

**CHINESE MARITIME TRANSPORT LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2023 and 2022**

Address: 4F., NO15, Sec. 1, Jinan Rd., Taipei City, Taiwan (R.O.C)
Telephone: (02)2396-3282

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.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of significant accounting policies	10~13
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	13
(6) Explanation of significant accounts	13~39
(7) Related-party transactions	39~41
(8) Pledged assets	41
(9) Commitments and contingencies	41~42
(10) Losses Due to Major Disasters	42
(11) Subsequent Events	42
(12) Other	42
(13) Other disclosures	
(a) Information on significant transactions	43~47
(b) Information on investees	47
(c) Information on investment in mainland China	48
(d) Major shareholders	48
(14) Segment information	48~49



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

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 June 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2023 and 2022, as well as the changes in equity and cash flows for the six months ended June 30, 2023 and 2022, 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 the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 Standards on Auditing of the Republic of China 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 \$1,827,182 thousand and \$1,816,175 thousand, constituting 7.71% and 9.15% of the consolidated total assets, respectively; and the total liabilities amounting to \$638,721 thousand and \$625,233 thousand, constituting 5.31% and 7.10% of the consolidated total liabilities as of June 30, 2023 and 2022, respectively; as well as the total comprehensive income amounting to \$11,786 thousand, \$36,557 thousand, \$29,230 thousand and \$55,005 thousand, constituting 3.67%, 9.38%, 7.39% and 4.83% of the absolute value of the consolidated total comprehensive income for the three months and six months ended June 30, 2023 and 2022, 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 amounted to \$653,012 thousand and \$611,430 thousand as of June 30, 2023 and 2022, respectively, and its equity in net earnings (losses) on these investee companies of \$10,589 thousand, \$(1,356) thousand, \$22,229 thousand and \$201 thousand for the three months and six months ended June 30, 2023 and 2022, 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 June 30, 2023 and 2022, and of its consolidated financial performance for the three months and six months ended June 30, 2023 and 2022, as well as consolidated cash flows for the six months ended June 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)
August 10, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to 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)
CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2023, December 31 and June 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2023		December 31, 2022		June 30, 2022		Liabilities and Equity		June 30, 2023		December 31, 2022		June 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 4,157,753	18	3,989,154	20	3,634,361	18	2100	Short-term borrowings (note 6(j))	\$ 2,429,572	10	1,899,486	10	1,229,840	6
1110	Current financial assets at fair value through profit or loss (notes 6(b) and 8)	530,690	2	314,678	2	435,886	2	2130	Current contract liabilities (note 6(q))	33,801	-	57,680	-	44,631	-
1150	Notes and accounts receivable, net (note 6(d))	324,826	1	279,731	1	385,736	2	2150	Notes and accounts payable	178,204	1	172,157	1	192,361	1
1180	Accounts receivable due from related parties, net (notes 6(d) and 7)	7,237	-	14,861	-	12,156	-	2200	Other payables	146,301	1	174,668	1	134,858	1
1470	Other current assets	178,908	1	99,450	-	93,145	1	2216	Dividends payable	430,516	2	-	-	529,259	3
1476	Other current financial assets (notes 6(i) and 8)	373,537	2	276,312	1	442,029	2	2230	Current tax liabilities	63,949	-	60,255	-	45,695	-
		<u>5,572,951</u>	<u>24</u>	<u>4,974,186</u>	<u>24</u>	<u>5,003,313</u>	<u>25</u>	2280	Current lease liabilities (note 6(k))	52,720	-	45,849	-	48,937	-
								2300	Other current liabilities	2,975	-	3,727	-	3,483	-
Non-current assets:								2320	Long-term liabilities, current portion (note 6(j))	753,970	3	876,584	4	896,996	5
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	15,537	-	15,537	-	20,352	-			<u>4,092,008</u>	<u>17</u>	<u>3,290,406</u>	<u>16</u>	<u>3,126,060</u>	<u>16</u>
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) and 8)	969,598	4	669,355	4	812,855	5	Non-current liabilities:							
1550	Investments accounted for using equity method, net (note 6(e))	653,012	3	635,606	3	611,430	3	2530	Bonds payable (note 6(j))	2,500,000	11	2,500,000	12	2,500,000	12
1600	Property, plant and equipment (notes 6(f), 7 and 8)	16,236,412	68	13,875,442	68	13,101,191	66	2540	Long-term borrowings (note 6(j))	4,687,019	20	2,255,615	11	2,408,906	12
1755	Right-of-use assets (note 6(g))	180,556	1	165,403	1	190,359	1	2570	Deferred tax liabilities	615,512	2	615,512	3	606,789	3
1760	Investment property, net (note 6(h))	34,795	-	34,847	-	34,617	-	2580	Non-current lease liabilities (note 6(k))	125,927	1	125,354	1	139,613	1
1780	Intangible assets	4,785	-	5,303	-	6,795	-	2640	Net defined benefit liabilities, non-current	7,945	-	8,430	-	25,711	-
1840	Deferred tax assets	11,923	-	11,923	-	13,646	-	2670	Other non-current liabilities, others	4,205	-	4,001	-	3,358	-
1900	Other non-current assets	6,830	-	39,952	-	29,874	-			<u>7,940,608</u>	<u>34</u>	<u>5,508,912</u>	<u>27</u>	<u>5,684,377</u>	<u>28</u>
1980	Other non-current financial assets (notes 6(i) and 8)	22,913	-	23,414	-	22,531	-		Total liabilities	<u>12,032,616</u>	<u>51</u>	<u>8,799,318</u>	<u>43</u>	<u>8,810,437</u>	<u>44</u>
		<u>18,136,361</u>	<u>76</u>	<u>15,476,782</u>	<u>76</u>	<u>14,843,650</u>	<u>75</u>	Equity attributable to owners of parent (note 6(o)):							
								3100	Common stock	1,974,846	8	1,974,846	10	1,974,846	10
								3200	Capital surplus	53,411	-	53,411	-	53,411	-
									Retained earnings:						
								3310	Legal reserve	1,960,427	8	1,882,499	9	1,882,499	10
								3320	Special reserve	359,487	2	934,768	5	934,768	5
								3350	Unappropriated earnings	7,040,820	30	6,749,885	33	6,340,343	32
										<u>9,360,734</u>	<u>40</u>	<u>9,567,152</u>	<u>47</u>	<u>9,157,610</u>	<u>47</u>
								3400	Other equity interest	221,464	1	46,868	-	(163,180)	(1)
									Total equity attributable to owners of parent	<u>11,610,455</u>	<u>49</u>	<u>11,642,277</u>	<u>57</u>	<u>11,022,687</u>	<u>56</u>
								3610	Non-controlling interests	<u>66,241</u>	<u>-</u>	<u>9,373</u>	<u>-</u>	<u>13,839</u>	<u>-</u>
									Total equity	<u>11,676,696</u>	<u>49</u>	<u>11,651,650</u>	<u>57</u>	<u>11,036,526</u>	<u>56</u>
Total assets		<u>\$ 23,709,312</u>	<u>100</u>	<u>20,450,968</u>	<u>100</u>	<u>19,846,963</u>	<u>100</u>	Total liabilities and equity		<u>\$ 23,709,312</u>	<u>100</u>	<u>20,450,968</u>	<u>100</u>	<u>19,846,963</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2023 and 2022

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

	For the three months ended June 30				For the six months ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenues (notes 6(q), 7 and 14)								
4621 Freight revenue-vessel chartering	\$ 566,438	58	730,874	60	1,090,807	57	1,296,807	59
4622 Freight revenue-container hauling and logistics	408,597	42	467,482	39	800,682	42	891,582	40
4623 Freight revenue-airline agent and others	5,973	-	10,277	1	18,887	1	26,919	1
	<u>981,008</u>	<u>100</u>	<u>1,208,633</u>	<u>100</u>	<u>1,910,376</u>	<u>100</u>	<u>2,215,308</u>	<u>100</u>
5000 Operating costs (notes 6(m), (s) and 12)								
5621 Freight cost-vessel chartering	469,292	48	403,223	33	873,155	46	772,128	35
5622 Freight cost-container hauling and logistics	307,128	31	356,313	30	604,779	31	694,600	31
5623 Freight cost-airline agent and others	2,669	-	2,286	-	11,787	1	18,901	1
	<u>779,089</u>	<u>79</u>	<u>761,822</u>	<u>63</u>	<u>1,489,721</u>	<u>78</u>	<u>1,485,629</u>	<u>67</u>
5900 Gross profit	<u>201,919</u>	<u>21</u>	<u>446,811</u>	<u>37</u>	<u>420,655</u>	<u>22</u>	<u>729,679</u>	<u>33</u>
Operating expenses:								
6000 Operating expenses (notes 6(m), (s), 7 and 12)	118,254	12	111,251	9	238,154	12	227,571	10
6450 Expected credit losses (reversal gains) (note 6(d))	(174)	-	149	-	28	-	158	-
	<u>118,080</u>	<u>12</u>	<u>111,400</u>	<u>9</u>	<u>238,182</u>	<u>12</u>	<u>227,729</u>	<u>10</u>
6900 Net operating income	<u>83,839</u>	<u>9</u>	<u>335,411</u>	<u>28</u>	<u>182,473</u>	<u>10</u>	<u>501,950</u>	<u>23</u>
Non-operating income and expenses:								
7010 Other income (notes 6(b), (c) and (l))	6,435	1	82,347	7	43,104	2	136,280	6
7050 Finance costs (note 6(r))	(86,682)	(9)	(29,552)	(2)	(149,181)	(8)	(53,981)	(2)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method (note 6(e))	10,589	1	(1,356)	-	22,229	1	201	-
7100 Interest income	36,601	4	5,448	-	66,996	4	6,786	-
7210 Gains on disposals of property, plant and equipment, net (notes 6(f) and 7)	6,096	-	5,539	-	6,284	-	5,666	-
7230 Foreign exchange gains, net	7,026	1	17,321	1	5,035	-	17,536	1
7235 Gains (losses) on financial assets at fair value through profit or loss (note 6(b))	32,456	3	(223,287)	(18)	102,334	6	(202,285)	(9)
7590 Miscellaneous disbursements	(15)	-	(19)	-	(15)	-	(55)	-
	<u>12,506</u>	<u>1</u>	<u>(143,559)</u>	<u>(12)</u>	<u>96,786</u>	<u>5</u>	<u>(89,852)</u>	<u>(4)</u>
7900 Profit from continuing operation before tax	<u>96,345</u>	<u>10</u>	<u>191,852</u>	<u>16</u>	<u>279,259</u>	<u>15</u>	<u>412,098</u>	<u>19</u>
7950 Less: Income tax expenses (note 6(n))	46,848	5	10,035	1	58,293	3	45,998	2
Profit	<u>49,497</u>	<u>5</u>	<u>181,817</u>	<u>15</u>	<u>220,966</u>	<u>12</u>	<u>366,100</u>	<u>17</u>
8300 Other comprehensive income:								
8310 Items that may not be reclassified subsequently to profit or loss								
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(c))	(877)	-	(189,618)	(16)	5,290	-	36,748	2
Items that may not be reclassified to profit or loss	<u>(877)</u>	<u>-</u>	<u>(189,618)</u>	<u>(16)</u>	<u>5,290</u>	<u>-</u>	<u>36,748</u>	<u>2</u>
8360 Items that may be reclassified subsequently to profit or loss								
8361 Exchange differences on translation of foreign financial statements	257,067	26	374,347	31	159,709	8	691,598	30
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method, items that may be reclassified to profit or loss (note 6(e))	15,057	2	23,169	2	9,597	1	43,242	2
Items that may be reclassified subsequently to profit or loss	<u>272,124</u>	<u>28</u>	<u>397,516</u>	<u>33</u>	<u>169,306</u>	<u>9</u>	<u>734,840</u>	<u>32</u>
8300 Other comprehensive income	<u>271,247</u>	<u>28</u>	<u>207,898</u>	<u>17</u>	<u>174,596</u>	<u>9</u>	<u>771,588</u>	<u>34</u>
Total comprehensive income	<u>\$ 320,744</u>	<u>33</u>	<u>389,715</u>	<u>32</u>	<u>395,562</u>	<u>21</u>	<u>1,137,688</u>	<u>51</u>
Profit, attributable to:								
Owners of parent	\$ 50,673	5	183,558	15	224,098	12	369,746	17
Non-controlling interests	(1,176)	-	(1,741)	-	(3,132)	-	(3,646)	-
	<u>\$ 49,497</u>	<u>5</u>	<u>181,817</u>	<u>15</u>	<u>220,966</u>	<u>12</u>	<u>366,100</u>	<u>17</u>
Comprehensive income attributable to:								
Owners of parent	\$ 321,920	33	391,456	32	398,694	21	1,141,334	51
Non-controlling interests	(1,176)	-	(1,741)	-	(3,132)	-	(3,646)	-
	<u>\$ 320,744</u>	<u>33</u>	<u>389,715</u>	<u>32</u>	<u>395,562</u>	<u>21</u>	<u>1,137,688</u>	<u>51</u>
Earnings per share (notes 6(p) and 12)								
9750 Basic net income per share (NT Dollars)	<u>\$ 0.25</u>		<u>0.93</u>		<u>1.13</u>		<u>1.87</u>	
9850 Diluted net income per share (NT Dollars)	<u>\$ 0.25</u>		<u>0.93</u>		<u>1.13</u>		<u>1.87</u>	

