)(i) and (8))	310,153	2	304,029	2	213,960	1	2300	Other current liabilities	10,894	-	48,900	-	45,887	-
		<u>4,644,278</u>	<u>23</u>	<u>3,959,012</u>	<u>20</u>	<u>3,871,903</u>	<u>19</u>	2320	Long-term liabilities, current portion (note (6)(j))	<u>2,934,337</u>	<u>15</u>	<u>1,053,519</u>	<u>5</u>	<u>1,076,626</u>	<u>5</u>
										<u>3,532,210</u>	<u>18</u>	<u>3,109,700</u>	<u>15</u>	<u>2,932,056</u>	<u>14</u>
Non-current assets:								Non-Current liabilities:							
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	130,724	1	119,554	-	58,418	-	2530	Bonds payable (note (6)(j))	2,900,000	14	2,700,000	14	2,700,000	13
1517	Non-current financial assets at fair value through other comprehensive income (notes (6)(c) and (8))	397,375	2	315,134	2	297,479	2	2540	Long-term borrowings (note (6)(j))	2,772,410	14	3,393,217	17	3,633,863	18
1550	Investments accounted for using equity method, net (notes (6)(e) and (8))	1,679,603	9	1,698,801	9	1,738,978	9	2570	Deferred tax liabilities	607,906	3	607,906	3	603,271	3
1600	Property, plant and equipment (notes (6)(f) and (8))	12,641,507	64	13,549,411	68	14,059,856	69	2580	Non-current lease liabilities (note (6)(k))	121,444	1	169,693	1	179,110	1
1755	Right-of-use assets (note (6)(g))	162,721	1	218,783	1	232,407	1	2640	Net defined benefit liability, non-current	39,194	-	40,779	-	37,674	-
1760	Investment property, net (note (6)(h))	35,169	-	35,995	-	36,683	-	2670	Other non-current liabilities, others	663	-	961	-	899	-
1780	Intangible assets	10,612	-	11,659	-	12,228	-			<u>6,441,617</u>	<u>32</u>	<u>6,912,556</u>	<u>35</u>	<u>7,154,817</u>	<u>35</u>
1840	Deferred tax assets	17,854	-	17,854	-	15,983	-		Total liabilities	<u>9,973,827</u>	<u>50</u>	<u>10,022,256</u>	<u>50</u>	<u>10,086,873</u>	<u>49</u>
1900	Other non-current assets	34,362	-	8,626	-	27,222	-	Equity attributable to owners of parent: (note (6)(o))							
1980	Other non-current financial assets (notes (6)(i) and (8))	18,227	-	21,790	-	21,883	-	3100	Common stock	<u>1,974,846</u>	<u>10</u>	<u>1,974,846</u>	<u>10</u>	<u>1,974,846</u>	<u>11</u>
		<u>15,128,154</u>	<u>77</u>	<u>15,997,607</u>	<u>80</u>	<u>16,501,137</u>	<u>81</u>	3200	Capital surplus	<u>53,411</u>	<u>-</u>	<u>53,411</u>	<u>-</u>	<u>53,411</u>	<u>-</u>
								Retained earnings:							
								3310	Legal reserve	1,747,570	9	1,715,537	9	1,715,537	8
								3320	Special reserve	535,690	3	359,487	2	359,487	2
								3350	Unappropriated retained earnings	<u>6,338,989</u>	<u>32</u>	<u>6,366,772</u>	<u>32</u>	<u>6,324,802</u>	<u>31</u>
										<u>8,622,249</u>	<u>44</u>	<u>8,441,796</u>	<u>43</u>	<u>8,399,826</u>	<u>41</u>
								3400	Other equity interest	<u>(851,901)</u>	<u>(4)</u>	<u>(535,690)</u>	<u>(3)</u>	<u>(141,916)</u>	<u>(1)</u>
									Total equity	<u>9,798,605</u>	<u>50</u>	<u>9,934,363</u>	<u>50</u>	<u>10,286,167</u>	<u>51</u>
Total assets		<u>\$ 19,772,432</u>	<u>100</u>	<u>19,956,619</u>	<u>100</u>	<u>20,373,040</u>	<u>100</u>	Total liabilities and equity		<u>\$ 19,772,432</u>	<u>100</u>	<u>19,956,619</u>	<u>100</u>	<u>20,373,040</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2020 and 2019

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

	For the three months ended September 30				For the nine months ended September 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating Revenues (notes (6)(q), (7) and (14))							
4621	\$ 399,782	51	463,599	50	1,214,209	52	1,449,393	51
4622	377,573	48	458,268	49	1,097,967	47	1,369,619	48
4623	8,470	1	5,250	1	26,199	1	21,728	1
	<u>785,825</u>	<u>100</u>	<u>927,117</u>	<u>100</u>	<u>2,338,375</u>	<u>100</u>	<u>2,840,740</u>	<u>100</u>
5000	Operating costs (notes (6) (m), (s) and (12))							
5621	339,321	43	345,048	37	1,011,805	43	1,039,224	36
5622	310,848	40	379,567	41	902,372	39	1,137,371	40
5623	5,492	1	3,831	-	16,884	2	16,001	1
	<u>655,661</u>	<u>84</u>	<u>728,446</u>	<u>78</u>	<u>1,931,061</u>	<u>84</u>	<u>2,192,596</u>	<u>77</u>
5900	<u>130,164</u>	<u>16</u>	<u>198,671</u>	<u>22</u>	<u>407,314</u>	<u>16</u>	<u>648,144</u>	<u>23</u>
	Gross profit							
	Operating expenses:							
6000	97,446	13	90,781	10	282,207	12	273,827	10
6450	36	-	32	-	87	-	69	-
	<u>97,482</u>	<u>13</u>	<u>90,813</u>	<u>10</u>	<u>282,294</u>	<u>12</u>	<u>273,896</u>	<u>10</u>
6900	<u>32,682</u>	<u>3</u>	<u>107,858</u>	<u>12</u>	<u>125,020</u>	<u>4</u>	<u>374,248</u>	<u>13</u>
	Net operating income							
	Non-operating income and expenses:							
7010	17,790	2	3,720	-	29,067	1	18,304	1
7050	(32,442)	(4)	(57,914)	(6)	(118,016)	(5)	(185,729)	(7)
7060								
	14,010	2	20,409	2	58,144	2	52,715	2
7100	2,833	-	17,091	2	22,687	1	59,592	2
7210	(5,859)	(1)	969	-	(3,955)	-	3,242	-
7230	(278)	-	(189)	-	(3,211)	-	74	-
7235	179,586	23	5,221	1	247,116	11	(3,607)	-
7590	(30)	-	-	-	(318)	-	(948)	-
	<u>175,610</u>	<u>22</u>	<u>(10,693)</u>	<u>(1)</u>	<u>231,514</u>	<u>10</u>	<u>(56,357)</u>	<u>(2)</u>
7900	208,292	25	97,165	11	356,534	14	317,891	11
7950	4,936	1	8,717	1	18,093	1	39,531	1
	<u>203,356</u>	<u>24</u>	<u>88,448</u>	<u>10</u>	<u>338,441</u>	<u>13</u>	<u>278,360</u>	<u>10</u>
8300	Other comprehensive income:							
8310	Items that may not be reclassified subsequently to profit or loss							
8316	14,617	2	12,318	2	10,503	1	13,129	-
8320	10,566	1	2,093	-	4,766	-	611	-
	<u>25,183</u>	<u>3</u>	<u>14,411</u>	<u>2</u>	<u>15,269</u>	<u>1</u>	<u>13,740</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss							
8361	(174,977)	(22)	(5,968)	(1)	(287,808)	(12)	107,089	4
8370	(25,924)	(3)	(500)	-	(43,672)	(2)	16,138	1
	<u>(200,901)</u>	<u>(25)</u>	<u>(6,468)</u>	<u>(1)</u>	<u>(331,480)</u>	<u>(14)</u>	<u>123,227</u>	<u>5</u>
8300	<u>(175,718)</u>	<u>(22)</u>	<u>7,943</u>	<u>1</u>	<u>(316,211)</u>	<u>(13)</u>	<u>136,967</u>	<u>5</u>
	Other comprehensive income, net							
	Comprehensive income (attributable to owners of parent)							
	<u>\$ 27,638</u>	<u>2</u>	<u>96,391</u>	<u>11</u>	<u>22,230</u>	<u>-</u>	<u>415,327</u>	<u>15</u>
	Earnings per share (note (6)(p))							
9750	\$ 1.03		0.45		1.71		1.41	
9850	\$ 1.03		0.45		1.71		1.41	