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Changes in Equity
For the six months ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Total other equity interest			Non-controlling interests	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 equity attributable to owners of parent			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total						
Balance at January 1, 2022	\$ 1,974,846	53,411	1,779,756	883,992	6,653,375	9,317,123	(1,308,389)	373,621	(934,768)	10,410,612	17,485	10,428,097
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	102,743	-	(102,743)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	50,776	(50,776)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(529,259)	(529,259)	-	-	-	(529,259)	-	(529,259)
	-	-	102,743	50,776	(682,778)	(529,259)	-	-	-	(529,259)	-	(529,259)
Net income for the six months ended June 30, 2022	-	-	-	-	369,746	369,746	-	-	-	369,746	(3,646)	366,100
Other comprehensive income for the six months ended June 30, 2022	-	-	-	-	-	-	734,840	36,748	771,588	771,588	-	771,588
Total comprehensive income for the six months ended June 30, 2022	-	-	-	-	369,746	369,746	734,840	36,748	771,588	1,141,334	(3,646)	1,137,688
Balance at June 30, 2022	\$ 1,974,846	53,411	1,882,499	934,768	6,340,343	9,157,610	(573,549)	410,369	(163,180)	11,022,687	13,839	11,036,526
Balance at January 1, 2023	\$ 1,974,846	53,411	1,882,499	934,768	6,749,885	9,567,152	(216,492)	263,360	46,868	11,642,277	9,373	11,651,650
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	77,928	-	(77,928)	-	-	-	-	-	-	-
Special reserve reversed	-	-	-	(575,281)	575,281	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(430,516)	(430,516)	-	-	-	(430,516)	-	(430,516)
	-	-	77,928	(575,281)	66,837	(430,516)	-	-	-	(430,516)	-	(430,516)
Net income for the six months ended June 30, 2023	-	-	-	-	224,098	224,098	-	-	-	224,098	(3,132)	220,966
Other comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	-	169,306	5,290	174,596	174,596	-	174,596
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	224,098	224,098	169,306	5,290	174,596	398,694	(3,132)	395,562
Changes in non-controlling interests-subsidiary cash capital increase	-	-	-	-	-	-	-	-	-	-	60,000	60,000
Balance at June 30, 2023	\$ 1,974,846	53,411	1,960,427	359,487	7,040,820	9,360,734	(47,186)	268,650	221,464	11,610,455	66,241	11,676,696

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Cash Flows
For the six months ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 279,259	412,098
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	535,925	466,726
Expected credit loss	28	158
Net (gain) loss on financial assets at fair value through profit or loss	(102,334)	202,285
Interest expense	149,181	53,981
Interest income	(66,996)	(6,786)
Dividend income	(31,413)	(126,711)
Share of profit of associates and joint ventures accounted for using equity method	(22,229)	(201)
Net gain on disposal of property, plant and equipment	(6,284)	(5,666)
Total adjustments to reconcile profit (loss)	<u>455,878</u>	<u>583,786</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes and accounts receivable (including related parties)	(37,499)	(51,984)
Increase in other current assets	(79,458)	(1,906)
Decrease in other current financial assets	19,444	27,506
	<u>(97,513)</u>	<u>(26,384)</u>
Changes in operating liabilities:		
Increase (decrease) in notes and accounts payable	6,047	(47,707)
Decrease in current contract liabilities	(23,879)	(10,586)
Decrease in other current liabilities	(43,389)	(21,127)
Decrease in net defined benefit liabilities	(485)	(5,003)
	<u>(61,706)</u>	<u>(84,423)</u>
Total changes in operating assets and liabilities	<u>(159,219)</u>	<u>(110,807)</u>
Total adjustments	<u>296,659</u>	<u>472,979</u>
Cash inflow generated from operations	575,918	885,077
Interest received	65,144	3,699
Dividend received	31,413	51,907
Interest paid	(134,452)	(48,728)
Income taxes paid	(54,652)	(35,903)
Net cash flows from operating activities	<u>483,371</u>	<u>856,052</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(294,953)	-
Acquisition of financial assets at fair value through profit or loss	(223,073)	-
Proceeds from disposal of financial assets at fair value through profit or loss	111,537	508,461
Acquisition of property, plant and equipment	(2,604,378)	(511,490)
Proceeds from disposal of property, plant and equipment	12,233	27,780
Increase in other non-current assets	(35,540)	(21,703)
Acquisition of intangible assets	(1,051)	(68)
(Increase) decrease in other current financial assets	(100,226)	65,202
(Increase) decrease in other non-current financial assets	500	(70)
Net cash flows from (used in) investing activities	<u>(3,134,951)</u>	<u>68,112</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	530,086	(229,941)
Repayments of bonds	-	(400,000)
Proceeds from long-term borrowings	2,500,256	431,325
Repayments of long-term borrowings	(277,654)	(291,842)
Payment of lease liabilities	(33,010)	(32,021)
Changes in non-controlling interests-subsidiary cash capital increase	60,000	-
Others	204	179
Net cash flows from (used in) financing activities	<u>2,779,882</u>	<u>(522,300)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>40,297</u>	<u>175,449</u>
Net increase in cash and cash equivalents	168,599	577,313
Cash and cash equivalents at beginning of period	3,989,154	3,057,048
Cash and cash equivalents at end of period	<u>\$ 4,157,753</u>	<u>3,634,361</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHINESE MARITIME TRANSPORT LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

(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 six months ended June 30, 2023 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 were authorized for issue by the Board of Directors on August 10, 2023.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

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

(Continued)

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

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments have removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the 2020 amendments ¹ , new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	The amendments require the company to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the company’s liabilities and cash flows and on the company’s exposure to liquidity risk.	January 1, 2024

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

(Continued)

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- Amendments to IFRS16 “Requirements for Sale and Leaseback Transactions”
- Amendments to IAS12 “International Tax Reform – Pillar Two Model Rules”

(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 consolidated financial statements are consistent with the consolidated financial statements for the year ended December 31, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

(b) Basis of consolidation

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
The Company	Chinese Maritime Transport (Hong Kong), Limited (CMTHK)	Investment holding of ship-owning companies	100	100	100	
"	Chinese Maritime Transport International Pte. Ltd. (CMTI)	Investment holding of ship-owning companies	100	100	100	
"	CMT Logistics Co., Ltd. (CMTL)	Warehouse management	100	100	100	Note 3
"	AGM Investment Ltd. (AGMI)	Investment	100	100	100	
"	Hope Investment Ltd. (HIL)	Investment	100	100	100	
"	Mo Hsin Investment Ltd. (MHI)	Investment	100	100	100	
"	Associated Transport Inc. (ATI)	Container trucking	100	100	100	
"	CMT Travel Service Ltd. (TRV)	Travel	100	100	100	Note 3
"	Associated Group Motors Corp. (AGM)	Automobile and its part manufacturing	70	70	70	Note 3