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

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Total other equity interest			Total equity
	Share capital		Retained earnings				Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings				
Balance at January 1, 2019	\$ 1,974,846	53,411	1,664,166	621,623	6,151,652	8,437,441	(263,496)	(15,387)	(278,883)	10,186,815
Legal reserve appropriated	-	-	51,371	-	(51,371)	-	-	-	-	-
Reversal of special reserve	-	-	-	(262,136)	262,136	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(315,975)	(315,975)	-	-	-	(315,975)
Net income for the nine months ended September 30, 2019	-	-	51,371	(262,136)	(105,210)	(315,975)	-	-	-	(315,975)
Other comprehensive income for the nine months ended September 30, 2019	-	-	-	-	278,360	278,360	-	-	-	278,360
Total comprehensive income for the nine months ended September 30, 2019	-	-	-	-	278,360	278,360	123,227	13,740	136,967	136,967
Balance at September 30, 2019	\$ 1,974,846	53,411	1,715,537	359,487	6,324,802	8,399,826	(140,269)	(1,647)	(141,916)	10,286,167
Balance at January 1, 2020	\$ 1,974,846	53,411	1,715,537	359,487	6,366,772	8,441,796	(541,143)	5,453	(535,690)	9,934,363
Legal reserve appropriated	-	-	32,033	-	(32,033)	-	-	-	-	-
Special reserve reversal	-	-	-	176,203	(176,203)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(157,988)	(157,988)	-	-	-	(157,988)
Net income for the nine months ended September 30, 2020	-	-	32,033	176,203	(366,224)	(157,988)	-	-	-	(157,988)
Other comprehensive income for the nine months ended September 30, 2020	-	-	-	-	338,441	338,441	-	-	-	338,441
Total comprehensive income for the nine months ended September 30, 2020	-	-	-	-	338,441	338,441	(331,480)	15,269	(316,211)	(316,211)
Balance at September 30, 2020	\$ 1,974,846	53,411	1,747,570	535,690	6,338,989	8,622,249	(872,623)	20,722	(851,901)	9,798,605

See accompanying notes to consolidated financial statements.

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REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 356,534	317,891
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	704,626	723,437
Expected credit loss	87	69
Net (gain) loss on financial assets at fair value through profit or loss	(247,116)	3,607
Interest expense	118,016	185,729
Interest income	(22,687)	(59,592)
Dividend income	(13,616)	(6,009)
Share of profit of associates and joint ventures accounted for using equity method	(58,144)	(52,715)
Net (gain) loss on disposal of property, plant and equipment	3,955	(3,242)
Other	(316)	-
Total adjustments to reconcile profit (loss)	<u>484,805</u>	<u>791,284</u>
Changes in operating assets:		
Decrease in notes and accounts receivable (including related parties)	10,950	6,932
Increase in other current assets	(28,711)	(24,652)
Decrease (Increase) in other current financial assets	(2,777)	28,688
	<u>(20,538)</u>	<u>10,968</u>
Changes in operating liabilities:		
Decrease in notes and accounts payable	(88,779)	(3,940)
Increase in current contract liabilities	2,881	1,129
Decrease in other current liabilities	(40,449)	(27,914)
Decrease in net defined benefit liability	(1,585)	(17,924)
	<u>(127,932)</u>	<u>(48,649)</u>
Total changes in operating assets and liabilities	<u>(148,470)</u>	<u>(37,681)</u>
Total adjustments	<u>336,335</u>	<u>753,603</u>
Cash inflow generated from operations	692,869	1,071,494
Interest received	27,940	59,887
Dividends received	52,052	84,829
Interest paid	(138,192)	(200,293)
Income taxes paid	(37,031)	(16,835)
Net cash flows from operating activities	<u>597,638</u>	<u>999,082</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(71,738)	(259,377)
Acquisition of financial assets at fair value through profit or loss	(278,816)	(30,761)
Proceeds from disposal of financial assets at fair value through profit or loss	-	13,553
Acquisition of investments accounted for using equity method	-	(30,000)
Acquisition of property, plant and equipment	(81,078)	(151,738)
Proceeds from disposal of property, plant and equipment	12,420	6,782
Increase in other non-current assets	(27,086)	(9,158)
Decrease (Increase) in other current financial assets	(12,115)	80,216
Decrease in other non-current financial assets	3,563	47
Net cash flows used in investing activities	<u>(454,850)</u>	<u>(380,436)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	(1,278,885)	489,923
Proceeds from issuing bonds	2,500,000	-
Repayments of bonds	(400,000)	-
Repayments of long-term borrowings	(533,798)	(885,605)
Payment of lease liabilities	(39,478)	(41,862)
Cash dividends paid	(157,988)	(315,975)
Other	(298)	291
Net cash flows used in financing activities	<u>89,553</u>	<u>(753,228)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(76,368)</u>	<u>33,673</u>
Net increase (decrease) in cash and cash equivalents	155,973	(100,909)
Cash and cash equivalents at beginning of period	3,288,046	3,345,205
Cash and cash equivalents at end of period	<u>\$ 3,444,019</u>	<u>3,244,296</u>

See accompanying notes to consolidated financial statements.

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

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 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 nine months ended September 30, 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 nine months ended September 30, 2020 were authorized for issue by the board of directors on November 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.

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
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
Amendments to IFRS 16 “Covid-19-Related Rent Concessions”	June 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:

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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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.

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

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

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, 2021:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	January 1, 2021

The Group assesses that the adoption of the abovementioned amendments would not have any material impact on its consolidated financial statements.

- (c) 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:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
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, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”	January 1, 2022
Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform – Phase 2”	January 1, 2021

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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Those which may be relevant to the Group are set out below:

Issuance / Release Dates	Standards or Interpretations	Content of amendment
January 23, 2020	Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

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
			September 30, 2020	December 31, 2019	September 30, 2019	
The Company	Chinese Maritime Transport(S) Pte. Ltd. (CMTS)	Investment holding of ship-owning companies	0.34	0.34	0.34	
"	Chinese Maritime Transport (Hong Kong), Limited (CMTHK)	Investment holding of ship-owning companies	100	100	100	

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			September 30, 2020	December 31, 2019	September 30, 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	
CMTHK	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	99.66	

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			September 30, 2020	December 31, 2019	September 30, 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.

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.

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

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.

(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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Petty cash, checking accounts and demand deposits	\$ 706,890	863,945	716,307
Time deposits	2,298,210	2,254,565	2,337,702
Cash equivalents-commercial paper and reverse repurchase agreement	<u>438,919</u>	<u>169,536</u>	<u>190,287</u>
	<u>\$ 3,444,019</u>	<u>3,288,046</u>	<u>3,244,296</u>

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

(i) Information is as follows:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Current financial assets mandatorily measured as at fair value through profit or loss:			
Non-derivative financial instrument	\$		
Domestic listed stocks	528,811	14,050	58,012
Non-current financial assets mandatorily measured as at fair value through profit or loss:			
Non-derivative financial instrument			
Domestic listed stocks	65,448	62,963	-
Domestic listed stocks under private placement	39,731	31,046	32,630
Domestic unlisted stocks	<u>25,545</u>	<u>25,545</u>	<u>25,788</u>
	<u>\$ 659,535</u>	<u>133,604</u>	<u>116,430</u>

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

	September 30, 2020	December 31, 2019	September 30, 2019
Current	\$ 528,811	14,050	58,012
Non-current	<u>130,724</u>	<u>119,554</u>	<u>58,418</u>
	<u>\$ 659,535</u>	<u>133,604</u>	<u>116,430</u>

The gain or loss on financial assets at fair value through profit or loss for the three months ended and nine months ended September 30, 2020 and 2019 were gain of \$179,586 gain of \$5,221 gain of \$247,116 and loss of \$3,607, respectively.