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
The Company	Huang Yuen Transport Ltd. (HYT)	Container trucking	71.43	71.43	71.43	
"	Mao Hwa Transport Ltd. (MHT)	Container trucking	72.41	72.41	72.41	
"	Prosperity Transport Ltd.(APT)	Container trucking	78.12	78.12	-	Note 2
"	Chinese Maritime Transport (UK) Limited (CMTUK)	Investment holding of ship-owning companies	100	100	-	Note 4
CMTS	China Fortune Shipping Pte. Ltd. (CFR)	Bulk-carrier transportation	-	-	100	Note 1
"	China Enterprise Shipping Pte. Ltd. (CEP)	Bulk-carrier transportation	-	-	100	Note 1
CMTHK	China Prosperity Shipping Ltd. (CPS)	Bulk-carrier transportation	100	100	100	
"	China Peace Shipping Ltd. (CPC)	Bulk-carrier transportation	-	-	100	Note 1
"	China Progress Shipping Ltd. (CPG)	Bulk-carrier transportation	-	-	100	Note 1
"	China Pioneer Shipping Ltd. (CPN)	Bulk-carrier transportation	-	-	100	Note 1
"	China Pride Shipping Ltd. (CPD)	Bulk-carrier transportation	-	-	100	Note 1
"	CMT Chartering Ltd. (CHT)	Bulk-chartering services	100	100	100	
"	China Triumph Shipping Ltd. (CTU)	Bulk-carrier transportation	-	-	100	Note 1
"	China Trade Shipping Ltd. (CTD)	Bulk-carrier transportation	-	-	100	Note 1
"	China Harmony Shipping Ltd. (CHM)	Bulk-carrier transportation	-	-	100	Note 1
"	China Honour Shipping Ltd. (CHN)	Bulk-carrier transportation	-	-	100	Note 1
"	CMT Investment Co., Limited (CHI)	Investment	100	100	100	
"	Chinese Maritime Transport Ship Management (Hong Kong) Limited (CIM)	Investment management	100	100	100	
CMTI	CMTS	Investment holding of ship-owning companies	100	100	100	
"	China Champion Shipping Pte. Ltd. (CCMP)	Bulk-carrier transportation	-	-	100	Note 1
"	China Venture Shipping Pte. Ltd. (CVTR)	Bulk-carrier transportation	-	-	100	Note 1
"	China Ace Shipping Pte. Ltd. (CACE)	Bulk-carrier transportation	-	-	100	Note 1
"	China Vista Shipping Pte. Ltd. (CVST)	Bulk-carrier transportation	-	-	100	Note 1

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
CMTUK	China Peace Shipping Ltd. (CPC)	Bulk-carrier transportation	100	100	-	Note 1
"	China Progress Shipping Ltd. (CPG)	Bulk-carrier transportation	100	100	-	Note 1
"	China Pride Shipping Ltd. (CPD)	Bulk-carrier transportation	100	100	-	Note 1
"	China Pioneer Shipping Ltd. (CPN)	Bulk-carrier transportation	100	100	-	Note 1
"	China Trade Shipping Ltd. (CTD)	Bulk-carrier transportation	100	100	-	Note 1
"	China Triumph Shipping Ltd. (CTU)	Bulk-carrier transportation	100	100	-	Note 1
"	China Harmony Shipping Ltd. (CHM)	Bulk-carrier transportation	100	100	-	Note 1
"	China Honour Shipping Ltd. (CHN)	Bulk-carrier transportation	100	100	-	Note 1
"	China Fortune Shipping Pte. Ltd. (CFR)	Bulk-carrier transportation	100	100	-	Note 1
"	China Enterprise Shipping Pte. Ltd. (CEP)	Bulk-carrier transportation	100	100	-	Note 1
"	China Ace Shipping Pte. Ltd. (CACE)	Bulk-carrier transportation	100	100	-	Note 1
"	China Vista Shipping Pte. Ltd. (CVST)	Bulk-carrier transportation	100	100	-	Note 1
"	China Venture Shipping Pte. Ltd. (CVTR)	Bulk-carrier transportation	100	100	-	Note 1
"	China Champion Shipping Pte. Ltd. (CCMP)	Bulk-carrier transportation	100	100	-	Note 1
ATI	Chang Shun Transport Ltd. (CST)	Container trucking	100	100	100	
"	Huang Yuen Transport Ltd. (HYT)	Container trucking	28.57	28.57	28.57	
"	Mao Hwa Transport Ltd. (MHT)	Container trucking	27.59	27.59	27.59	
"	Prosperity Transport Ltd. (APT)	Container trucking	21.88	21.88	100	Note 2
"	Pioneer Transport Ltd. (PTL)	Container trucking	100	100	28	

Note 1: The Company had reorganized from October 2022 to December 2022 to transfer the shares of subsidiary from subsidiary CMTS, CMTHK and CMTI to subsidiary CMTUK.

Note 2: The Company and subsidiary ATI jointly hold 100% shareholding on APT. In October 2022, the Company subscribed for all shares of APT's cash capital increase, increasing its percentage of shareholding to 78.12%.

Note 3: Non-significant subsidiary, its financial statements have not been reviewed.

Note 4: Subsidiary incorporated in May 2022. The Company had increased \$629,280 of capital in August 2022.

(Continued)

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

(c) Employee benefits

The pension cost in the 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 measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. 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 tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be 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 the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In the preparation of this consolidated interim financial statements, the major sources of accounting assumptions, judgments and estimation uncertainty are consistent with note 5 of the annual consolidated financial statements for the year ended December 31, 2022.

(6) Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2022 consolidated financial statements. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2022.

(a) Cash and cash equivalents

	June 30, 2023	December 31, 2022	June 30, 2022
Petty cash, checking accounts and demand deposits	\$ 874,566	1,009,949	1,540,120
Time deposits	2,860,003	2,709,326	1,989,514
Cash equivalents-commercial papers and reverse repurchase agreements	423,184	269,879	104,727
	<u>\$ 4,157,753</u>	<u>3,989,154</u>	<u>3,634,361</u>

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

(Continued)

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

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

(i) Information was as follows:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Current financial assets mandatorily measured as at fair value through profit or loss:			
Non-derivative financial instrument			
Domestic listed stocks	\$ 416,114	314,678	435,886
Foreign fund	114,576	-	-
Non-current financial assets mandatorily measured as at fair value through profit or loss:			
Non-derivative financial instrument			
Domestic unlisted stocks	<u>15,537</u>	<u>15,537</u>	<u>20,352</u>
	<u>\$ 546,227</u>	<u>330,215</u>	<u>456,238</u>
Current	\$ 530,690	314,678	435,886
Non-current	<u>15,537</u>	<u>15,537</u>	<u>20,352</u>
	<u>\$ 546,227</u>	<u>330,215</u>	<u>456,238</u>

The Group newly purchased fund amounted to \$223,073 and disposed fund amounted to \$111,537, respectively, for the six months ended June 30, 2023. Moreover, the Group made no new investment for transaction purpose during the six months period ended June 30, 2023, while it disposed of stocks at the amount of \$508,461 during the six months ended June 30, 2022.

The gain or loss on financial assets at fair value through profit or loss for the three months ended and six months ended June 30, 2023 and 2022 were gain of \$32,456, loss of \$223,287, gain of \$102,334 and loss of \$202,285, respectively.

During the six months ended June 30, 2023 and 2022, the dividends of \$545 and \$78,204, respectively, related to investment at fair value through profit or loss, were recognized.

As of June 30, 2023, December 31 and June 30, 2022, the financial assets measured at fair value through profit or loss of the Group had been pledged as collateral, please refer to note (8).

- (ii) The Group has assessed that the domestic unlisted common shares are held within a business model whose objective is achieved by both collecting the contractual cash flows and by selling securities; therefore, they have been designated as debt investment and classified as financial assets mandatorily measured value through profit or loss.

(Continued)

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

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Equity investments at fair value through other comprehensive income			
Domestic listed stocks	\$ <u>969,598</u>	<u>669,355</u>	<u>812,855</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 \$294,953 during the six months ended June 30, 2023; the Group made no new strategic investment during the six months ended June 30, 2022.

There were no disposal of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments during the six months ended June 30, 2023 and 2022.

During the three months and six months ended June 30, 2023 and 2022, the Group had recognized unrealized gain or loss on financial assets at fair value through other comprehensive income of loss \$877, loss \$189,618, gain \$5,290 and gain \$36,748, respectively.

During the six months ended June 30, 2023 and 2022, the dividends of \$30,868 and \$48,507, respectively, related to equity investment at fair value through other comprehensive income were recognized.

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

(iii) As of June 30, 2023, December 31 and June 30, 2022, the financial assets measured at other comprehensive income of the Group had been pledged as collateral, please refer to note (8).

(d) Notes and accounts receivable

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Notes receivable	\$ 12,690	10,021	8,033
Accounts receivable	319,795	284,965	390,278
Less: Loss allowance	<u>(422)</u>	<u>(394)</u>	<u>(419)</u>
	<u>\$ 332,063</u>	<u>294,592</u>	<u>397,892</u>
Notes and accounts receivable, net	<u>\$ 324,826</u>	<u>279,731</u>	<u>385,736</u>
Accounts receivable due from related parties, net	<u>\$ 7,237</u>	<u>14,861</u>	<u>12,156</u>

(Continued)

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

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:

	June 30, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 314,246	-	-
1 to 30 days past due	11,632	-	-
30 to 180 days past due	6,607	6.39%	422
More than 180 days past due	-	-	-
	<u>\$ 332,485</u>		<u>422</u>
	December 31, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not overdue	\$ 274,945	-	-
1 to 30 days past due	13,559	-	-
30 to 180 days past due	6,482	6.08%	394
More than 180 days past due	-	-	-
	<u>\$ 294,986</u>		<u>394</u>
	June 30, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not current	\$ 377,818	-	-
1 to 30 days past due	12,295	1.92%	236
30 to 180 days past due	8,198	2.23%	183
More than 180 days past due	-	-	-
	<u>\$ 398,311</u>		<u>419</u>

(Continued)

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

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

	For the six months ended June 30,	
	2023	2022
Balance on January 1	\$ 394	261
Impairment losses recognized	28	158
Balance on June 30	<u>\$ 422</u>	<u>419</u>

The Group did not provide any aforementioned notes and accounts receivable as collaterals as of June 30, 2023, December 31 and June 30, 2022.

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:

	June 30, 2023	December 31, 2022	June 30, 2022
Associates	<u>\$ 653,012</u>	<u>635,606</u>	<u>611,430</u>

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

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Associates	<u>\$ 10,589</u>	<u>(1,356)</u>	<u>22,229</u>	<u>201</u>

(iii) Summarized financial information of individually insignificant associates

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

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amount of individually insignificant associates' equity	<u>\$ 653,012</u>	<u>635,606</u>	<u>611,430</u>

(Continued)

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

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Share of profit attributable to the Group:				
Profit from continuing operations	\$ 10,589	(1,356)	22,229	201
Other comprehensive income	15,057	23,169	9,597	43,242
Comprehensive income	<u>\$ 25,646</u>	<u>21,813</u>	<u>31,826</u>	<u>43,443</u>

(iv) Unreviewed financial statements of investments accounted for using equity method

Both the investments accounted for using equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(v) Pledges

As of June 30, 2023, December 31 and June 30, 2022, the Group did not provide investment accounted for using equity method as collateral.

(f) Property, plant and equipment

The movements of cost, depreciation and impairment of the property, plant and equipment of the Group were as follows:

	Land	Buildings and construction	Transportation equipment	Other equipment	Under construction	Total
		Land	Buildings and construction	Transportation equipment	Other equipment	
Cost or deemed cost:						
Balance on January 1, 2023	\$ 1,699,643	258,555	19,620,215	597,240	2,114,455	24,290,108
Additions	-	824	2,594,710	6,792	2,052	2,604,378
Disposals	(1,683)	(9,363)	(21,886)	(25,724)	-	(58,656)
Transfer in (out)	-	-	1,177,306	23,277	(1,131,920)	68,663
Effect of movements in exchange rates	-	493	333,781	-	8,087	342,361
Balance on June 30, 2023	<u>\$ 1,697,960</u>	<u>250,509</u>	<u>23,704,126</u>	<u>601,585</u>	<u>992,674</u>	<u>27,246,854</u>
Balance on January 1, 2022	\$ 1,699,643	193,245	17,549,045	622,199	955,610	21,019,742
Additions	-	18,824	95,989	36,148	360,529	511,490
Disposals	-	(11,228)	(14,856)	(78,117)	-	(104,201)
Reclassifications	-	-	(153)	153	-	-
Transfer in (out)	-	55,804	83,308	780	(86,544)	53,348
Effect of movements in exchange rates	-	2,339	1,237,872	-	76,241	1,316,452
Balance on June 30, 2022	<u>\$ 1,699,643</u>	<u>258,984</u>	<u>18,951,205</u>	<u>581,163</u>	<u>1,305,836</u>	<u>22,796,831</u>

(Continued)

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

	<u>Land</u>	<u>Buildings and construction</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Under construction</u>	<u>Total</u>
Depreciation and impairments loss:						
Balance on January 1, 2023	\$ -	98,126	10,009,861	306,679	-	10,414,666
Depreciation	-	9,163	476,319	23,317	-	508,799
Disposals	-	(9,363)	(18,308)	(25,036)	-	(52,707)
Effect of movements in exchange rates	-	131	139,553	-	-	139,684
Balance on June 30, 2023	<u>\$ -</u>	<u>98,057</u>	<u>10,607,425</u>	<u>304,960</u>	<u>-</u>	<u>11,010,442</u>
Balance on January 1, 2022	\$ -	104,006	8,318,553	336,120	-	8,758,679
Depreciation	-	8,630	410,400	20,843	-	439,873
Disposals	-	(6,028)	(7,120)	(68,939)	-	(82,087)
Reclassifications	-	-	(64)	64	-	-
Effect of movements in exchange rates	-	558	578,617	-	-	579,175
Balance on June 30, 2022	<u>\$ -</u>	<u>107,166</u>	<u>9,300,386</u>	<u>288,088</u>	<u>-</u>	<u>9,695,640</u>
Carrying amounts:						
Balance on January 1, 2023	<u>\$ 1,699,643</u>	<u>160,429</u>	<u>9,610,354</u>	<u>290,561</u>	<u>2,114,455</u>	<u>13,875,442</u>
Balance on June 30, 2023	<u>\$ 1,697,960</u>	<u>152,452</u>	<u>13,096,701</u>	<u>296,625</u>	<u>992,674</u>	<u>16,236,412</u>
Balance on June 30, 2022	<u>\$ 1,699,643</u>	<u>151,818</u>	<u>9,650,819</u>	<u>293,075</u>	<u>1,305,836</u>	<u>13,101,191</u>

- (i) The pledge information is summarized in note (8).
- (ii) The Group entered into two bulk-carrier construction contracts with the third parties on May 20 and October 22, 2021, respectively, four bulk-carriers in total. Two of the bulk-carriers were delivered in March and June, 2023, and transferred to transportation equipment. As of financial report date, the cost of the remaining two incurred totaled USD31,500 thousand (\$980,910 in thousand New Taiwan Dollars).
- (iii) The Group disposed of part of the property, plant and equipment during the six months ended June 30, 2023 and 2022 for \$12,233 and \$27,780, respectively, and the related gain of disposal were \$6,284 and \$5,666, respectively. The registration procedures of the assets transfer have been completed and related receivables have been collected. For the information of related-party transaction, please refer to note 7.
- (iv) The Group evaluated its transportation equipment for impairment, exercised impairment testing and recognized no impairment loss according to IFRS 36 “Impairments Non-Financial Asset”. The accumulated impairment loss was USD31,555 thousand (\$982,623, \$969,054 and 937,815 in thousand New Taiwan Dollars) as of June 30, 2023, December 31 and June 30, 2022, respectively.
- (v) The transportation equipment, bulk carriers that owned by the Group are leased to third parties under operating leases. The leases of bulk carriers contain an initial non-cancellable lease term of 1 to 3 years. For all bulk carrier leases, the rental income is fixed under the contract. For more information of operating leases, please refer to note 6(l).

(Continued)

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

(g) Right-of-use assets

The movements of cost and depreciation of the Group as a lessee were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Total</u>
Cost:			
Balance on January 1, 2023	\$ 243,217	78,813	322,030
Additions	-	40,454	40,454
Disposal	-	(24,207)	(24,207)
Balance on June 30, 2023	<u>243,217</u>	<u>95,060</u>	<u>338,277</u>
Balance on January 1, 2022 (equal to balance June 30, 2022)	<u>\$ 243,217</u>	<u>78,813</u>	<u>322,030</u>
Depreciation and impairment losses:			
Balance on January 1, 2023	\$ 96,016	60,611	156,627
Depreciation	17,380	7,921	25,301
Disposal	-	(24,207)	(24,207)
Balance on June 30, 2023	<u>\$ 113,396</u>	<u>44,325</u>	<u>157,721</u>
Balance on January 1, 2022	\$ 61,257	45,458	106,715
Depreciation	17,380	7,576	24,956
Balance on June 30, 2022	<u>\$ 78,637</u>	<u>53,034</u>	<u>131,671</u>
Carrying Amount:			
Balance on January 1, 2023	<u>\$ 147,201</u>	<u>18,202</u>	<u>165,403</u>
Balance on June 30, 2023	<u>\$ 129,821</u>	<u>50,735</u>	<u>180,556</u>
Balance on June 30, 2022	<u>\$ 164,580</u>	<u>25,779</u>	<u>190,359</u>

(h) Investment property

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

	<u>Owned property</u>		
	<u>Land</u>	<u>Building</u>	<u>Total</u>
Cost or deemed cost:			
Balance on January 1, 2023	\$ 19,094	25,674	44,768
Effect of movements in exchange rates	-	306	306
Balance on June 30, 2023	<u>\$ 19,094</u>	<u>25,980</u>	<u>45,074</u>
Balance on January 1, 2022	\$ 19,094	23,512	42,606
Effect of movements in exchange rates	-	1,454	1,454
Balance on June 30, 2022	<u>\$ 19,094</u>	<u>24,966</u>	<u>44,060</u>

(Continued)

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

	Owned property		
	Land	Building	Total
Depreciation and impairment losses:			
Balance on January 1, 2023	\$ -	9,921	9,921
Depreciation	-	256	256
Effect of movements in exchange rates	-	102	102
Balance on June 30, 2023	<u>\$ -</u>	<u>10,279</u>	<u>10,279</u>
Balance on January 1, 2022	\$ -	8,757	8,757
Depreciation	-	243	243
Effect of movements for exchange rates	-	443	443
Balance on June 30, 2022	<u>\$ -</u>	<u>9,443</u>	<u>9,443</u>
Carrying amount:			
Balance on January 1, 2023	<u>\$ 19,094</u>	<u>15,753</u>	<u>34,847</u>
Balance on June 30, 2023	<u>\$ 19,094</u>	<u>15,701</u>	<u>34,795</u>
Balance on June 30, 2022	<u>\$ 19,094</u>	<u>15,523</u>	<u>34,617</u>

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

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

There was no significant change in the fair value of investment property during the six months ended June 30, 2023 as disclosed in note 6(h) of the consolidated financial statements for the year ended December 31, 2022.

As of June 30, 2023, December 31 and June 30, 2022, the investment property of the Group was not pledged as collateral or restricted.

(Continued)

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

(i) Other financial assets

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
Restricted deposits	\$ 74,417	77,218	192,107
Time deposits (over three months)	31,316	25,072	24,361
Other receivables	11,892	29,314	5,969
Dividends receivable	14,420	-	94,400
Refundable deposits	7,914	8,514	7,656
Pledged assets-time deposits	<u>256,491</u>	<u>159,608</u>	<u>140,067</u>
	<u>\$ 396,450</u>	<u>299,726</u>	<u>464,560</u>
Other current financial assets	\$ 373,537	276,312	442,029
Other non-current financial assets	<u>22,913</u>	<u>23,414</u>	<u>22,531</u>
	<u>\$ 396,450</u>	<u>299,726</u>	<u>464,560</u>

The restricted time deposits are applicable to “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act” for the Group in 2022 and 2021. The restricted time deposits accounts are used for the purpose of offshore funds only.

As of June 30, 2023, December 31 and June 30, 2022, the Group provided other financial assets as collateral. Please refer to note (8).