During the nine months ended September 30, 2020 and 2019, the dividends of \$9,708 and \$336, respectively, related to investment at fair value through profit or loss, were recognized.

The Group did not provide any aforementioned financial assets as collateral as of September 30, 2020, December 31 and September 30, 2019, respectively.

(ii) Debt investment information

The convertible bonds held by the Group was due on June 27, 2019, and converted to 4,798 thousand shares of common shares under private placement at \$20.84 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 September 30, 2020, December 31 and September 30, 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 designated as debt investment and classified as financial assets mandatorily measured value through profit or loss.

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

	September 30, 2020	December 31, 2019	September 30, 2019
Equity investments at fair value through other comprehensive income			
Domestic listed stocks	<u>\$ 397,375</u>	<u>315,134</u>	<u>297,479</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 newly purchased those investments for strategic purposes amounting to \$71,738 and \$259,377 for the nine months ended September 30, 2020 and 2019, respectively.

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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During the three months and nine months ended September 30, 2020 and 2019, the Group had recognized unrealized gain or loss on financial assets at fair value through other comprehensive income of gain \$14,617 gain \$12,318 gain \$10,503 and gain \$13,129, respectively.

During the nine months ended September 30, 2020 and 2019, the dividends of \$3,908 and \$5,673, respectively, related to equity investment at fair value through other comprehensive income held on September 30, 2020 and 2019, were recognized.

There were no disposal of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments during the nine months ended September 30, 2020 and 2019.

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

(iii) As of September 30, 2020, December 31 and September 30, 2019, the financial assets measured at other comprehensive income of the Group had been pledge as collateral, please refer to note (8).

(d) Notes and accounts receivable

	September 30, 2020	December 31, 2019	September 30, 2019
Notes receivable	\$ 13,542	8,952	14,003
Accounts receivable	266,072	281,612	282,096
Less: Loss allowance	(245)	(158)	(207)
	<u>\$ 279,369</u>	<u>290,406</u>	<u>295,892</u>
Notes and accounts receivable, net	<u>\$ 268,231</u>	<u>273,636</u>	<u>281,203</u>
Notes and accounts receivable due from related parties, net	<u>\$ 11,138</u>	<u>16,770</u>	<u>14,689</u>

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

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Notes to the Consolidated Financial Statements

	September 30, 2020		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 268,772	-	-
1 to 30 days past due	8,006	-	-
30 to 180 days past due	2,836	8.6%	245
More than 180 days past due	-	-	-
	\$ 279,614		245
	December 31, 2019		
	Gross carrying amount	Weighted- average loss rate	Loss allowance 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
	\$ 290,564		158
	September 30, 2019		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 281,348	-	-
1 to 30 days past due	13,422	-	-
30 to 180 days past due	1,328	15.51%	206
More than 180 days past due	1	100%	1
	\$ 296,099		207

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

	For the nine months ended September 30,	
	2020	2019
Balance on January 1	\$ 158	301
Impairment losses recognized	87	69
Amount written off	-	(163)
Balance on September 30	\$ 245	207

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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The Group did not provide any aforementioned notes and accounts receivable as collaterals as of September 30, 2020, December 31 and September 30, 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:

	September 30, 2020	December 31, 2019	September 30, 2019
Associates	\$ <u>1,679,603</u>	<u>1,698,801</u>	<u>1,738,978</u>

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Associates	\$ <u>14,010</u>	<u>20,409</u>	<u>58,144</u>	<u>52,715</u>

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

Name	Nature of the relationship	Principal place of business/ Country of incorporation	Effective ownership interest and voting right		
			September 30, 2020	December 31, 2019	September 30, 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:

	September 30, 2020	December 31, 2019	September 30, 2019
TNCL	\$ 733,833	770,742	829,362

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

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1) Summarized financial information of TNCL

	September 30, 2020	December 31, 2019	September 30, 2019
Current assets	\$ 1,875,082	1,592,523	1,375,947
Non-current assets	14,450,631	13,521,227	13,905,515
Current liabilities	(1,327,722)	(505,748)	(586,061)
Non-current liabilities	(4,945,318)	(4,366,773)	(4,277,193)
Net assets (Attributable to the investee)	<u>\$ 10,052,673</u>	<u>10,241,229</u>	<u>10,418,208</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Revenue	\$ 650,545	819,360	1,860,097	2,364,069
Profit from continuing operations	72,096	179,289	345,667	445,678
Other comprehensive income	(42,809)	12,023	(200,387)	95,021
Total comprehensive income (Belongs to the investee)	<u>\$ 29,287</u>	<u>191,312</u>	<u>145,280</u>	<u>540,699</u>

	For the nine months ended September 30,	
	2020	2019
Beginning balance of Group's share of net assets	\$ 1,065,702	1,084,304
Group's share of total comprehensive income	15,117	56,266
Dividends received by associates	(34,737)	(56,451)
Ending balance of Group's share of net assets	<u>\$ 1,046,082</u>	<u>1,084,119</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:

	September 30, 2020	December 31, 2019	September 30, 2019
Carrying amount of individually insignificant associates' equity	<u>\$ 633,521</u>	<u>633,099</u>	<u>654,859</u>

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	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Attributable to the Group:				
Profit from continuing operations	\$ 6,507	1,754	22,174	6,340
Other comprehensive (loss) income	(10,904)	339	(18,054)	6,859
Comprehensive income	<u>\$ (4,397)</u>	<u>2,093</u>	<u>4,120</u>	<u>13,199</u>

(v) Pledges

As of September 30, 2020, December 31 and September 30, 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 nine months ended September 30, 2020 and 2019 were as follows:

	Land	Buildings and construction	Transportation Equipment	Other equipment	Under construction	Total
Cost or deemed cost:						
Balance on January 1, 2020	\$ 1,717,868	146,964	18,762,193	611,233	28,220	21,266,478
Additions	-	848	53,057	27,173	-	81,078
Disposals	-	(780)	(24,492)	(44,449)	-	(69,721)
Reclassifications	-	281	4,213	4,772	-	9,266
Effect of movements in exchange rates	-	(1,009)	(527,760)	-	(828)	(529,597)
Balance on September 30, 2020	<u>\$ 1,717,868</u>	<u>146,304</u>	<u>18,267,211</u>	<u>598,729</u>	<u>27,392</u>	<u>20,757,504</u>
Balance on January 1, 2019	\$ 1,717,114	135,685	19,027,923	558,645	11,795	21,451,162
Additions	754	6,716	101,263	8,340	34,665	151,738
Disposals	-	(2,306)	(14,085)	(8,330)	-	(24,721)
Reclassifications	-	-	23,856	23,258	(23,856)	23,258
Effect of movements in exchange rates	-	373	192,588	-	117	193,078
Balance on September 30, 2019	<u>\$ 1,717,868</u>	<u>140,468</u>	<u>19,331,545</u>	<u>581,913</u>	<u>22,721</u>	<u>21,794,515</u>
Depreciation and impairments loss:						
Balance on January 1, 2020	\$ -	83,760	7,303,655	329,652	-	7,717,067
Depreciation	-	6,932	628,230	29,307	-	664,469
Disposals	-	(600)	(16,526)	(36,220)	-	(53,346)
Effect of movements in exchange rates	-	(210)	(211,983)	-	-	(212,193)
Balance on September 30, 2020	<u>\$ -</u>	<u>89,882</u>	<u>7,703,376</u>	<u>322,739</u>	<u>-</u>	<u>8,115,997</u>
Balance on January 1, 2019	\$ -	85,051	6,629,165	297,200	-	7,011,416
Depreciation	-	5,146	646,845	27,853	-	679,844
Disposals	-	(2,306)	(11,414)	(7,461)	-	(21,181)
Effect of movements in exchange rates	-	65	64,515	-	-	64,580
Balance on September 30, 2019	<u>\$ -</u>	<u>87,956</u>	<u>7,329,111</u>	<u>317,592</u>	<u>-</u>	<u>7,734,659</u>

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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	<u>Land</u>	<u>Buildings and construction</u>	<u>Transportation Equipment</u>	<u>Other equipment</u>	<u>Under construction</u>	<u>Total</u>
Carrying amounts:						
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 September 30, 2020	\$ <u>1,717,868</u>	<u>56,422</u>	<u>10,563,835</u>	<u>275,990</u>	<u>27,392</u>	<u>12,641,507</u>
Balance on September 30, 2019	\$ <u>1,717,868</u>	<u>52,512</u>	<u>12,002,434</u>	<u>264,321</u>	<u>22,721</u>	<u>14,059,856</u>

- (i) The pledge information is summarized in note (8).
- (ii) The Group disposed of the property, plant and equipment during the nine months ended September 30, 2020 and 2019 for \$12,420 and \$6,782, respectively. The cost of aforementioned property, plant and equipment amounted to \$16,375 and \$3,540, respectively, and the related gain or loss of disposal was loss of \$3,955 and gain of \$3,242, 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 thousand (\$918,252, \$946,019 and \$979,467 in thousand New Taiwan dollars) as of September 30, 2020, December 31 and September 30, 2019, respectively.

(iv) Operating lease

The transportation equipment, bulk carriers that owned by the Group are leased to third parties under operating leases. The leases of bulk carriers contain an initial non-cancellable lease term of 1 to 3 years. For all bulk carriers leases, the rental income is fixed under the contract. For more information of operating leases, please refer to note (6)(l).

(g) Right-of-use assets

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

	<u>Land</u>	<u>Buildings and construction</u>	<u>Total</u>
Cost:			
Balance on January 1, 2020	\$ 194,468	78,813	273,281
Additions	4,371	-	4,371
Disposal	<u>(41,382)</u>	<u>-</u>	<u>(41,382)</u>
Balance on September 30, 2020	<u>\$ 157,457</u>	<u>78,813</u>	<u>236,270</u>
Balance on January 1, 2019	\$ 194,468	78,813	273,281
Additions / Disposal	<u>-</u>	<u>-</u>	<u>-</u>
Balance on September 30, 2019	<u>\$ 194,468</u>	<u>78,813</u>	<u>273,281</u>

(Continued)

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

	<u>Land</u>	<u>Buildings and construction</u>	<u>Total</u>
Accumulated depreciation and impairment losses:			
Balance on January 1, 2020	\$ 39,345	15,153	54,498
Depreciation	26,028	11,364	37,392
Disposal	(18,341)	-	(18,341)
Balance on September 30, 2020	<u>\$ 47,032</u>	<u>26,517</u>	<u>73,549</u>
Balance on January 1, 2019	\$ -	-	-
Depreciation	29,509	11,365	40,874
Balance on September 30, 2019	<u>\$ 29,509</u>	<u>11,365</u>	<u>40,874</u>
Carrying Amount:			
Balance on January 1, 2020	<u>\$ 155,123</u>	<u>63,660</u>	<u>218,783</u>
Balance on September 30, 2020	<u>\$ 110,425</u>	<u>52,296</u>	<u>162,721</u>
Balance on September 30, 2019	<u>\$ 164,959</u>	<u>67,448</u>	<u>232,407</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>Total</u>
	<u>Land</u>	<u>Building</u>	
Cost or deemed cost:			
Balance on January 1, 2020	\$ 19,094	25,152	44,246
Effect of movements in exchange rates	-	(629)	(629)
Balance on September 30, 2020	<u>\$ 19,094</u>	<u>24,523</u>	<u>43,617</u>
Balance on January 1, 2019	\$ 19,094	25,676	44,770
Effect of movements in exchange rates	-	232	232
Balance on September 30, 2019	<u>\$ 19,094</u>	<u>25,908</u>	<u>45,002</u>
Depreciation and impairment losses:			
Balance on January 1, 2020	\$ -	8,251	8,251
Depreciation	-	368	368
Effect of movements in exchange rates	-	(171)	(171)
Balance on September 30, 2020	<u>\$ -</u>	<u>8,448</u>	<u>8,448</u>
Balance on January 1, 2019	\$ -	7,881	7,881
Depreciation	-	383	383
Effect of movements for exchange rates	-	55	55
Balance on September 30, 2019	<u>\$ -</u>	<u>8,319</u>	<u>8,319</u>

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

	<u>Owned Property</u>		<u>Total</u>
	<u>Land</u>	<u>Building</u>	
Carrying amount:			
Balance on January 1, 2020	\$ <u>19,094</u>	<u>16,901</u>	<u>35,995</u>
Balance on September 30, 2020	\$ <u>19,094</u>	<u>16,075</u>	<u>35,169</u>
Balance on September 30, 2019	\$ <u>19,094</u>	<u>17,589</u>	<u>36,683</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 was no significant change in the fair value of investment property during the nine months ended September 30, 2020 as disclosed in note 6(h) of the consolidated financial statements for the year ended December 31, 2019.

As of September 30, 2020, December 31 and September 30, 2019, the investment property of the Group was not pledged as collateral or restricted.

(i) Other financial assets

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Restricted deposit	\$ 76,988	-	-
Time deposits (over three months)	31,888	58,234	22,168
Other receivables	11,869	17,860	12,829
Guarantee deposits	6,475	5,696	5,790
Pledged assets-time deposits	<u>201,160</u>	<u>244,029</u>	<u>195,056</u>
	<u>\$ 328,380</u>	<u>325,819</u>	<u>235,843</u>
Other current financial assets	\$ 310,153	304,029	213,960
Other non-current financial assets	<u>18,227</u>	<u>21,790</u>	<u>21,883</u>
	<u>\$ 328,380</u>	<u>325,819</u>	<u>235,843</u>

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

As of September 30, 2020, December 31 and September 30, 2019, the Group provided other financial assets as collateral. Please refer to note (8).

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

(j) Loans

The Group's details of loans were as follows:

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

	September 30, 2020	December 31, 2019	September 30, 2019
Bank loans	\$ 176,000	1,050,000	900,000
Commercial paper payable	75,000	480,000	530,000
Less: discount on commercial paper payable	(2)	(117)	(324)
	<u>\$ 250,998</u>	<u>1,529,883</u>	<u>1,429,676</u>
Unused credit lines	<u>\$ 3,769,000</u>	<u>2,390,000</u>	<u>2,490,000</u>
Range of interest rate	<u>0.88%~1.038%</u>	<u>0.900%~1.198%</u>	<u>0.900%~1.198%</u>

(ii) Long-term loans

Bank	Currency	Due Year	September 30, 2020	December 31, 2019	September 30, 2019
Mega International Commercial Bank	USD	2021	\$ 196,425	269,820	349,200
Bank Sinopec	"	2022	535,045	650,163	673,151
Mega International Commercial Bank	"	2022	196,425	337,275	349,200
Bank Sinopec	"	2023	626,323	694,359	769,743
BNP PARIBAS	"	2026	470,787	535,590	554,527
CTBC Bank	"	2027	690,617	782,148	809,801
Mega International Commercial Bank	"	2027	691,125	777,381	804,867
			3,406,747	4,046,736	4,310,489
Current portion			(634,337)	(653,519)	(676,626)
Total			<u>\$ 2,772,410</u>	<u>3,393,217</u>	<u>3,633,863</u>
Range of interest rates			<u>1.00%~3.52%</u>	<u>2.65%~4.31%</u>	<u>2.93%~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 payables were as follows:

	Guarantee bank	Interest rate	Due	September 30, 2020	December 31, 2019	September 30, 2019
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
"	"	1.13 %	April 2022	400,000	400,000	400,000
2020						
The first secured bonds payable	Shanghai Commercial Bank	0.64 %	August 2025	500,000	-	-
"	"	0.66 %	August 2025	500,000	-	-
"	Mega Bank	0.64 %	August 2025	1,000,000	-	-
"	"	0.66 %	August 2025	500,000	-	-
				5,200,000	3,100,000	3,100,000
Current portion				(2,300,000)	(400,000)	(400,000)
				<u>\$ 2,900,000</u>	<u>2,700,000</u>	<u>2,700,000</u>

- (iv) In order to repay its bank loans and bonds payable which were issued previously, as well as to increase its working capital for the requirement of business development, the Company issued secured corporate bonds, which were approved at the Board of Directors' meetings on May 13, 2020. The first secured corporate bonds were released with a period of five years, which amounted to \$1,000, at par value, with a total amount of \$2,500,000. The bonds were issued at full.
- (v) Refer to note 6(t) for the information of exposure to liquidity risk. The Group provided assets as collaterals for credit line of short-term and long-term borrowing, please refer to note (8).