(j) Loans

The Group’s details of loans were as follows:

(i) Short-term borrowings and commercial papers payable, net

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
Bank loans	\$ 1,930,000	1,500,000	850,000
Commercial papers payable	500,000	400,000	380,000
Less: discount on commercial papers payable	<u>(428)</u>	<u>(514)</u>	<u>(160)</u>
	<u>\$ 2,429,572</u>	<u>1,899,486</u>	<u>1,229,840</u>
Unused credit lines	<u>\$ 2,350,000</u>	<u>2,760,000</u>	<u>3,480,000</u>
Range of interest rate	<u>1.38%~2.248%</u>	<u>0.85%~1.97%</u>	<u>0.800%~1.600%</u>

(Continued)

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

(ii) Long-term borrowings

<u>Bank</u>	<u>Currency</u>	<u>Due Year</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Bank Sinopec	USD	2022	\$ -	-	399,325
Bank Sinopec	"	2027	369,113	409,518	444,986
BNP PARIBAS	"	2026	372,481	393,236	405,624
Mega International Commercial Bank	"	2026	326,970	368,520	401,220
Bank Sinopec	"	2026	325,426	366,779	-
CTBC Bank	"	2027	555,583	584,094	600,281
Mega International Commercial Bank	"	2027	569,862	595,467	608,666
Mega International Commercial Bank	"	2027	373,679	414,585	445,800
Mega International Commercial Bank	"	2033	1,274,560	-	-
Mega International Commercial Bank	"	2033	1,273,315	-	-
			5,440,989	3,132,199	3,305,902
Current portion			(753,970)	(876,584)	(896,996)
Total			<u>\$ 4,687,019</u>	<u>2,255,615</u>	<u>2,408,906</u>
Range of interest rates			<u>5.5%~6.975%</u>	<u>0.905%~6.336%</u>	<u>0.905%~3.198%</u>

(iii) Bonds Payable

The Company issued secured bonds at face value. The interest is calculated and paid annually from the date of issuance. The bonds payable were as follows:

	<u>Guarantee bank</u>	<u>Interest rate</u>	<u>Due</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
2020						
The first secured bonds payable	Shanghai Commercial Bank	0.64 %	August 2025	\$ 500,000	500,000	500,000
"	"	0.66 %	August 2025	500,000	500,000	500,000
"	Mega Bank	0.64 %	August 2025	1,000,000	1,000,000	1,000,000
"	"	0.66 %	August 2025	500,000	500,000	500,000
Total				<u>\$ 2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>

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

(Continued)

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

(k) Lease liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
Current	\$ <u>52,720</u>	<u>45,849</u>	<u>48,937</u>
Non-current	\$ <u>125,927</u>	<u>125,354</u>	<u>139,613</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 June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Interest expenses on lease liabilities	\$ <u>529</u>	<u>489</u>	<u>1,025</u>	<u>1,000</u>

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

	For the six months ended June 30,	
	2023	2022
Total cash outflow for leases	\$ <u>34,035</u>	<u>33,021</u>

As of June 30, 2023, the Group leases land and building for its parking space and warehouses. The leases of land typically run for period of 3 to 9 years, and of warehouses for 3 to 12 years.

(l) Operating lease

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

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

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

	June 30, 2023	December 31, 2022	June 30, 2022
Less than one year	\$ 1,218,685	1,061,229	1,186,540
Between one and five years	699,103	56,909	63,083
More than five years	<u>5,400</u>	-	-
Total undiscounted lease payments	\$ <u>1,923,188</u>	<u>1,118,138</u>	<u>1,249,623</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, 2022 and 2021.

The Group's pension costs were as follows:

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Cost of sales and operating expense	\$ <u>440</u>	<u>489</u>	<u>881</u>	<u>979</u>

(ii) Defined contribution plans

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

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Cost of sales and operating expense	\$ <u>3,406</u>	<u>3,422</u>	<u>6,899</u>	<u>6,673</u>

(n) Income taxes

(i) Tax expenses

The components of income tax were as follows:

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Current tax expense	\$ <u>46,848</u>	<u>10,035</u>	<u>58,293</u>	<u>45,998</u>

(ii) Assessment of tax

The income tax returns of the Company and its subsidiaries in the ROC for the years through 2021 had been examined and cleared by the tax authorities.

(o) Capital and other equities

Except for the following disclosures, there was no significant change for capital and other equity for the six months ended June 30, 2023 and 2022. For the related information, please refer to note 6(o) of the consolidated financial statements for the year ended December 31, 2022.

(Continued)

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

(i) Retained Earning

In accordance with the Company's Articles of Incorporation, net earnings should first be used to offset the prior years' deficits, if any, before paying any in income taxes, of the remaining balance, 10% is to be appropriated as legal reserve, and when there is a reduction in shareholders' equity at the end of the year, the Company should appropriate the same amount as special reserve from retained earnings. The remainder and the accumulated unappropriated earnings of prior years are distributable as dividends to shareholders. The distribution rate is based on the proposal of the Company's Board of Directors and should be approved in the shareholders' meeting.

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

1) Legal reserve

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

2) Special reserve

By choosing to apply the exemptions granted under IFRS 1 "First-time Adoption of International Financial Reporting Standards" during the Company's first-time adoption of the International Financial Reporting Standards approved by the Financial Supervisory Commission (IFRSs), unrealized revaluation gains recognized under shareholders' equity. The increase in retained earnings occurring before the adoption date, due to the first-time adoption of IFRSs, shall be reclassified as a special reserve during earnings distribution. The carrying amount of special reserve amounted to \$359,487 on June 30, 2023, December 31 and June 30, 2022.

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

3) Earnings distribution

The 2022 and 2021 earnings distributions to the ordinary shareholders were based on the resolutions of the annual stockholders' meeting held on June 9, 2023 and May 12, 2022, respectively, as follows:

	2022	2021
Dividends distributed to ordinary shareholders		
Cash	\$ 430,516	529,259

(Continued)

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

(ii) Other Equity (After tax)

	Exchange differences on translation of foreign financial Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2023	\$ (216,492)	263,360	46,868
The Group	159,709	5,290	164,999
Associates	<u>9,597</u>	<u>-</u>	<u>9,597</u>
Balance on June 30, 2023	<u>\$ (47,186)</u>	<u>268,650</u>	<u>221,464</u>
Balance on January 1, 2022	\$ (1,308,389)	373,621	(934,768)
The Group	691,598	36,748	728,346
Associates	<u>43,242</u>	<u>-</u>	<u>43,242</u>
Balance on June 30, 2022	<u>\$ (573,549)</u>	<u>410,369</u>	<u>(163,180)</u>

(p) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share for the six months ended June 30, 2023 and 2022 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 June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Profit attributable to ordinary shareholders of the Company	\$ <u>50,673</u>	<u>183,558</u>	<u>224,098</u>	<u>369,746</u>

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

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Weighted-average number of ordinary shares (basic)	<u>197,485</u>	<u>197,485</u>	<u>197,485</u>	<u>197,485</u>

(Continued)

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

3) Basic earnings per share (NTD)

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Basic earnings per share \$	0.25	0.93	1.13	1.87

(ii) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended June 30, 2023 and 2022 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 June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Profit attributable to ordinary shareholders of the Company	\$ 50,673	183,558	224,098	369,746

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

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Number of ordinary shares (basic)	197,485	197,485	197,485	197,485
Effect on the employee stock bonuses	21	56	73	177
Weighted-average number of ordinary shares (diluted)	197,506	197,541	197,558	197,662

3) Diluted earnings per share (NTD)

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Diluted earnings per share	\$ 0.25	0.93	1.13	1.87

(Continued)

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

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

		For the three months ended June 30, 2023			
		Inland trucking and terminal & logistics department	Shipping department	Others	Total
Primary geographical markets					
Asia	\$	408,597	1,753	5,973	416,323
America		-	52,495	-	52,495
Europe		-	356,388	-	356,388
Oceania		-	155,802	-	155,802
		<u>\$ 408,597</u>	<u>566,438</u>	<u>5,973</u>	<u>981,008</u>
		For the three months ended June 30, 2022			
		Inland trucking and terminal & logistics department	Shipping department	Others	Total
Primary geographical markets					
Asia	\$	467,482	-	10,277	477,759
America		-	82,517	-	82,517
Europe		-	424,199	-	424,199
Oceania		-	224,158	-	224,158
		<u>\$ 467,482</u>	<u>730,874</u>	<u>10,277</u>	<u>1,208,633</u>
		For the six months ended June 30, 2023			
		Inland trucking and terminal & logistics department	Shipping department	Others	Total
Primary geographical markets					
Asia	\$	800,682	1,753	18,887	821,322
America		-	103,696	-	103,696
Europe		-	672,723	-	672,723
Oceania		-	312,635	-	312,635
		<u>\$ 800,682</u>	<u>1,090,807</u>	<u>18,887</u>	<u>1,910,376</u>

(Continued)

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

	For the six months ended June 30, 2022			
	Inland trucking and terminal & logistics department	Shipping department	Others	Total
Primary geographical markets				
Asia	\$ 891,582	-	26,919	918,501
America	-	161,338	-	161,338
Europe	-	702,391	-	702,391
Oceania	-	433,078	-	433,078
	\$ 891,582	1,296,807	26,919	2,215,308

(ii) Contract balances

	June 30, 2023	December 31, 2022	June 30, 2022
Notes and accounts receivable (including related parties)	\$ 332,485	294,986	398,311
Less: allowance for impairment	(422)	(394)	(419)
Total	\$ 332,063	294,592	397,892
Contract liabilities	\$ 33,801	57,680	44,631

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

For the six months ended June 30, 2023 and 2022, revenue recognized that included in the contract liability balance at the beginning of the periods amounted to \$57,680 and \$55,217, 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 June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Bank loans	\$ 77,977	20,702	131,803	34,606
Bonds payable	8,176	8,361	16,353	18,375
Lease liabilities	529	489	1,025	1,000
	\$ 86,682	29,552	149,181	53,981

(Continued)

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

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

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

In accordance with the Company's articles of incorporation that amended before May 12, 2022, earnings shall first be used to offset against any deficit, then a range from 0.5% to 2% will be distributed as employee remuneration, and a maximum of 2% will be allocated as directors' and supervisors' remuneration.

In accordance with the Company's articles of incorporation that amended after May 12, 2022, earnings shall first be used to offset against any deficit, then a range from 0.5% to 2% will be distributed as employee remuneration, and a maximum of 2% will be allocated as directors' remuneration.

For the three months and six months ended June 30, 2023 and 2022, the Company recognized its employee remuneration of \$859, \$2,363, \$2,629 and \$4,006, respectively, and its directors' remuneration of \$859, \$2,363, \$2,629 and \$4,006, respectively. The employee and directors' remuneration were recorded as operation expenses and were estimated based on the net profit before tax, excluding the employee and directors' remuneration of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. If there is difference between the aforementioned distribution approved in the Board of Directors and the estimation, it will be deal with changes in accounting estimation, and will be recognized in profit or loss next year. If the Board of Directors resolves to pay remuneration to employees in shares, the number of shares of stock is calculated based on the closing price of the common stock on the day before the Board of Directors' resolution.

For the years ended December 31, 2022 and 2021, the Company recognized its employee compensation of \$8,077 and \$10,933, respectively, and its directors' and supervisors' remuneration of \$8,077 and \$10,933, respectively. There was no difference between the aforementioned distribution approved in the Board of Directors and the estimation in the 2022 and 2021 consolidated financial statements. Relative information is available on the TSE Market Observation Post System website.

(t) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of June 30, 2023 and 2022, the maximum amount exposed to credit risk amounted to \$6,402,091 and \$5,765,906, respectively.

The aggregation of sales to the Group's major customers exceeding 10% of the Group's total sales accounted for 55% and 38% of the total net sales for the six months ended June 30, 2023 and 2022, respectively. In order to reduce credit risk, the Group assesses the financial status of the customers and the possibility of collection of receivables in

(Continued)

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

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>
June 30, 2023					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 2,429,572	(2,463,335)	(2,463,335)	-	-
Long-term bank loans	5,440,989	(6,824,802)	(1,061,056)	(1,015,434)	(4,748,312)
Notes and accounts payable	178,204	(178,204)	(178,204)	-	-
Lease liabilities	178,647	(184,964)	(52,720)	(36,450)	(95,794)
Dividends payable	430,516	(430,516)	(430,516)	-	-
Bonds payable	2,500,000	(2,534,969)	(16,200)	(16,200)	(2,502,569)
Other payables	146,301	(146,301)	(146,301)	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	4,205	(4,205)	(904)	(305)	(2,996)
	<u>\$ 11,308,434</u>	<u>(12,767,296)</u>	<u>(4,349,236)</u>	<u>(1,068,389)</u>	<u>(7,349,671)</u>
December 31, 2022					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,899,486	(2,017,988)	(2,017,988)	-	-
Secured bank loans	3,132,199	(3,327,403)	(941,680)	(516,819)	(1,868,904)
Notes and accounts payable	172,157	(172,157)	(172,157)	-	-
Lease liabilities	171,203	(176,520)	(45,849)	(45,879)	(84,792)
Bonds payable	2,500,000	(2,546,319)	(19,450)	(16,200)	(2,510,669)
Other payables	174,668	(174,668)	(174,668)	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	4,001	(4,001)	(905)	(300)	(2,796)
	<u>\$ 8,053,714</u>	<u>(8,419,056)</u>	<u>(3,372,697)</u>	<u>(579,198)</u>	<u>(4,467,161)</u>

(Continued)

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>
June 30, 2022					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,229,840	(1,238,813)	(1,238,813)	-	-
Secured bank loans	3,305,902	(3,457,949)	(946,592)	(488,905)	(2,022,452)
Notes and accounts payable	192,361	(192,361)	(192,361)	-	-
Lease liabilities	188,550	(194,780)	(48,937)	(45,879)	(99,964)
Dividends payable	529,259	(529,259)	(529,259)	-	-
Bonds payable	2,500,000	(2,551,169)	(16,200)	(16,200)	(2,518,769)
Other payables	134,858	(134,858)	(134,858)	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	3,358	(3,358)	(425)	(300)	(2,633)
	<u>\$ 8,084,128</u>	<u>(8,302,547)</u>	<u>(3,107,445)</u>	<u>(551,284)</u>	<u>(4,643,818)</u>

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

(iii) Market risk

1) Exposure to foreign currency risk

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

	<u>June 30, 2023</u>			<u>December 31, 2022</u>			<u>June 30, 2022</u>		
	<u>Foreign currency (in thousand)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (in thousand)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (in thousand)</u>	<u>Exchange rate</u>	<u>NTD</u>
Financial assets									
Monetary items									
USD	\$ 11,406	USD/NTD =31.14	355,183	3,153	USD/NTD =30.71	96,817	9,601	USD/NTD =29.72	285,342

(iv) Interest rate analysis

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

	<u>Carrying amount</u>	
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Variable rate instruments:		
Financial assets	\$ 533,750	1,243,913
Financial liabilities	<u>(7,370,989)</u>	<u>(4,155,902)</u>
	<u>\$ (6,837,239)</u>	<u>(2,911,989)</u>

(Continued)

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

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

If the interest rate had increased or decreased by 0.25%, the profit before tax would have decreased or increased for the six months ended June 30, 2023 and 2022 as follows:

	For the six months ended June 30,	
	2023	2022
Increased 0.25%	\$ (8,547)	(3,640)
Decreased 0.25%	8,547	3,640

(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.

	June 30, 2023				
	Book Value	Fair Value			
	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	\$ 530,690	530,690	-	-	530,690
Non-derivative non-current financial assets mandatorily at fair value through profit or loss	<u>15,537</u>	-	-	15,537	<u>15,537</u>
	<u>546,227</u>				
Financial assets at fair value through other comprehensive income					
Domestic listed common stocks	<u>969,598</u>	969,598	-	-	969,598

(Continued)

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

	December 31, 2022				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	669,355	669,355	-	-	669,355
Financial assets measured at amortized cost					
Cash and cash equivalents	3,989,154	-	-	-	-
Restricted deposits	77,218	-	-	-	-
Time deposits (over three months)	25,072	-	-	-	-
Notes and accounts receivable (including related parties)	294,592	-	-	-	-
Other receivables	29,314	-	-	-	-
Guarantee deposits	8,514	-	-	-	-
Pledged assets-time deposits	159,608	-	-	-	-
	<u>4,583,472</u>				
Total	\$ <u>5,583,042</u>				
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 1,899,486	-	-	-	-
Long-term borrowings	3,132,199	-	-	-	-
Notes and accounts payable	172,157	-	-	-	-
Lease liabilities	171,203	-	-	-	-
Bonds payable	2,500,000	-	2,500,000	-	2,500,000
Accrued expenses and other payables (recorded as other payables)	174,668	-	-	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	4,001	-	-	-	-
Total	\$ <u>8,053,714</u>				
	June 30, 2022				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative current financial assets mandatorily at fair value through profit or loss	\$ 435,886	435,886	-	-	435,886
Non derivative non-current financial assets held for trading	20,352	-	-	20,352	20,352
	<u>456,238</u>				

(Continued)

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

	June 30, 2022				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	812,855	812,855	-	-	812,855
Financial assets measured at amortized cost					
Cash and cash equivalents	3,634,361	-	-	-	-
Restricted deposits	192,107	-	-	-	-
Time deposits (over three months)	24,361	-	-	-	-
Notes and accounts receivable (including related parties)	397,892	-	-	-	-
Dividends receivable	94,400	-	-	-	-
Other receivables	5,969	-	-	-	-
Guarantee deposits	7,656	-	-	-	-
Pledged assets-time deposits	140,067	-	-	-	-
	<u>4,496,813</u>				
Total	\$ 5,765,906				
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 1,229,840	-	-	-	-
Long-term borrowings	3,305,902	-	-	-	-
Notes and accounts payable	192,361	-	-	-	-
Lease liabilities	188,550	-	-	-	-
Dividends payable	529,259	-	-	-	-
Bonds payable	2,500,000	-	2,500,000	-	2,500,000
Accrued expenses and other payables (recorded as other current payables)	134,858	-	-	-	-
Guarantee deposits (recorded as other non-current liabilities, others)	3,358	-	-	-	-
	<u>3,358</u>				
Total	\$ 8,084,128				

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.

(Continued)

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

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

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

B. Derivative financial instruments

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

3) Transfers between Level and Level

There was no transfer of fair value hierarchy during the six months ended June 30, 2023; during the six months ended June 30, 2022 the Group's shares were transferred from Level 2 to Level 1 of the fair value hierarchy in the amount of \$559,741, due to the release of transfer restrictions on private placement of listed stocks.

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, 2023 (equal to balance on June 30, 2023)	<u>\$ 15,537</u>
Balance on January 1, 2023 (equal to balance on June 30, 2022)	<u>\$ 20,352</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, 2022.

(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, 2022. There were no significant changes of quantitative data of capital management compared with the consolidated financial statements for the year ended December 31, 2022. Please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2022.

(Continued)

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

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

The Group's investing activities which did not affect the current cash flow in the six months ended June 30, 2023 and 2022.

Reconciliations of liabilities arising from financing activities were as follows:

	<u>January 1, 2023</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>June 30, 2023</u>
			<u>Others</u>	<u>Foreign exchange movement</u>	
Short-term borrowings	\$ 1,899,486	530,086	-	-	2,429,572
Long-term borrowings	3,132,199	2,222,602	-	86,188	5,440,989
Bonds payable	2,500,000	-	-	-	2,500,000
Lease liabilities	171,203	(33,010)	40,454	-	178,647
Guarantee deposits (recorded as other non-current liabilities-others)	4,001	204	-	-	4,205
Total liabilities from financial activities	<u>\$ 7,706,889</u>	<u>2,719,882</u>	<u>40,454</u>	<u>86,188</u>	<u>10,553,413</u>

	<u>January 1, 2022</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>June 30, 2022</u>
			<u>Others</u>	<u>Foreign exchange movement</u>	
Short-term borrowings	\$ 1,459,781	(229,941)	-	-	1,229,840
Long-term borrowings	2,944,714	139,483	-	221,705	3,305,902
Bonds payable	2,900,000	(400,000)	-	-	2,500,000
Lease liabilities	220,571	(32,021)	-	-	188,550
Guarantee deposits (recorded as other non-current liabilities-others)	3,179	179	-	-	3,358
Total liabilities from financial activities	<u>\$ 7,528,245</u>	<u>(522,300)</u>	<u>-</u>	<u>221,705</u>	<u>7,227,650</u>

(7) Related-party transactions

(a) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
AGCMT Group Ltd.	The parent company
Associated International Inc. (AII)	The entity with significant influence over the Group
Associated Development Inc. (ADI)	A subsidiary of AII
CMT Development Inc. (CMD)	A subsidiary of AII
Associated International (Hong Kong) Ltd.	Substantial related party

(Continued)

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

(b) Significant related party transactions

(i) Freight revenue

The Group has no significant transaction amount with related parties.

(ii) Logistic and agent revenue

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

	Revenue				Accounts receivable- related-parties		
	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022	June 30, 2023	December 31, 2022	June 30, 2022
	The entity with significant influence over the Group	\$ 12,335	16,761	29,716	33,298	7,237	14,861

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

(iii) Operating expense

	Operating expense			
	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
The entity with significant influence over the Group	\$ 2,643	338	3,364	972
Others	2,117	2,030	4,212	3,968
	<u>\$ 4,760</u>	<u>2,368</u>	<u>7,576</u>	<u>4,940</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.