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

(k) Lease liabilities

	September 30, 2020	December 31, 2019	September 30, 2019
Current	<u>\$ 42,295</u>	<u>52,509</u>	<u>52,309</u>
Non-current	<u>\$ 121,444</u>	<u>169,693</u>	<u>179,110</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Interest on lease liabilities	<u>\$ 447</u>	<u>633</u>	<u>1,469</u>	<u>1,973</u>

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

	For the nine months ended September 30,	
	2020	2019
Total cash outflow for leases	<u>\$ 40,947</u>	<u>43,835</u>

Land and building leases

As of September 30, 2020, the Group leases land and building for its parking space and warehouses. The leases of land typically run for period of 2 to 8 years, and of warehouses for 4 to 6 years.

(l) Operating lease

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

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

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

	September 30, 2020	December 31, 2019	September 30, 2019
Less than one year	<u>\$ 374,012</u>	<u>251,707</u>	<u>491,919</u>
Between one and five years	<u>4,315</u>	<u>1,794</u>	<u>2,235</u>
Total undiscounted lease payments	<u>\$ 378,327</u>	<u>253,501</u>	<u>494,154</u>

(Continued)

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

(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:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Cost of sales and operating expense	\$ <u>674</u>	<u>862</u>	<u>2,022</u>	<u>2,586</u>

(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:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Cost of sales and operating expense	\$ <u>2,756</u>	<u>2,565</u>	<u>8,119</u>	<u>7,393</u>

The pension expenses recognized by other subsidiaries included in consolidated financial statements for the three months ended and nine months ended September 30, 2020 and 2019 were \$319,335,993 and \$959, respectively.

(n) Income taxes

(i) Tax expenses

The components of income tax for the three months ended and nine months ended September 30, 2020 and 2019 were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Current tax expense	\$ <u>4,936</u>	<u>10,049</u>	<u>18,093</u>	<u>32,009</u>
Deferred tax expense				
Recognition and reversal of temporary differences	-	(1,332)	-	7,522
Tax expense	\$ <u>4,936</u>	<u>8,717</u>	<u>18,093</u>	<u>39,531</u>

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

(ii) Assessment of tax

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

(o) Capital and other equities

There was no significant change for capital and other equity for the periods from for the nine months ended September 30, 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.

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

1) Legal reserve

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

2) Special reserve

By choosing to apply the exemptions granted under IFRS 1 "First-time Adoption of International Financial Reporting Standards" during the Company's first-time adoption of the International Financial Reporting Standards approved by the Financial Supervisory Commission (IFRSs), unrealized revaluation gains recognized under shareholders' equity. The increase in retained earnings occurring before the adoption date, due to the first-time adoption of IFRSs in accordance with Rule No. 1010012865 issued by the Financial Supervisory Commission on 6 April 2012, shall be reclassified as a special earnings reserve during earnings distribution. The carrying amount of special earnings reserve amounted to \$535,690 on September 30, 2020, \$359,487 on December 31 and \$359,487 on September 30, 2019, respectively.

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

In accordance with the guidelines of the above Rule, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special 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 May 13, 2020 and June 18, 2019, the earning distributions to ordinary shareholders for the fiscal years 2019 and 2018 were as follows:

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

(ii) Other Equity (After tax)

	Exchange differences on translation of foreign financial Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
January 1, 2020	\$ (541,143)	5,453	(535,690)
The Company and its subsidiaries	(287,808)	10,503	(277,305)
Associates	(43,672)	4,766	(38,906)
September 30, 2020	\$ (872,623)	20,722	(851,901)
January 1, 2019	\$ (263,496)	(15,387)	(278,883)
The Company and its subsidiaries	107,089	13,129	120,218
Associates	16,138	611	16,749
September 30, 2019	\$ (140,269)	(1,647)	(141,916)

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

(p) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share at September 30, 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		For the nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Profit attributable to ordinary shareholders of the Company	\$ <u>203,356</u>	<u>88,448</u>	<u>338,441</u>	<u>278,360</u>

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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Weighted-average number of ordinary shares (basic)	<u>197,485</u>	<u>197,485</u>	<u>197,485</u>	<u>197,485</u>

3) Basic earnings per share (NTD)

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Basic earnings per share	\$ <u>1.03</u>	<u>0.45</u>	<u>1.71</u>	<u>1.41</u>

(ii) Diluted earnings per share

The calculation of diluted earnings per share at September 30, 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)

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Profit attributable to ordinary shareholder of the Company	\$ <u>203,356</u>	<u>88,448</u>	<u>338,441</u>	<u>278,360</u>

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

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Number of ordinary shares (basic), Jan 1	197,485	197,485	197,485	197,485
Effect on the employee stock bonuses	<u>138</u>	<u>96</u>	<u>193</u>	<u>156</u>
Weighted-average number of ordinary shares (diluted), September 30	<u><u>197,623</u></u>	<u><u>197,581</u></u>	<u><u>197,678</u></u>	<u><u>197,641</u></u>

3) Diluted earnings per share (NTD)

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Diluted earnings per share	<u>\$ 1.03</u>	<u>0.45</u>	<u>1.71</u>	<u>1.41</u>

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30, 2020			
	Inland trucking and terminal & logistics department	Shipping department	Others	Total
Primary geographical markets				
Asia	\$ 377,573	-	8,470	386,043
Europe	-	278,571	-	278,571
Oceania	-	<u>121,211</u>	-	<u>121,211</u>
	<u>\$ 377,573</u>	<u>399,782</u>	<u>8,470</u>	<u>785,825</u>

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

For the three months ended September 30, 2019				
	Inland trucking and terminal & logistics			Total
	department	Shipping department	Others	
Primary geographical markets				
Asia	\$ 458,268	-	5,250	463,518
Europe	-	333,228	-	333,228
Oceania	-	130,371	-	130,371
	\$ 458,268	463,599	5,250	927,117

For the nine months ended September 30, 2020				
	Inland trucking and terminal & logistics			Total
	department	Shipping department	Others	
Primary geographical markets				
Asia	\$ 1,097,967	-	26,199	1,124,166
Europe	-	849,768	-	849,768
Oceania	-	364,441	-	364,441
	\$ 1,097,967	1,214,209	26,199	2,338,375

For the nine months ended September 30, 2019				
	Inland trucking and terminal & logistics			Total
	department	Shipping department	Others	
Primary geographical markets				
Asia	\$ 1,369,619	-	21,728	1,391,347
Europe	-	1,012,510	-	1,012,510
Oceania	-	436,883	-	436,883
	\$ 1,369,619	1,449,393	21,728	2,840,740

(ii) Contract balances

	September 30, 2020	December 31, 2019	September 30, 2019
Notes and accounts receivable (including related parties)	\$ 279,614	290,564	296,099
Less: allowance for impairment	(245)	(158)	(207)
Total	\$ 279,369	290,406	295,892
Contract liabilities	\$ 22,208	19,327	20,601

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

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 and nine months ended September 30, 2020 and 2019 that were included in the contract liability balance at the beginning of the period were \$19,327 and \$19,472, respectively.

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

(r) Financial cost-Interest expense

The financial cost interest expenses were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Bank loan	\$ 17,309	43,835	76,623	143,418
Bonds payable	14,686	13,446	39,924	40,338
Lease liabilities	447	633	1,469	1,973
	\$ 32,442	57,914	118,016	185,729

(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 and nine-month periods ended September 30, 2020 and 2019, the Company recognized its employee compensation of \$2,075\$936\$3,496 and \$3,083, respectively, and its directors' and supervisors' remuneration of \$2,075\$936\$3,496 and \$3,083, respectively. The employee compensation and directors' and supervisors' remuneration were recorded as operation expenses and were estimated based on the net profit before tax, excluding the employee compensation, and director's and supervisors' remuneration of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. If there is difference between the aforementioned distribution approved in the board of directors and the estimation, it will be deal with changes in accounting estimation, and will be recognized in profit or loss next year.

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

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

(t) Financial Instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of September 30, 2020 and 2019, the maximum amount exposed to credit risk amounted to \$5,108,678 and \$4,189,940, respectively.