(iv) Disposal of property, plant and equipment

The disposals of land to related parties were as follows:

	Six month ended June 30, 2023	
	Disposal price	Gain (loss) on disposal
The entity with significant influence over the Group	\$ 1,730	47

(Continued)

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

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Short-term employee benefits	\$ 15,686	14,422	32,537	28,843
Post-employment benefits	156	178	367	363
	<u>\$ 15,842</u>	<u>14,600</u>	<u>32,904</u>	<u>29,206</u>

(8) Pledged assets

The carrying values of pledged assets were as follows:

Assets	Subject	June 30,	December	June 30,
		2023	31, 2022	2022
Financial assets at fair value through other comprehensive income – stocks	Commercial papers payable, short-term borrowings and credit lines	\$ 101,530	305,775	248,850
Financial assets at fair value through profit or loss – stocks	Short-term borrowings and credit lines	325,760	-	49,070
Property, plant and equipment – Land	Short-term borrowings and credit lines	899,336	899,336	899,336
Transportation and other equipment (including equipment prepayment)	Long-term borrowings, short-term borrowings and credit lines	11,291,754	7,826,779	7,850,823
Other current financial assets (pledged time deposits)	Long-term borrowings	241,491	144,708	125,192
Other non-current financial assets (refundable deposits and pledged time deposits)	Guarantee for contract payment, terminal deposits, short-term borrowings, transaction payment and import duty	22,914	23,414	22,531
		<u>\$12,882,785</u>	<u>9,200,012</u>	<u>9,195,802</u>

(9) Commitments and contingencies

- (a) The Group had issued guarantee promissory notes amounting to \$2,516,200, \$2,516,200 and \$5,647,160 as of June 30, 2023, December 31 and June 30, 2022, respectively, as guarantee for bonds payable.
- (b) As of June 30, 2023, the Group still had several long-term leases of its ships with customers in effect. The ending periods of the contracts are from July 2023 to October 2026.
- (c) The Group signed cape-type bulk carrier' construction contracts with a shipbuilding company in order to expand its business scale. The related information was as follows:

(Continued)

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

<u>Buyer</u>	<u>Signed Day</u>	<u>Total Price</u>	<u>Delivery Date</u>	<u>Price Paid</u>
CACE	October 22, 2021	\$1,961,820 (USD63,000 thousand)	December 2023 (Note 1)	490,455 (USD15,750 thousand)
CVST	October 22, 2021	\$1,961,820 (USD63,000 thousand)	April 2024 (Note 1)	490,455 (USD15,750 thousand)

Note 1: The estimated delivery date for shipbuilding contracts.

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

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other

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

By function	For the three months ended June 30, 2023			For the three months ended June 30, 2022		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By item						
Employee benefits						
Salary	138,861	59,344	198,205	127,374	62,037	189,411
Labor and health insurance	3,056	4,762	7,818	3,013	4,622	7,635
Pension	1,461	2,385	3,846	1,421	2,490	3,911
Others	7,848	1,471	9,319	1,175	2,630	3,805
Depreciation	274,541	7,447	281,988	217,259	25,020	242,279
Amortization	5	813	818	4	750	754

By function	For the six months ended June 30, 2023			For the six months ended June 30, 2022		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
By item						
Employee benefits						
Salary	271,452	123,300	394,752	245,421	128,605	374,026
Labor and health insurance	6,568	10,674	17,242	6,196	10,479	16,675
Pension	2,947	4,833	7,780	2,775	4,877	7,652
Others	14,246	2,988	17,234	2,795	5,353	8,148
Depreciation	519,559	14,797	534,356	434,929	30,143	465,072
Amortization	9	1,560	1,569	4	1,650	1,654

- (b) Seasonality of operation

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

(Continued)

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

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2023 (The amount was translated into NTD at the exchange rates as of the end of the financial reporting period):

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

No	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)	Note
													Item	Value			
1	CMTHK	CPN	Other receivables due from related parties	Y	237,287	237,287	237,287	-	2	-	Operating	-	-	-	10,068,663	10,068,663	Transactions in the left column had been eliminated during the preparation of consolidated financial statements
1	"	CTU	"	Y	347,211	347,211	347,211	-	2	-	"	-	-	-	10,068,663	10,068,663	"
1	"	CTD	"	Y	353,439	353,439	353,439	-	2	-	"	-	-	-	10,068,663	10,068,663	"
1	"	CPC	"	Y	217,980	217,980	217,980	-	2	-	"	-	-	-	10,068,663	10,068,663	"
1	"	CHM	"	Y	347,522	347,522	347,522	-	2	-	"	-	-	-	10,068,663	10,068,663	"
1	"	CHN	"	Y	155,700	155,700	155,700	-	2	-	"	-	-	-	10,068,663	10,068,663	"
1	"	CPG	"	Y	311,400	311,400	311,400	-	2	-	"	-	-	-	10,068,663	10,068,663	"
1	"	CFR	"	Y	77,850	77,850	77,850	5.14~5.81%	2	-	"	-	-	-	10,068,663	10,068,663	"
1	"	CVTR	"	Y	373,680	217,980	217,980	5.14~5.81%	2	-	"	-	-	-	10,068,663	10,068,663	"
1	"	CPS	"	Y	62,280	62,280	62,280	-	2	-	"	-	-	-	10,068,663	10,068,663	"
1	"	CMTUK	"	Y	6,570,540	6,570,540	6,570,540	-	2	-	"	-	-	-	10,068,663	10,068,663	"
1	"	CCMP	"	Y	373,680	217,980	217,980	5.14~5.81%	2	-	"	-	-	-	10,068,663	10,068,663	"
2	ATI	HYT	"	Y	20,000	20,000	-	1.20%	1	117,542	"	-	-	-	117,542	249,765	"
2	"	THE COMPANY	"	Y	85,000	85,000	85,000	1.20%	1	607,675	"	-	-	-	249,765	249,765	"
2	"	AGM	"	Y	50,000	50,000	-	1.20%	2	-	"	-	-	-	249,765	249,765	"
3	CPD	CMTHK	"	Y	373,680	373,680	373,680	-	2	-	"	-	-	-	1,305,608	1,305,608	"
4	CIM	CMTHK	"	Y	31,140	31,140	31,140	-	2	-	"	-	-	-	31,620	31,620	"
5	HIL	THE COMPANY	"	Y	30,000	-	-	1.20%	2	-	"	-	-	-	310,410	310,410	"
5	"	AGMI	"	Y	110,000	-	-	1.2%~1.85%	2	-	"	-	-	-	310,410	310,410	"
6	MHI	THE COMPANY	"	Y	30,000	-	-	1.20%	2	-	"	-	-	-	185,272	185,272	"
6	"	AGMI	"	Y	30,000	-	-	1.20%	2	-	"	-	-	-	185,272	185,272	"
7	CMTS	CMTI	"	Y	747,360	-	-	5.14~5.81%	2	-	"	-	-	-	567,882	567,882	"
7	"	CVTS	"	Y	196,182	196,182	196,182	5.14~5.81%	2	-	"	-	-	-	567,882	567,882	"
7	"	CACE	"	Y	196,182	196,182	196,182	5.14~5.81%	2	-	"	-	-	-	567,882	567,882	"
7	"	CFR	"	Y	52,938	52,938	52,938	5.14~5.81%	2	-	"	-	-	-	567,882	567,882	"

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

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

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

(Continued)

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

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1, Note 2, Note 3)	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	CPN	Sub-subsidiary	17,415,683	371,915	325,426	325,426	-	2.80 %	17,415,683	Y	N	N
0	"	CFR	Sub-subsidiary	17,415,683	415,252	369,113	369,113	-	3.18 %	17,415,683	Y	N	N
0	"	CCMP	Sub-subsidiary	17,415,683	1,821,690	-	-	-	- %	17,415,683	Y	N	N
0	"	CVTR	Sub-subsidiary	17,415,683	1,821,690	-	-	-	- %	17,415,683	Y	N	N
0	"	CACE	Sub-subsidiary	17,415,683	1,961,820	1,961,820	1,961,820	-	16.90 %	17,415,683	Y	N	N
0	"	CVST	Sub-subsidiary	17,415,683	1,961,820	1,961,820	1,961,820	-	16.90 %	17,415,683	Y	N	N
1	CMTHK	CEP	Subsidiary	15,102,995	592,283	555,583	555,583	-	4.79 %	15,102,995	N	N	N
1	"	CHM	Subsidiary	15,102,995	398,742	-	-	-	- %	15,102,995	N	N	N
1	"	CHN	Subsidiary	15,102,995	603,805	569,862	569,862	-	4.91 %	15,102,995	N	N	N
1	"	CTU	Subsidiary	15,102,995	373,680	326,970	326,970	-	2.82 %	15,102,995	N	N	N
1	"	CTD	Subsidiary	15,102,995	420,390	373,680	373,680	-	3.22 %	15,102,995	N	N	N
1	"	THE COMPANY	Parent company	15,102,995	4,048	4,048	1,048	-	0.04 %	15,102,995	N	Y	N
1	"	CCMP	Sub-subsidiary	15,102,995	1,275,183	-	-	-	- %	15,102,995	N	N	N
1	"	CVTR	Sub-subsidiary	15,102,995	1,275,183	-	-	-	- %	15,102,995	N	N	N
2	CMTUK	CHM	Subsidiary	7,947,880	372,481	372,481	372,481	-	3.21 %	7,947,880	N	N	N
2	"	CVTR	Subsidiary	7,947,880	1,274,560	1,274,560	1,274,560	-	10.98 %	7,947,880	N	N	N
2	"	CCMP	Subsidiary	7,947,880	1,275,183	1,273,315	1,273,315	-	10.97 %	7,947,880	N	N	N

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

Note 2 : CMTHK's total amount of external endorsements/ guarantees shall not exceed 1,000% 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 1,000% 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; for entity who has less than 80% voting shares and is owned directly by the Company shall not exceed 10% of the Company's net worth.

Note 3 : CMTUK's total amount of external endorsements/ guarantees shall not exceed 1,000% 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 1,000% 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; for entity who has less than 80% voting shares and is owned directly by the Company shall not exceed 10% of the Company's net worth.

Note 4 : The amount was translated into NTD at the exchange rates at the reporting date.

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance			Fair value / net value	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)		
THE COMPANY	Asia Pacific Emerging Industry Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	1,462	15,537	2.78 %	15,537	
HIL	China Container Terminal Corp.	-	Non-current financial assets at fair value through other comprehensive income	23,788	511,442	16.03 %	511,442	
"	Dimerco Express	-	Current financial assets at fair value through profit or loss	1,633	150,755	1.20 %	150,755	

(Continued)

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

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value / net value	
MHI	Dimerco Express	-	Current financial assets at fair value through profit or loss	2,875	265,359	2.11 %	265,359	
"	China Container Terminal Corp.	-	Non-current financial assets at fair value through other comprehensive income	5,610	120,615	3.78 %	120,615	
AGMI	Dimerco Express	-	Non-current financial assets at fair value through other comprehensive income	3,657	337,541	2.69 %	337,541	
CMTHK	JP Morgan Liquidity Fund	-	Current financial assets at fair value through profit or loss	3,650	114,576	-	114,576	

- (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	250,082	98 %	Depending on the demand for funding of subsidiaries	-		(160,554)	(100)%	Note 1
ATI	THE COMPANY	Subsidiary	Freight revenue	(250,082)	(46) %	"	-		160,554	58%	"

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

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
CMTHK	CTD	Subsidiary	353,439	Note 1	-		-	-	Note 2
"	CTU	Subsidiary	347,211	"	-		-	-	"
"	CHM	Subsidiary	347,522	"	-		-	-	"
"	CPC	Subsidiary	217,980	"	-		-	-	"
"	CHN	Subsidiary	155,700	"	-		-	-	"
"	CPG	Subsidiary	311,400	"	-		-	-	"
"	CPN	Subsidiary	237,287	"	-		-	-	"

(Continued)

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

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
CMTHK	CVTR	Subsidiary	217,980	Note 1	-		-	-	"
"	CCMP	Subsidiary	217,980	"	-		-	-	"
"	CMTUK	Fellow subsidiary	6,570,540	"	-		-	-	"
CMTS	CVST	Fellow subsidiary	196,182	"	-		-	-	"
"	CACE	Fellow subsidiary	196,182	"	-		-	-	"
ATI	THE COMPANY	Parent company	160,554	2	-		-	-	"
CPD	CMTHK	Parent company	373,680	Note 1	-		-	-	"

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

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

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
1	ATI	THE COMPANY	2	Operating revenues	250,082	Price depends on the market, and the receivables depend on funding demand in the credit period	13.09%
1	"	THE COMPANY	2	Accounts receivable	160,554	-	0.68%
2	CMTHK	CTD	3	Other receivable	353,439	-	1.49%
2	"	CTU	3	"	347,211	-	1.46%
2	"	CHM	3	"	347,522	-	1.47%
2	"	CPC	3	"	217,980	-	0.92%
2	"	CHN	3	"	155,700	-	0.66%
2	"	CPG	3	"	311,400	-	1.31%
2	"	CPN	3	"	237,287	-	1.00%
2	"	CVTR	3	"	217,980	-	0.92%
2	"	CCMP	3	"	217,980	-	0.92%
2	"	CMTUK	3	"	6,570,540	-	27.71%
3	CMTS	CVST	3	"	196,182	-	0.83%
3	"	CACE	3	"	196,182	-	0.83%
4	CPD	CMTHK	3	"	373,680	-	1.58%

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.

(Continued)

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

(b) Information on investees:

The following is the information on investees six months ended June 30, 2023:

Name of investor	Name of investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2023			Net Income		Note
				June 30, 2023	December 31, 2022	Shares (thousands)	Percentage of Ownership	Carrying Value	(Losses) of the Investee	Share of profits/losses of investee	
THE COMPANY	CMTHK	Hong Kong	Investment holding of ship-owning companies	34,356	34,356	12,000	100 %	10,068,663	13,151	13,151	Note 1, Note 4
"	CMTI	Singapore	"	585,272	585,272	21,000	100 %	705,270	12,513	12,513	"
"	CMTUK	United Kingdom	"	629,280	629,280	21	100 %	794,788	56,098	56,098	"
"	CMTL	Taiwan	Warehouse management	743,058	743,058	24,550	100 %	1,124,207	39,701	39,701	"
"	AGMI	"	Investment	300,000	41,000	30,000	100 %	340,257	(134)	(134)	"
"	HIL	"	"	400,000	400,000	40,000	100 %	776,027	61,907	61,907	"
"	MHI	"	"	271,300	271,300	37,130	100 %	463,180	72,208	72,208	"
"	ATI	"	Container trucking	500,000	500,000	50,000	100 %	624,414	31,222	31,222	"
"	TRV	"	Travel	20,000	20,000	2,000	100 %	2,750	(26)	(26)	"
"	TGEM	"	Bulk-carrier transportation	601,200	601,200	61,623	12 %	653,012	185,240	22,229	Note 2
"	AGM	"	Automobile and its parts manufacturing	202,880	62,880	210,000	70 %	154,562	(51)	(7,308)	Note 1, Note 4
"	HYT	"	Container trucking	75,000	75,000	7,500	71.43 %	84,968	3,340	2,386	"
"	MHT	"	"	78,750	78,750	7,875	72.41 %	97,517	8,154	5,904	"
"	APT	"	"	107,100	107,100	10,710	78.12 %	116,209	3,155	2,465	"
CMTHK	CPS	Hong Kong	Bulk-carrier transportation	62,280	62,280	2,000	100 %	64,749	1,713	Has been recognized as investment incomes (losses) by CMTHK	Note 1, Note 3, Note 4
"	CHT	"	Bulk-chartering services	311	311	10	100 %	5,733	42	"	"
"	CHI	"	Investment	311	311	0.1	100 %	(865)	(35)	"	"
"	CIM	"	Investment management	31,140	31,140	10	100 %	31,620	(43)	"	"
CMTI	CMTS	Singapore	Investment holding of ship-owning companies	534,051	1,527,261	22,417	100 %	567,882	24,853	Has been recognized as investment incomes (losses) by CMTI	"
CMTUK	CPG	Hong Kong	Bulk-carrier transportation	186,840	186,840	6,000	100 %	173,049	(24,501)	Has been recognized as investment incomes (losses) by CMTHK	"
"	CPC	"	"	171,270	171,270	5,500	100 %	183,019	5,484	"	"
"	CPN	"	"	747,360	747,360	240	100 %	680,221	(23,826)	"	"
"	CPD	"	"	1,307,880	1,307,880	420	100 %	1,305,608	39,329	"	"
"	CTD	"	"	404,820	404,820	13,000	100 %	405,013	42,230	"	"
"	CTU	"	"	404,820	404,820	13,000	100 %	387,338	(2,949)	"	"
"	CHM	"	"	467,100	467,100	150	100 %	462,211	21,080	"	"
"	CHN	"	"	467,100	467,100	150	100 %	463,232	57,582	"	"
"	CFR	Singapore	"	716,220	716,220	29,900	100 %	678,412	(22,965)	"	"
"	CEP	"	"	719,334	719,334	23,100	100 %	706,965	3,596	"	"
"	CCMP	"	"	395,478	395,478	12,700	100 %	372,771	(15,896)	"	"
"	CVTR	"	"	392,364	392,364	12,600	100 %	366,255	(16,873)	"	"
"	CACE	"	"	311,400	311,400	10,000	100 %	300,909	(7,782)	"	"
"	CVST	"	"	311,400	311,400	10,000	100 %	300,912	(7,782)	"	"
ATI	CST	Taiwan	Container trucking	86,642	86,642	8,200	100 %	93,671	(838)	Has been recognized as investment incomes (losses) by ATI	Note 1, Note 4
"	HYT	"	"	28,932	28,932	3,000	28.57 %	33,985	3,340	954	"
"	MHT	"	"	30,568	30,568	3,000	27.59 %	37,156	8,154	2,250	"
"	APT	"	"	30,719	30,719	3,000	21.88 %	32,548	3,155	690	"
"	PTL	"	"	30,000	30,000	3,000	100 %	27,509	(905)	Has been recognized as investment incomes (losses) by ATI	"

Note 1: Subsidiaries controlled by the parent company.

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

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

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

(Continued)

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

(c) Information on investment in mainland China: None

(d) Major shareholders:

Shareholder's Name	Shares	Percentage
Associated International Inc. (AII)	79,685,475	40.35 %
AGCMT Group Ltd.	49,421,297	25.02 %

(14) Segment information

(a) General information

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

(b) Reportable segment information

The amounts of the Group's reportable segments are the same as those in the report used by the chief operating decision maker. The accounting policies for the operating segments are the same as those in Note 4, which describe significant accounting policies. The Group's operating segments' income before tax was the foundation for the chief operating decision maker to evaluate performance. There was no transfer of revenue between segments.

The Group's segment information was as below:

	<u>Three months ended June 30, 2023</u>				
	<u>Inland trucking and terminal & logistics department</u>	<u>Shipping department</u>	<u>Others</u>	<u>Adjustments and eliminations</u>	<u>Total</u>
Revenue from external customers	\$ 408,597	566,438	5,973	-	981,008
Intersegment revenue	-	-	-	-	-
	<u>\$ 408,597</u>	<u>566,438</u>	<u>5,973</u>	<u>-</u>	<u>981,008</u>
Segment income before tax	<u>\$ 63,857</u>	<u>59,575</u>	<u>(8,762)</u>	<u>(30,831)</u>	<u>83,839</u>
Reportable segment assets					<u>\$ 23,709,312</u>

(Continued)

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

Three months ended June 30, 2022					
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 467,482	730,874	10,277	-	1,208,633
Intersegment revenue	-	-	-	-	-
	<u>\$ 467,482</u>	<u>730,874</u>	<u>10,277</u>	<u>-</u>	<u>1,208,633</u>
Segment income before tax	<u>\$ 60,215</u>	<u>299,449</u>	<u>8,992</u>	<u>(33,245)</u>	<u>335,411</u>
Reportable segment assets					<u>\$ 19,846,963</u>
Six months ended June 30, 2023					
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 800,682	1,090,807	18,887	-	1,910,376
Intersegment revenue	-	-	-	-	-
	<u>\$ 800,682</u>	<u>1,090,807</u>	<u>18,887</u>	<u>-</u>	<u>1,910,376</u>
Segment operating income	<u>\$ 119,676</u>	<u>148,896</u>	<u>(20,377)</u>	<u>(65,722)</u>	<u>182,473</u>
Reportable segment assets					<u>\$ 23,709,312</u>
Six months ended June 30, 2022					
	Inland trucking and terminal & logistics department	Shipping department	Others	Adjustments and eliminations	Total
Revenue from external customers	\$ 891,582	1,296,807	26,919	-	2,215,308
Intersegment revenue	-	-	-	-	-
	<u>\$ 891,582</u>	<u>1,296,807</u>	<u>26,919</u>	<u>-</u>	<u>2,215,308</u>
Segment operating income	<u>\$ 107,120</u>	<u>464,375</u>	<u>(2,639)</u>	<u>(66,906)</u>	<u>501,950</u>
Reportable segment assets					<u>\$ 19,846,963</u>