The aggregation of sales to the Group's major customers exceeding 10% of the Group's total sales accounted for 51% and 45% of the total net sales for the nine months ended September 30, 2020 and 2019, respectively. In order to reduce credit risk, the Group assesses the financial status of the customers and the possibility of collection of receivables in order to estimate an adequate allowance for doubtful accounts on a regular basis. The customers have had a good credit and profit record. The Group has never suffered any significant credit loss.

2) Credit risk of Receivables

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

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

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

(ii) Liquidity Risk

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

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
September 30, 2020					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 250,998	(251,000)	(251,000)	-	-
Secured bank loans	3,406,747	(3,406,747)	(634,337)	(846,364)	(1,926,046)
Notes and accounts payable	150,347	(150,347)	(150,347)	-	-
Lease liabilities	163,739	(167,386)	(43,781)	(43,873)	(79,732)
Bonds payable	5,200,000	(5,200,000)	(2,300,000)	(400,000)	(2,500,000)
Accrued expenses and other payables (recorded as other payables)	<u>121,131</u>	<u>(121,131)</u>	<u>(121,131)</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,292,962</u>	<u>(9,296,611)</u>	<u>(3,500,596)</u>	<u>(1,290,237)</u>	<u>(4,505,778)</u>

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

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
December 31, 2019					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,529,883	(1,530,000)	(1,530,000)	-	-
Secured bank loans	4,046,736	(4,046,736)	(653,519)	(653,519)	(2,739,698)
Notes and accounts payable	239,126	(239,126)	(239,126)	-	-
Lease liabilities	222,202	(227,582)	(54,527)	(88,338)	(84,717)
Bonds payable	3,100,000	(3,100,000)	(400,000)	(2,300,000)	(400,000)
Accrued expenses and other payables (recorded as other payables)	166,436	(166,436)	(166,436)	-	-
	<u>\$ 9,304,383</u>	<u>(9,309,880)</u>	<u>(3,043,608)</u>	<u>(3,041,857)</u>	<u>(3,224,415)</u>
September 30, 2019					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,429,676	(1,430,000)	(1,430,000)	-	-
Secured bank loans	4,310,489	(4,310,489)	(676,625)	(676,625)	(2,957,239)
Notes and accounts payable	179,181	(179,181)	(179,181)	-	-
Lease liabilities	231,419	(237,406)	(54,467)	(55,673)	(127,266)
Bonds payable	3,100,000	(3,100,000)	(400,000)	(2,300,000)	(400,000)
Accrued expenses and other payables (recorded as other payables)	82,914	(82,914)	(82,914)	-	-
	<u>\$ 9,333,679</u>	<u>(9,339,990)</u>	<u>(2,823,187)</u>	<u>(3,032,298)</u>	<u>(3,484,505)</u>

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

(iii) Exchange rate risk

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

(iv) Interest Rate analysis

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

If the interest rate had increased or decreased by 0.25%, the net profit before tax would have decrease or increased for the years ended September 30, 2020 and 2019 as follows:

	For the nine months ended September 30,	
	<u>2020</u>	<u>2019</u>
Increased 0.25%	\$ (7,377)	(12,560)
Decreased 0.25%	7,377	12,560

(Continued)

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

(v) Fair value information

1) The kinds of financial instruments and fair value

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

	September 30, 2020				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative current financial assets mandatorily at fair value through profit or loss	\$ 528,811	528,811	-	-	528,811
Non-derivative non-current financial assets mandatorily at fair value through profit or loss	90,993	65,448	-	25,545	90,993
Domestic listed stocks under private placement	<u>39,731</u>	-	39,731	-	39,731
	<u>659,535</u>				
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	<u>397,375</u>	397,375	-	-	397,375
Financial assets measured at amortized cost					
Cash and cash equivalents	3,444,019	-	-	-	-
Restricted deposit	76,988	-	-	-	-
Time deposits (over three months)	31,888	-	-	-	-
Notes and accounts receivable (including related parties)	279,369	-	-	-	-
Other receivables	11,869	-	-	-	-
Guarantee deposits	6,475	-	-	-	-
Pledged assets-time deposits	<u>201,160</u>	-	-	-	-
	<u>4,051,768</u>				
Total	<u>\$ 5,108,678</u>				

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

	September 30, 2020				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 250,998	-	-	-	-
Long-term borrowings	3,406,747	-	-	-	-
Notes and accounts payable	150,347	-	-	-	-
Lease liabilities	163,739	-	-	-	-
Bonds payable	5,200,000	-	5,200,000	-	5,200,000
Accrued expenses and other payables (recorded as other payables)	<u>121,131</u>	-	-	-	-
Total	<u>\$ 9,292,962</u>				
December 31, 2019					
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative current financial assets mandatorily at fair value through profit or loss	\$ 14,050	14,050	-	-	14,050
Non-derivative non-current financial assets mandatorily at fair value through profit or loss	88,508	62,963	-	25,545	88,508
Domestic listed stocks under private placement	<u>31,046</u>	-	31,046	-	31,046
	<u>133,604</u>				
Financial assets at fair value through other comprehensive income					
Domestic listed common stock	<u>315,134</u>	315,134	-	-	315,134
Financial assets measured at amortized cost					
Cash and cash equivalents	3,288,046	-	-	-	-
Time deposits (over three months)	58,234	-	-	-	-
Notes and accounts receivable (including related parties)	290,406	-	-	-	-
Other receivables	17,860	-	-	-	-
Guarantee deposits	5,696	-	-	-	-
Pledged assets-time deposits	<u>244,029</u>	-	-	-	-
	<u>3,904,271</u>				
Total	<u>\$ 4,353,009</u>				

(Continued)

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

	December 31, 2019				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
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	<u>\$ 9,304,383</u>				
September 30, 2019					
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative current financial assets mandatorily at fair value through profit or loss	\$ 58,012	58,012	-	-	58,012
Non derivative non-current financial assets held for trading	25,788	-	-	25,788	25,788
Domestic listed stocks under private placement	32,630	-	32,630	-	32,630
	<u>116,430</u>				
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	297,479	297,479	-	-	297,479
Financial assets measured at amortized cost					
Cash and cash equivalents	3,244,296	-	-	-	-
Time deposits (over three months)	22,168	-	-	-	-
Notes and accounts receivable (including related parties)	295,892	-	-	-	-
Other receivables	12,829	-	-	-	-
Guarantee deposits	5,790	-	-	-	-
Pledged assets-time deposits	195,056	-	-	-	-
	<u>3,776,031</u>				
Total	<u>\$ 4,189,940</u>				

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

	September 30, 2019				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 1,429,676	-	-	-	-
Long-term borrowings	4,310,489	-	-	-	-
Notes and accounts payable	179,181	-	-	-	-
Lease liabilities	231,419	-	-	-	-
Bonds payable	3,100,000	-	3,100,000	-	3,100,000
Accrued expenses and other payables (recorded as other current payables)	82,914	-	-	-	-
Total	\$ 9,333,679				

2) Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

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

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

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

B. Derivative financial instruments

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

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

3) Transfers between Level 1 and Level 2

There was no transfer from Level 1 to Level 2 of fair value of the asset during the nine months ended September 30, 2020 and 2019.

4) Statement of changes in level 3

	Measured of fair value through profit or loss
	Non-derivative mandatorily measured at fair value through profit or loss
Balance on January 1, 2020 (equal to balance on September 30, 2020)	\$ <u>25,545</u>
Balance on January 1, 2019 (equal to balance on September 30, 2019)	\$ <u>25,788</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.

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

The Group's investing activities which did not affect the current cash flow in the nine months ended September 30, 2020 and 2019.

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

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2020	Cash flows	Others	Non-cash changes Foreign exchange movement	September 30, 2020
Short-term borrowings	\$ 1,529,883	(1,278,885)	-	-	250,998
Long-term borrowings	4,046,736	(533,798)	-	(106,191)	3,406,747
Bonds payable	3,100,000	2,100,000	-	-	5,200,000
Lease liabilities	222,202	(39,478)	(18,985)	-	163,739
Guarantee deposits (recorded as other non-current liabilities- others)	961	(298)	-	-	663
Total liabilities from financial activities	<u>\$ 8,899,782</u>	<u>247,541</u>	<u>(18,985)</u>	<u>(106,191)</u>	<u>9,022,147</u>
	January 1, 2019	Cash flows	Others	Non-cash changes Foreign exchange movement	September 30, 2019
Short-term borrowings	\$ 939,753	489,923	-	-	1,429,676
Long-term borrowings	5,141,068	(885,605)	-	55,026	4,310,489
Bonds payable	3,100,000	-	-	-	3,100,000
Lease liabilities	273,281	(41,862)	-	-	231,419
Guarantee deposits (recorded as other non-current liabilities- others)	608	291	-	-	899
Total liabilities from financial activities	<u>\$ 9,454,710</u>	<u>(437,253)</u>	<u>-</u>	<u>55,026</u>	<u>9,072,483</u>

(7) Related-party transactions

(a) Names and relationship with related parties

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

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

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

(b) Significant related party transactions

(i) Logistic and agent revenue

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

	Revenue				Accounts Receivable-related-parties		
	Three months ended	Three months ended	Nine months ended	Nine months ended	September	December	September
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	30, 2020	31, 2019	r 30, 2019
The entities with significant influence over the Group	\$ <u>15,420</u>	<u>14,287</u>	<u>45,687</u>	<u>42,568</u>	<u>11,138</u>	<u>16,770</u>	<u>14,689</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.

(ii) Operating expense

	Operating expense			
	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
The entities with significant influence over the Group	\$ 2,230	1,743	6,067	5,305
Others	<u>2,049</u>	<u>2,152</u>	<u>6,225</u>	<u>6,419</u>
	<u>\$ 4,279</u>	<u>3,895</u>	<u>12,292</u>	<u>11,724</u>

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:

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Short-term employee benefits	\$ 13,851	13,869	41,892	39,105
Post-employment benefits	<u>261</u>	<u>280</u>	<u>776</u>	<u>11,003</u>
	<u>\$ 14,112</u>	<u>14,149</u>	<u>42,668</u>	<u>50,108</u>

(Continued)

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

(8) Pledged assets

The carrying values of pledged assets were as follows:

<u>Assets</u>	<u>Subject</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Investments accounted for using equity method – stock	Commercial paper payable – and short-term loans and credit lines	\$ 291,505	296,973	304,105
Financial assets at fair value through other comprehensive income – stock	Commercial paper payable – and short-term loans and credit lines	133,860	92,950	90,350
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	8,424,322	9,097,270	9,503,416
Other current financial assets (pledged assets-time deposit)	Long-term loans	189,409	227,935	178,963
Other non-current financial assets (Guarantee deposits and pledged assets-time deposits)	Guarantee for construction payment, warehouse deposits, short-term loans and import duty	18,226	21,790	21,883
		<u>\$ 9,956,658</u>	<u>10,636,254</u>	<u>10,998,053</u>

(9) Commitments and contingencies

- (a) The Group had issued guarantee promissory notes amounting to \$5,647,160, 3,130,960 and 3,130,960 as of September 30, 2020, December 31 and September 30, 2019, respectively, as guarantee for bonds payable.
- (b) As of September 30, 2020, the Group still had several long-term leases of its ships with customers in effect. The ending periods of the contracts are from October 2020 to September 2021.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

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

(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 September 30, 2020			For the three months ended September 30, 2019		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By item						
Employee benefits						
Salary	84,389	55,830	140,219	87,083	53,505	140,588
Labor and health insurance	2,588	3,902	6,490	2,487	4,565	7,052
Pension	1,435	2,314	3,749	1,310	2,452	3,762
Others	6,055	1,667	7,722	6,777	2,043	8,820
Depreciation	226,939	3,299	230,238	240,640	2,436	243,076
Amortization	-	820	820	-	804	804

By function	For the nine months ended September 30, 2020			For the nine months ended September 30, 2019		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By item						
Employee benefits						
Salary	249,423	161,381	410,804	254,599	157,622	412,221
Labor and health insurance	7,976	12,594	20,570	7,321	13,338	20,659
Pension	4,246	6,888	11,134	3,720	7,218	10,938
Others	18,657	6,149	24,806	20,363	7,090	27,453
Depreciation (Note)	692,630	9,494	702,124	713,346	7,650	720,996
Amortization	-	2,397	2,397	-	2,336	2,336

Note: excluding the deduction of rental income of \$105 both for the nine months ended September 30, 2020 and 2019.

- (b) Seasonality of operation

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

(13) Other disclosures

- (a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the nine months ended September 30, 2020:

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

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

No	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (note 2)	Maximum limit of fund financing (note 3)	Note
													Item	Value			
1	CMT HK	CPN	Other receivable due from related parties	Y	99,522	99,522	99,522	-	2	-	Operating	-	-	-	9,613,992	9,613,992	Transactions in the left column had been written off during the preparation of consolidated financial statements
1	CMT HK	CHN	"	Y	145,500	145,500	145,500	-	2	-	"	-	-	-	9,613,992	9,613,992	"
1	CMT HK	CPD	"	Y	43,903	-	-	-	2	-	"	-	-	-	9,613,992	9,613,992	"
1	CMT HK	CPC	"	Y	305,550	261,900	261,900	-	2	-	"	-	-	-	9,613,992	9,613,992	"
1	CMT HK	CHM	"	Y	324,756	324,756	324,756	-	2	-	"	-	-	-	9,613,992	9,613,992	"
1	CMT HK	CPG	"	Y	378,300	378,300	378,300	-	2	-	"	-	-	-	9,613,992	9,613,992	"
1	CMT HK	CTU	"	Y	685,305	685,305	685,305	-	2	-	"	-	-	-	9,613,992	9,613,992	"
1	CMT HK	CTD	"	Y	728,955	728,955	728,955	-	2	-	"	-	-	-	9,613,992	9,613,992	"
2	ATI	HIL	"	Y	50,000	50,000	50,000	1.20%	2	-	"	-	-	-	239,445	239,445	"
2	ATI	CST	"	Y	10,000	-	-	1.20%	1	113,344	"	-	-	-	113,344	239,445	"
2	ATI	APT	"	Y	54,000	47,000	47,000	1.20%	1	118,050	"	-	-	-	118,050	239,445	"
2	ATI	PTL	"	Y	22,000	19,000	19,000	1.20%	1	55,279	"	-	-	-	55,279	239,445	"

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

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

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

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (note2, note3)	Highest balance for guarantees and endorsements during the period (note 4)	Balance of guarantees and endorsements as of reporting date (note 4)	Actual usage amount during the period (note 4)	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of 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	14,697,908	100,000	-	-	-	- %	14,697,908	Y	-	-
0	"	CTU	Sub-subsidiary	14,697,908	654,750	261,900	196,425	-	2.67 %	14,697,908	Y	-	-
0	"	CTD	Sub-subsidiary	14,697,908	654,750	261,900	196,425	-	2.67 %	14,697,908	Y	-	-
0	"	CFR	Sub-subsidiary	14,697,908	1,293,495	1,293,495	626,324	-	13.20 %	14,697,908	Y	-	-
0	"	CPN	Sub-subsidiary	14,697,908	1,309,500	1,309,500	535,045	-	13.36 %	14,697,908	Y	-	-
1	CMT HK	CHN	Subsidiary	14,420,988	881,439	722,844	691,125	-	7.52 %	14,420,988	-	-	-
1	"	CEP	Subsidiary	14,420,988	930,618	930,618	690,616	-	9.68 %	14,420,988	-	-	-
1	"	CHM	Subsidiary	14,420,988	949,242	949,242	470,786	-	9.87 %	14,420,988	-	-	-
1	"	THE COMPANY	Parent company	14,420,988	3,783	3,783	3,783	-	0.04 %	14,420,988	-	Y	-

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

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

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	percentage of ownership (%)	Fair value	
THE COMPANY	Yang Ming Marine Transport Corporation	-	Non-current financial assets at fair value through profit or loss	4,798	39,731	0.18 %	39,731	
"	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	21,964	319,582	14.80 %	319,582	
"	SEA & LAND INTERATED CORP.	-	Non-current financial assets at fair value through profit or loss	5,522	65,436	7.05 %	65,436	
"	DIMERCO EXPRESS CORPORATION	-	Current financial assets at fair value through profit or loss	2,555	152,789	2.03 %	152,789	
MHI	SEA & LAND INTERATED CORP.	-	Non-current financial assets at fair value through profit or loss	1	12	- %	12	
"	CHINA CONTAINER TERMINAL CORP.	-	Non-current financial assets at fair value through other comprehensive income	5,347	77,793	3.60 %	77,793	
"	DIMERCO EXPRESS CORPORATION	-	Current financial assets at fair value through profit or loss	6,288	376,022	4.99 %	376,022	

- (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	420,674	96 %	Depending on the demand for funding of subsidiaries	-		(53,786)	(98)%	Note 1
ATI	THE COMPANY	Subsidiary	Freight revenue	(420,674)	(55) %	"	-		53,786	31%	"

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

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CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES
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- (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	728,955	Note1	-		-	-	Note 2
"	CTU	Subsidiary	685,305	"	-		-	-	"
"	CHM	Subsidiary	324,756	"	-		-	-	"
"	CPC	Subsidiary	261,900	"	-		-	-	"
"	CHN	Subsidiary	145,500	"	-		-	-	"
"	CPG	Subsidiary	378,300	"	-		-	-	"

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
- (x) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
1	ATI	THE COMPANY	2	Operating revenues	420,674	Price depends on the market, and the receivables depend on funding demand in the credit period	17.99%
6	CMT HK	CTD	3	Other receivables	728,955	-	3.69%
6	CMT HK	CTU	3	"	685,305	-	3.47%
6	CMT HK	CHM	3	"	324,756	-	1.64%
6	CMT HK	CPC	3	"	261,900	-	1.32%
6	CMT HK	CHN	3	"	145,500	-	0.74%
6	CMT HK	CPG	3	"	378,300	-	1.91%

Note 1: The companies are coded as follows:

1. 0 represents the parent company.

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

Note 2: The relationships with transactions are as follows:

1. Transactions from the parent company to its subsidiaries.

2. Transactions from the subsidiaries to the parent company.

3. Transaction between subsidiaries.

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

The following is the information on investees for the nine months ended September 30, 2020:

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

Name of investor	Name of investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2020			Net Income		Note
				September 30, 2020	December 31, 2019	Shares (thousands)	Percentage of Ownership	Carrying Value	(Losses) of the Investee	Share of profits/losses of investee	
The Company	CMTS	Singapore	Investment holding of ship-owning companies	4,282	4,282	217	0.34 %	5,075	54	-	Note1 · Note4
"	CMT HK	Hong Kong	Investment holding of ship-owning companies	34,356	34,356	12,000	100 %	9,613,992	77,208	77,208	"
"	CMTL	Taiwan	Warehouse management	734,058	689,558	23,650	100 %	1,086,603	29,924	29,924	"
"	AGMI	"	Investment	1,000	1,000	100	100 %	993	(21)	(21)	"
"	HIL	"	"	605,000	785,000	60,500	100 %	780,581	76,502	76,502	"
"	MHI	"	"	271,300	101,300	27,130	100 %	460,309	184,061	184,061	"
"	ATI	"	Container trucking	500,000	500,000	50,000	100 %	598,613	14,855	14,855	"
"	TNCL	"	Bulk-carrier transportation	1,007,412	1,007,412	31,125	7.459 %	749,829	345,667	25,782	Note2
"	CMTTSL	"	Travel	20,000	20,000	2,000	100 %	4,437	(1,324)	(1,324)	Note1 · Note4
"	TGEM	"	Bulk-carrier transportation	601,200	601,200	61,623	12 %	607,762	206,595	24,791	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 manufacturing	30,000	30,000	3,000	30 %	25,759	(8,726)	(2,618)	Note2
CMTS	CFR	Singapore	Bulk-carrier transportation	669,300	669,300	29,900	100 %	731,129	2,384	Has been recognized as investment incomes(losses) by CMTS	Note1 · Note3 · Note4
"	CEP	"	"	672,210	672,210	23,100	100 %	670,355	1,599	"	"
CMT HK	CPS	Hong Kong	"	58,200	58,200	2,000	100 %	58,435	(44)	Has been recognized as investment incomes(losses) by CMT HK	"
"	CPG	"	"	174,600	174,600	6,000	100 %	190,535	19,915	"	"
CMT HK	CPC	"	"	160,050	160,050	5,500	100 %	181,776	(3,913)	"	"
"	CHT	"	Bulk-chartering services	291	291	10	100 %	5,520	(105)	"	"
"	CPN	"	Bulk-carrier transportation	698,400	698,400	240	100 %	774,930	24,429	"	"
"	CPD	"	"	1,222,200	1,222,200	420	100 %	1,201,367	(5,339)	"	"
"	CTD	"	"	378,300	378,300	13,000	100 %	371,732	(26,089)	"	"
"	CTU	"	"	378,300	378,300	13,000	100 %	455,730	32,037	"	"
"	CHM	"	"	436,500	436,500	150	100 %	452,002	24,455	"	"
"	CHN	"	"	436,500	436,500	150	100 %	454,879	25,791	"	"
"	CHI	"	Investment management	291	291	0.1	100 %	(490)	(121)	"	"
"	CIM	"	"	29,100	29,100	10	100 %	29,735	202	"	"
"	CMTS	Singapore	Investment holding of ship-owning companies	1,379,340	1,379,340	62,918	99.66 %	1,487,674	54	"	"
HIL	TNCL	Taiwan	Bulk-carrier transportation	321,956	321,956	12,297	2.947 %	296,253	345,667	Has been recognized as investment incomes(losses) by HIL	Note2
ATI	CST	"	Container trucking	86,642	86,642	8,200	100 %	92,327	227	Has been recognized as investment incomes(losses) by ATI	Note1 · Note4
"	HYT	"	"	28,932	28,932	3,000	100 %	28,639	(6,346)	-	"
"	MHT	"	"	30,568	30,568	3,000	100 %	51,465	8,286	-	"
"	APT	"	"	30,719	30,719	3,000	100 %	32,265	(3,814)	-	"
"	PTL	"	"	30,000	30,000	3,000	100 %	25,249	(3,692)	-	"

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. °

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(c) Information on investment in mainland China: None

(d) Major shareholders:

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

(14) Segment information

(a) General information

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

(b) Reportable segment information

The amounts of the 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 September 30, 2020				
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 377,573	399,782	8,470	-	785,825
Intersegment revenue	-	-	-	-	-
Total revenues	<u>\$ 377,573</u>	<u>399,782</u>	<u>8,470</u>	<u>-</u>	<u>785,825</u>
Segment income before tax	<u>\$ (1,814)</u>	<u>33,946</u>	<u>550</u>	<u>-</u>	<u>32,682</u>
Reportable segment assets					<u>\$ 19,772,432</u>

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	Three months ended September 30, 2019				
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 458,268	463,599	5,250	-	927,117
Intersegment revenue	-	-	-	-	-
Total revenues	<u>\$ 458,268</u>	<u>463,599</u>	<u>5,250</u>	<u>-</u>	<u>927,117</u>
Segment income before tax	<u>\$ 18,322</u>	<u>88,548</u>	<u>988</u>	<u>-</u>	<u>107,858</u>
Reportable segment assets					<u>\$ 20,373,040</u>
	Nine months ended September 30, 2020				
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 1,097,967	1,214,209	26,199	-	2,338,375
Intersegment revenue	-	-	-	-	-
Total revenues	<u>\$ 1,097,967</u>	<u>1,214,209</u>	<u>26,199</u>	<u>-</u>	<u>2,338,375</u>
Segment income before tax	<u>\$ 3,865</u>	<u>118,798</u>	<u>2,357</u>	<u>-</u>	<u>125,020</u>
Reportable segment assets					<u>\$ 19,772,432</u>
	Nine months ended September 30, 2019				
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 1,369,619	1,449,393	21,728	-	2,840,740
Intersegment revenue	-	-	-	-	-
Total revenues	<u>\$ 1,369,619</u>	<u>1,449,393</u>	<u>21,728</u>	<u>-</u>	<u>2,840,740</u>
Segment income before tax	<u>\$ 52,340</u>	<u>319,269</u>	<u>2,639</u>	<u>-</u>	<u>374,248</u>
Reportable segment assets					<u>\$ 20,373,040</u>